Chapter 9
Organizing peripheral workers in parcel delivery and postal services
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1. Introduction

As early as 2000, Michael Taylor and Alan Hallsworth noted that ‘in recent decades the speed of growth of companies in the courier service industry has been phenomenal. Here is an industry at the very heart of economic change and time-space compression – a business pivotal to globalization, supply chain management and e-commerce.’ (2000: 245)

Some fifteen years later, the courier service industry is a booming and dynamic business, as illustrated by this example: In January 2015, Deutsche Post-DHL announced it would be creating up to 20,000 new jobs for couriers by 2025 due to sustained growth in the parcel delivery business.¹ On the downside of this optimistic news however, these jobs go with low-wage contracts in newly founded subsidiary companies subject to a different and worse collective agreement than the contracts currently offered for this kind of work – resulting in wage cuts of 20%.

This is a striking example of sector boundaries – in this case the boundary between logistics and transport and the postal services sector – becoming increasingly blurred and markets for formerly separated products and services becoming integrated, thereby giving employers the opportunity to reduce costs, i.e. labour costs, by ‘shopping’ for the most convenient employment regulations on offer.

Logistics and delivery chains have undergone significant and rapid technological and organizational changes in the last three decades (Coe 2014). In an overview of research on the logistics sector in the US, Bonacich and Wilson (2008: 3) refer to developments in the sector as a ‘logistics revolution’, with power within value chains shifting from producers

to retailers. Fragmented and internationally dispersed production processes need smoothly operating logistics chains. This has led to technological logistics innovations such as containerization and intermodal transport. Online Shopping has changed consumer habits and boosted parcel delivery. At the same time, postal markets have been liberalized. This has resulted in formerly state-owned incumbents strategically expanding both internationally and into new business fields of the logistics sector, while the deregulated and liberalized postal market has become open for competitors from the courier industry and third-party logistics providers (Hallsworth and Taylor 1999; Hermann 2014).

Such developments have had strong repercussions on the business and employment relations found in these increasingly integrated markets for delivery, transport and logistics. Postal services as well as parcel and express services essentially thrive on a wide range of activities and business ties among multinational logistics groups, temporary employment agencies, franchise companies, subcontractors and ‘self-employed’ couriers – an environment providing very diverse labour and contracting relations for workers, and hence complicating their appropriate representation over all workplaces.

This contribution will discuss the challenges faced by unions, workers’ representatives and workers’ strategic collectives when coping with these various positions of labour in highly integrated delivery processes featuring fragmented layers of subcontracting. After a brief description of business and employment trends in the European postal and parcel delivery market, the contribution describes initiatives taken by unions to reach out to and represent peripheral workers and to support their local workplace struggles, highlighting key factors for successful interventions.

Despite a seemingly raise-to-the bottom trend in pay and working conditions in parcel delivery and courier services examples presented in this contribution show that workers’ struggles become effective and may reverse this trend when two strategies are combined. First, unions need to acknowledge and strategically take up the demands and spontaneous resistance of peripheral workers ‘at the bottom’ of global delivery chains. There is an urgent need for unions to find unconventional and targeted ways to approach self-employed couriers or couriers in subcontracted entities and to offer them support useful to them in their immediate work situation. Struggles happening ‘unlikely places’ can constitute starting points for workers and unions becoming more powerful
– and for regaining influence in the sector(s)’ bargaining disputes. Second, fighting for institutional re-embedding of employment conditions in terms of social protection, pay or employment contracts and of industrial relations can help re-establish a sectoral level playing field with respect to labour standards.

The contribution is based on findings from a sectoral study on parcel delivery as part of the logistics sector (‘Social Dialogue and Participation Strategies in the Global Delivery Industry: Challenging Precarious Employment Relations’\(^2\)). This study was carried out as part of a joint project between researchers and trade union representatives in Austria, Germany, Czechia and Hungary. Furthermore, findings from an assessment of the long-term consequences of the liberalization of postal services on employment and working conditions in Austria, Belgium, Germany, Greece, the Netherlands and Poland (Hermann 2014)\(^3\) were used. In addition, information came from the ITF/Uni Global Global Delivery Newsletter\(^4\) and press coverage on recent union initiatives.

