

**SAFETY AND HEALTH-PROTECTION  
IN THE HAULAGE INDUSTRY**

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## 1 Aims and Introduction

The questions to be asked and the procedure to be followed to determine shortcomings with regard to safety and health protection in the haulage industry are derived from wider-ranging problems in the overall haulage, logistics and transport sectors.

The following execution is based on an intensive study of practices specific to the haulage, logistics and transport sectors, in order of the Federal Institute for Occupational Safety and Health (FIOSH), Germany (Project F1980, Duration 2003 - 2005).

The contribution that can be made by the relevant laws, decrees and directives on safety and health protection for those actively involved in the haulage industry is by no means being exhausted although their stricter application, adherence and monitoring can considerably improve the situation.

If one takes a closer look at the structure of companies operating in the haulage and transport industry, the trend away from large transport companies towards small and very small companies continues unbroken. In 2002, 50% of transport companies fell into this size category. These companies are not in a position to even begin to fulfill the statutory safety and health-protection requirements and these are quite simply ignored. The consequence of this is that the drivers working in these companies or one-driver entrepreneurs see safety and health protection as an abstract value which is at best perceived when the effects of overtiredness or tension become evident, which are then dealt with using suitable means on an individual basis.

The success of making those actively involved in transport work sensitive to preventive safety and health protection will depend on the extent to which the client ordering transport services is prepared to take adequate account of safety and health protection as a quality criterion for a transport service when pricing this service.

In the transport industry the statutory safety and health standards are viewed as obstacles to competition which, if avoided, result in considerable improvements in earnings, impressively illustrated by the Prognos study (2003) "Quantifizierung der Nicht-Einhaltung von Sozial- und Sicherheitsvorschriften auf der Strasse - Quantification of non-observance of social and safety regulations on roads"<sup>1</sup>.

For this reason it is important is to take a look at the preventive possibilities already existing for social monitoring and support systems affecting safety and health protection. Within the framework of weighing up safety and health protection in the haulage industry, two aspects of the safety and health system are of interest:

- What strategies do those directly involved adopt on their own initiative?
- Where is it possible to find starting points for improving safety and health protection with a view to establishing a preventive company health policy in the transport industry against the backdrop of current economic and political conditions?

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<sup>1</sup> Prognos AG: Quantifizierung der Nicht-Einhaltung von Sozial- und Sicherheitsvorschriften auf der Strasse, Basel, 2003

## 1 Methods, Notes on the situation of the haulage industry in Germany

In the past decade the haulage industry, with its traditional warehousing, distribution, goods-processing and transport sectors, has largely become integrated in the newly developing logistics sector. However, the traditional tasks and special qualifications in a haulage company are no longer sufficient for the complex logistical tasks.

Although logistics companies still perform haulage work, e.g. goods distribution, their range of tasks has expanded considerably. The trend is thus increasingly to assume value-enhancing production tasks:

- they are integrated in the industrial production process of industrial customers, e.g. in the automobile sector (e.g. BLG - Daimler-Chrysler) and deliver pre-products directly “to the assembly line”.
- they design and control the goods flow for department stores (supply chain management),
- they distribute close to the customer (e.g. Otto-Versand - Hermes or BLG - Tchibo),
- they supply and fill department store shelves (e.g. Metro - DPD) or
- they assemble complex medical-technical systems, e.g. resonance imaging units for Philips by UPS.

It can be observed that, as a result of processes of rationalisation in industrial