2. **Major trends in employment and working conditions**

The postal service and parcel delivery market has undergone significant changes in the last decades. With the abolishment of post monopolies in the European Union competition between the active companies, i.e. the former state-owned incumbents and the new competitors, has intensified. In addition, European postal markets as such have become integrated, as seen not only in the increasing importance of cross-border mail and parcel delivery but also in the merging of different business fields: letter post, newspaper delivery, parcels, express services, as well as postal services, logistics and haulage more generally (Taylor and Hallsworth 2000: 243). As a result, former post monopolists compete with express service providers, forwarding companies, publishing houses and newspaper delivery networks, while in the second and third

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2. SODIPER 2011-2012; funded by the European Commission, DG Employment and Social Affairs VP/2010/001/0226; Partners: AT, GER, CZ, H, ETF/UniEuropa; focus on employment conditions on the fringes or the end of commodity chains in the global delivery industry.
3. PIQUE ‘Update’ Project 2013; based on EU research project 2006-2009; funded by the EC; privatization and impact on employment and working conditions; postal services one of 4 sectors; update 2013 for Austria, Belgium, Germany, Greece, Netherlands and Poland.
segment of the delivery chain hundreds of small companies and independent deliverers compete for contracts.

While European postal markets and the courier industry are converging, employment relations have become increasingly fragmented – not only between countries but also within countries (Hermann 2014; Sowers et al. 2014). This development poses great challenges to workers’ representatives, unions and unionizing strategies.

As a rule, the former monopolists in postal services in their respective home markets still provide the best employment conditions in the sector. However, faced with increasing competition from low-cost competitors, they have started to cut back the wages of newly hired workers and to make greater use of ‘mini-jobs’ which are partially exempt from employer social security contributions. New competitors in the letter market (letters, newspapers and bulk mail) mainly operate with self-employed deliverers paid by the number of items they deliver and also excluded from mandatory health and social security coverage (Hermann 2014).

While in the letter market self-employment is mostly used by new competitors, in parcel and express services self-employment seems to have become the norm rather than the exception. The parcel delivery sector in Europe is characterized by a fragmented and multi-layered structure involving several players including hauliers, postal service providers and van operators of different company sizes. A variety of business types are to be found in the sector, such as transnational third-party logistics service providers, subcontracting firms or self-employed drivers, and also temporary employment agencies can be found as employers in global transport and local delivery chains. A small number of global competitors are responsible for coordinating the supply chain and providing the international transport backbone and logistics; and some of them still employ couriers to carry out the operational business as such – the collection and delivery of parcels from and to customers as well as sorting. The majority however award contracts to ‘service partners’, medium- and small-sized enterprises and self-employed couriers. A recent investigation by Stiftung Warentest (December 2014) in Germany of the five leading parcel delivery providers, i.e. DHL-Deutsche Post, Hermes, DPD, GLS and UPS, showed that four of them operate exclusively or mainly with subcontractors to deliver the parcels. Only Deutsche Post-DHL has set a maximum on the number of delivery districts to be outsourced to subcontractors.
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The rationale behind subcontracting is to devolve risk, costs (infrastructure, means of production) and flexibility demands down the value chain. Contractors enter short-term contracts with subcontractors (cancellation periods of one month; payment per parcel irrespective of the ups and downs in business) and benefit from the imposed flexibility of their service partners. Subcontractors have hardly any organizationally substantial relationship to the third-party logistics service providers and are characterized by individualized and insecure work arrangements. Workers in each of the layers are integrated into the institutions of work regulation to differing extents (Haidinger et al. 2014).

As a result, unions and workers’ representatives active in the postal service and parcel delivery sector are confronted with a variety of employment situations ranging from self-employed status in a subcontracting chain to fairly stable yet differing employment conditions when working directly for a former incumbent in its home market or for a new competitor providing third-party logistics. Workers’ individual problems differ with regard to their employment status, their union and social security affiliation or to the consequences for their social status and earnings possibilities when they are migrant workers. These varieties of work and employment and the diversity of workers found in the sector pose tricky challenges for unions and unionizing strategies, highlighting the fact that union adherence to the past principles of vertical representation of their more or less homogenous constituencies and membership policies will not suffice. If unions remain stuck in their own organizational straitjacket, they will fail to adapt to the new challenges of this industry and to the specific needs of its workforce.

3. Sector challenges for unions and industrial relations

This section discusses how the challenges of covering peripheral workers – i.e. the self-employed, migrant workers, workers at non-unionized subcontractors or people working under labour contracts without collective bargaining coverage – in unions’ sectoral industrial relations and representation policies unfold in practice. In what follows I will explain how unions and workers’ collectives react to these challenges and what new and promising paths for achieving an improvement in working conditions are available.
3.1 Fragmented collective agreement coverage

Growing divisions among workers in the postal and parcel delivery sector are underpinned by increasingly fragmented collective bargaining structures. Findings from the SODIPER research project suggest that either the diversity of collective agreements (as in Austria or Germany) or employer unwillingness to engage in collective bargaining (as in Germany, Czechia and Hungary) have made it impossible for labour organizations to maintain uniform wage levels and working conditions for the postal and parcel delivery sector (Haidinger et al. 2014).

In Czechia and Hungary only the former monopolist companies are covered by the strong industrial relations traditions of the postal sector, while new competitors do not need to adhere to the same collective agreements but just conclude – if any – company agreements or individual contracts with their employees. In Germany and Austria, the quite comprehensive industrial relations systems are circumvented by the use of bogus self-employment. In addition, adherence to new and worse or no collective agreements (for example, van operators in Austria, logistics in Germany or transport in Czechia) is common when service providers set up subsidiaries or establish new job categories. In the Austrian postal and parcel delivery sector, as many as twelve different collective agreements – including agreements for the transport sector and for newspaper delivery – exist.

In Germany, Deutsche Post DHL very recently announced its intention to set up subsidiary companies (called ‘Delivery’) where newly hired couriers will be employed and covered by a different and worse collective agreement (logistics sector) than that covering the couriers now directly employed at Deutsche Post DHL (postal sector). In the Netherlands, wage cuts at the former monopolists were linked to the creation of a new job category, auxiliary or assistant deliverers, earning about 40% less than the former postbodes (postmen). Since 2007, all newly hired deliverers at Dutch Post have been employed as postbestellers (post deliverers), to the effect that 80% of delivery staff received the lower wage rate in 2012 (Hermann 2014: 27).

3.2 Circumventing regulations: the logic of subcontracting

Traditional forms of representation embedded in the national industrial relations system are obviously ineffective in this sector. In Germany, Czechia and Hungary most couriers employed by the new competitors or their subcontractors are either not subject to collective agreements or subject to ones worse than those of the former incumbents. In Austria, collective agreements are often either not adhered to or are circumvented by contracting out the delivery process to self-employed drivers. The lack of workers’ representation within the subcontracting companies has repercussions on de facto working conditions as, even when labour standards are established within collective agreements, compliance is neither guaranteed nor the rule. Regulations are simply ignored and not abided by. Therefore, when collective representation within a company is lacking, workers are individually responsible for the enforcement of minimum standards. However, in many cases workers do not know their rights or are intimidated by management when insisting on them.

Self-employed workers, who in some countries make up the major part of the workforce at the new competitors in postal services and parcel delivery, fall completely outside the bargaining system and are hardly represented by trade unions. Some unions are sceptical about the effectiveness of targeting the self-employed as a particular group due to organizational and financial constraints and because they do not regard the self-employed as their constituency. Others see a big and increasing potential in the self-employed. It is indispensable to access this group of workers as well – not only for ‘moral’ reasons but also to safeguard employment standards and to include them as workers deserving equal rights.

3.3 Vulnerability of peripheral workers

The peripheral workforce at the bottom of the parcel delivery chain and in the most competitive segments of the postal service sector such as newspaper and bulk mail delivery is bearing the main burden of adjustment, as reflected by the highly flexible employment relations. Often workers are recruited from vulnerable labour-market groups, such as migrants in Austria and the Netherlands or the long-term unemployed in Germany (Haidinger 2012; Holst and Singe 2011; Hermann 2014; information provided by FNV Transport en Logistiek).
In Austria, due to the restricted labour market access of third-country nationals and their subsequent difficulty in integrating into the Austrian labour market a substantial number of drivers with migrant backgrounds either work in a self-employed capacity or are (precariously) employed by small service providers. Often their formal vocational qualifications are much higher than what is required for working as a courier. Reasons for this momentary or already long-lasting de-skilling are manifold: language barriers, non-recognition of diplomas, having paused too long in the original profession, bridging a career gap with this job as a driver before changing to another job or before moving on to another destination country. The SODIPER research also showed that migrants without a work permit or having experienced discrimination in their former employment relationships often resort to working as a deliverer on a self-employed basis.

In border regions such as the Eastern part of Austria with borders to Slovakia or Hungary, postal services such as the delivery of bulk mail are carried out by workers commuting on a daily basis from these countries.

The – in some countries – significant presence of migrant workers or cross-border commuters poses additional challenges to unions, meaning that it is essential to address migrant workers in a comprehensible and supportive form and with tailored services. Comprehensibility not only must be taken into account with respect to language issues but also with respect to the particular understanding and interpretation of the national and the even more complicated cross-border system of workers’ rights and the regulation of social rights available to migrant workers.

4. Organizing peripheral workers in the subcontracting chain

This section provides examples of how to deal with the above-mentioned challenges and particular problems unions and peripheral workers are facing in this sector. It is noteworthy that while the vulnerability of integrated, time-sensitive logistics potentially provides workers with positional power, the fragmentation of employment and casualization of labour hamper the formation of associational power (Wright 2000). At the same time the liberalization and privatization of the formerly highly regulated postal sector and its convergence with the logistics and
transport sector seem to weaken and undermine the regulatory power safeguarding decent working conditions. What then are the success factors for organizing and improving employment standards? What are the unions’ strategies to reach out to and integrate peripheral workers in the postal and parcel delivery sector into their constituencies? What strategies directly target those working within these highly integrated delivery processes with at the same time fragmented layers of subcontracting? What political resources for re-regulating employment should be summoned to safeguard decent working conditions?

This section provides insights into three broad key factors and their real-world application in the postal and parcel delivery service that might help to answer these questions in a rather optimistic manner.

4.1 Targeted organizing in subcontracting firms

Local unions often have difficulties in gaining access to workers in outsourced links of the parcel delivery and postal services chain. Due to the combination of a flexible, integrated and centrally controlled delivery process and the markedly decentralized and often informal employment relations, traditional union methods of approaching workers via shop stewards are limited. Recruiting and organizing strategies focusing on more direct and targeted information and action for/with the couriers themselves turn out to be more successful.

One positive example in this respect was an organizing campaign initiated by the service and transport union vida (Austria) in 2010 to reach out to, inform and organize couriers working in subcontracting chains. One of the information instruments deployed to gain workers’ attention was the public announcement and propagation of an international solidarity campaign with Turkish UPS employees who had succeeded in setting up a union at that time. Since a good proportion of the couriers themselves have a Turkish background, they were positively affected by

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6. [http://www.vida.at/servlet/ContentServer?pagename=S03/Page/Index&n=S03_16.1.2.a&cid=1282637197673, see also State-of-the-Art-Union Report Austria, pp.13; for the international UPS campaign information can be found here: http://www.upsblog.org, accessed 27 April 2015. The international campaign was essentially driven and supported by Global Delivery Network, a joint initiative of Uni Global and the International Transport Workers Federation (ITF), http://www.itfglobal.org/en/cross-sectoral-work/supply-chain-logistics, accessed 27 April 2015.]
this obviously international attempt to get them sensitized to workers’ concerns and the purpose of unionizing. The aim of the campaign was to establish initial contact with subcontracted employees through personal conversations and by two larger-scale actions in front of the UPS headquarters and to learn something about the main problems they faced at work. They reported working hours of up to 12 hours a day and the non-payment of overtime. This direct confrontation with drivers showed that a good number of them were positive towards vida’s attempts to support them. However, some voiced their fear of being observed by their employers in their contacts with unions and consequently of being intimidated or even dismissed.

Another method used in this organizing attempt was the direct and naturally time-consuming contacting of couriers ‘on the road’. Many drivers work from dusk till dawn and do not have the time and energy to engage in organizing activities. Therefore, union activists did not ‘wait’ in their offices for their potential constituency to show up or call but accessed them at times the drivers had time to talk, for instance early in the morning, in the evening or virtually on the road, for example, at filling stations. Organizers’ experiences show that personal and pro-actively sustained and continuing contacts to peripheral workers are crucial success factors in building trustful relationships with a new constituency and in being taken seriously as an organizer and supporter.

4.2 Self-organization of peripheral workers and union support

Instead of being pro-actively approached by unions, more often than not self-employed couriers and peripheral workers are left to their own devices. When asked in the course of the SODIPER research project if they would appreciate a union’s or another organization’s active role in supporting them, most of them were interested but sceptical. This scepticism was, on the one hand, due to the unions’ previous absence from the field in all countries. On the other hand, many saw themselves trapped in the sector’s logic of subcontracted exploitation and were sceptical about effective strategies paving the way to decent working conditions.

Some were prepared to draw individual consequences from their unsatisfactory working situations, reporting their intention to quit soon. Only few drivers reported on industrial action and wildcat strikes leveraging couriers’ particular strategic position in the distribution process to avert
deterioration in working or payment conditions or to enforce entitlements. Nevertheless, such actions do exist:

In one instance, some 15 employees working for a third-party logistics subcontractor in Austria joined forces in early 2010 to set a deadline for payment of their outstanding Christmas bonus. The conflict was settled in favour of the workers after they threatened not to deliver the parcels before the deadline expired. In Hungary, workers organized their own wildcat strike to prevent a restructuring of couriers’ wages. In another case workers managed to convince their employers to introduce rotating night shifts scheduled in advance instead of imposing them involuntarily on other workers (‘We joined forces to have our concerns listened to.’) (Haidinger 2012: 43).

The study also came across cases of self-employed couriers joining forces against a subcontractor who had not paid self-employed workers in Austria. They decided to foreclose the subcontractor who was unwilling to pay and ‘eliminated’ him from the subcontracting chain. As a result, they struck a deal with the general contractor and took over the delivery districts previously assigned to the subcontractor.

These were examples of self-organization that succeeded without union support. However, self-organized initiatives can be opportunities for unions to leverage already existing unrest and organization, as shown by two examples from Germany and the Netherlands.

In Germany, DPD – a company bound to the collective agreement of the logistics sector – decided to outsource distribution and sorting at a particular centre to subcontractors, with the result that all employment contracts were successively transformed into contracts with much lower remuneration. When a court decision objected to this transfer, DPD reacted by dismissing the workers with wages paid for the next four months. During and after this period the 52 dismissed workers picketed the plant’s entrance on a 24-hour basis. While some of the colleagues accepted compensation payments, others decided to accept for the time being the subcontractor’s working conditions. At the same time, many of the workers joined the union ver.di, which reached an organization level of 85%. An elected works council then began negotiations on a new collective agreement very similar to that of DPD. These were successful from the workers’ point of view, with wages for centre workers increased by 40%. Consequently, the subcontractor had to charge DPD more for
its services – with the result that outsourcing no longer paid off for DPD. Eventually, all subcontracted workers were re-insourced (Molitor 2014: 18).

Experiences from the Dutch union FNV Transport en Logistiek suggest that union presence and support for the struggles of self-employed couriers have to be prepared very carefully. ‘Traditional’ union demands such as better social insurance and employment protection may not be fully shared by self-employed colleagues. Many work part-time and have different social backgrounds ranging from students to housewives, elderly people or workers with a migrant background, and therefore have different interests concerning labour and social protection claims.

First and foremost, higher piece rates topped the Dutch agenda, with the consensus of all workers. This goal was achieved by a collective strike against delivering parcels at the existing piece rates. The union tried to go beyond this demand by carefully collecting demands from rank-and-file workers, helping them to articulate, print and distribute them.

4.3 Re-regulating and ‘re-embedding’ couriers’ employment relations

Bottom-up organizing and effectively targeting a new constituency of sub-contracted and self-employed workers is one promising strategy for unions to embrace and support the most vulnerable workers along the delivery chain. And there is no alternative: unions have to learn from and listen to the demands of workers in their immediate situations of need and to support them in their struggles against exploitative contractors and employers. At the same time, these workplace-based struggles can act as a trigger for further-reaching claims influencing and improving working conditions in the sector as a whole.

As mentioned above, the re-regulation and improvement of employment standards for peripheral workers in the postal and parcel delivery sector is complicated by the fact that, on account of liberalization and market convergence, there is no longer a clearly defined sector that could be regulated. I refer in this section to two attempts to close loopholes for employers to circumvent labour regulations and to re-regulate employment standards in parcel delivery and postal services, even though they are sometimes little more than a ‘compromise’. Both try – one at sectoral
level drawing on the social dialogue power of industrial relations, the other one at the legislative level of labour law – to prevent and inhibit the use of self-employment and subcontracting in delivery chains.

4.4 Insourcing of self-employment through ‘adapting’ collective agreements

One example of the re-regulation of the postal sector involving the insourcing of self-employed couriers via adapting collective agreements again comes from Austria. (Haidinger 2012: 17-18) The Austrian Post acts as both a contractor and employer of couriers. ‘Parcel deliverers’ employed by the Austrian Post distribute 30% of the total parcel volume, 40% is delivered via regular postmen, while the rest (30%) is delivered through ‘service partners’ and subcontracted couriers. Between 2004 and 2009, the Austrian Post increasingly outsourced parcel delivery to service partners on cost grounds – a ‘red rag’ from the Postal Union’s point of view. This began with the awarding of contracts in peak times and was later extended to whole segments. A new collective agreement in 2009 was a cornerstone in regaining terrain in the market segment of parcel delivery, securing or even creating jobs though at the expense of deteriorated employment standards, as conceded by an interviewed works council member:

‘Due to the new collective agreement it is easier to recruit more personnel and at the same time remain competitive against hauliers (i.e. subcontractors). This means we are able to withstand them [hauliers]. However, we were not able to agree on a collective agreement as good as the old one. (...) The collective agreement constituted a trade-off, allowing the work [of parcel delivery] to stay within the Austrian Post. We really fought for this new labour regulation in order not to have the same bad working conditions as stipulated in the van drivers’ collective agreement. But all in all it is of course not as good as our old one.’ (Works Council Member, Austrian Post)

The new collective agreement was the result of hard negotiations with management. At the beginning of the discussions on a new collective agreement, the aim of the postal union was to conclude an agreement for the entire sector of parcel delivery. However, employer representatives, i.e. the Federal Economic Chamber, were strictly opposed to this proposal. Obviously, the social partners were unable to reach agreement on
a response to the converging markets of postal services, haulage, parcel delivery and logistics that would have established a level playing field with respect to labour standards.

4.5 Bogus self-employment and contractors’ liability

A major challenge for the re-regulation of the postal and parcel delivery sector is how to deal with self-employment. One positive example comes from the Netherlands. Up until 2008, new competitors in the Dutch letter market mainly used self-employed deliverers paid under piece rates with average hourly wages of 7 Euros or less, i.e. below the national minimum wage, and without pension and other social security rights or healthcare coverage. The FNV Bondgenoten trade union started a public campaign in 2007, publishing information on these working conditions and attracting considerable media attention. As a consequence, the social partners – with major intervention from the government – reached a compromise (set forth in a new government decree and a new collective agreement) after several rounds of negotiations under which new competitors had until the end of 2013 to convert 80% of existing contracts with deliverers into regular employee contracts. As a result of these conversions, deliverers working for new competitors now receive wages in line with the national minimum rates, i.e. enjoying a major wage increase (Van Klaveren 2013).

In these two examples, unions were strong enough to put pressure on employers, policymakers and legislators, demanding and enforcing minimum standards for workers in letter delivery. A number of countries such as Belgium and Austria have legislation against circumventing employment contracts via so-called ‘bogus’ self-employment contracts. In Belgium, for instance, very strict rules and checks are applied when registering as a self-employed worker with a view to uncovering bogus self-employment: people working solely for one contractor and therefore financially dependent on him cannot be labelled as ‘self-employed’ but are employees.

In Austria, similar regulations exist, though the checks are made afterwards. In the case of parcel delivery, almost anybody holding a driving licence can register as a courier with the Chamber of Commerce. There are no special checks required for registration. To trace bogus self-employment, social security institutions need to have reasonable doubt
about the self-employed status of a worker, or the courier himself must claim his rights as an employee. Every single case then has to be proven separately – a procedure requiring time and effort. Recently, there was a non-committal discussion on whether contractor liability for offences against national insurance law or labour law as introduced for the construction and cleaning industries should be extended to other industries. Such regulations already exist in the Netherlands where contractors such as large mail order companies have to adhere to minimum employment and social standards when awarding a contract to a third-party logistics provider. This implies greater responsibility for the cascade’s contractors to hire companies compliant with existing labour regulations.

5. Conclusions

Against the background of the liberalization and internationalization of parcel delivery and postal services, employment standards in these sectors have been upturned. As studies (e.g. Hermann 2014) on the employment consequences of the liberalization of the postal market have shown, not only have employment numbers declined throughout the sector. What is even more important is that atypical employment relations, such as ‘mini-jobs’ or self-employment, are gradually replacing regular full-time jobs. These not only provide less employment security, but also pay significantly lower wages. Competition and the pursuit of higher profits have also encouraged the former monopolists to cut wages for newly hired workers or workers employed as assistant mail deliverers, or to outsource whole business segments such as parcel delivery or distribution to subcontractors. New competitors in postal and parcel delivery services, often third-party logistics providers or former monopolists ‘from abroad’, generally offer poorer working conditions than the former domestic monopolists.

These findings suggest that increasing parts of the postal and parcel delivery sector are becoming low-wage segments where pay is barely more than the national minimum wage or even below it in the case of self-employment. Are peripheral workers gradually becoming the norm in this sector? This concluding section provides a summary of two key factors crucial for stopping this trend and re-balancing wages and working conditions: on the one hand, fighting for re-regulation and insourcing (or the prevention of outsourcing) can help re-establish a sectoral level playing field with respect to labour standards. On the other hand, unions
need to acknowledge and strategically take up the needs, demands and spontaneous resistance of peripheral workers in global delivery chains.

5.1 Struggles for re-regulation and insourcing

The chapter has provided a number of examples at local and national level in various European countries that have been successful in establishing new regulations for (parts of) the postal and parcel delivery sector. In Germany, the outsourcing of business segments at DPD to low-wage subcontractors was reversed after a long-lasting struggle carried out by the affected workers with the support of ver.di to raise wages at the subcontractor. Once outsourcing was no longer profitable, the services were again provided in-house. In the Dutch case of turning self-employed postal deliverers into employed ones with a guaranteed minimum wage, the Dutch government played an important role in urging for this regulation; it was by no means just a social partner agreement but was heavily influenced by government pressure. Again the Netherlands provide an example of strong government pressure when establishing contractor liability for parcel delivery, obliging contractors such as big mail order companies to adhere to minimum employment and social standards when awarding a contract to a third-party logistics provider. In the Austrian case, self-employed parcel delivery couriers under contract from the Austrian Post were insourced after several rounds of concession bargaining between the postal union and management.

A situation of current interest is the conflict between the German service sector union ver.di and Deutsche Post DHL. The latter is planning to outsource parcel delivery to its own subsidiaries, replacing part-time and short-term workers with full-time workers – though at a wage level 20% lower than before under another collective agreement that will be valid by then. Ver.di is protesting against this plan, accusing the company of circumventing the collective agreement (‘Tarifflucht’). It is threatening industrial action to thwart this scheme, should management stick to the plan.7

Re-regulation can happen and outsourcing can be prevented. Success factors seem to be a strong government commitment to decent labour standards in support of unions’ demands and /or a militant base of workers with the strength and endurance to follow their claims through.

5.2 Self-organized picketing by peripheral workers and unionizing

What this chapter has also shown is that instances of worker resistance can be found in unlikely places: highly individualized self-employed workers will take industrial action without any union support in order to raise piece rates, claim outstanding pay or profit from eliminating superfluous entities within the cascade of subcontractors. Nevertheless, such collective action remains problematic in a setting of high competition among workers and on account of the remoteness of those actually setting out the conditions under which people work in this sector: the transnational third-party logistics companies.

However, the examples mentioned indicate that under specific circumstances associational power can be gained relatively quickly even if this can be expected to remain transitory and local. Established workers’ representation institutions could provide associational power, yet they show high levels of inertia in adapting to new economic structures – though with exceptions as has been shown in this chapter. This not only limits the support they can provide to parcel delivery workers; it actually limits the spontaneous resistance of workers against their intolerable employment and working conditions. This also means that institutional and organizational adaptation may greatly enhance workers’ associational power and thus better position them to take advantage of the fact that the logistics processes are not only inherently vulnerable but also economically crucial for entire global production networks spanning a range of business processes and sectors.

One main lesson learned from these examples is the need to find appropriate, unconventional and targeted ways to approach couriers and to offer them support useful to them in their immediate work situation and disputes. Struggles exist in unlikely places, and these have to be taken seriously as they can constitute starting points for further organizing and winning members – and for re-regulating the sector(s) for the better from a peripheral worker’s point of view.
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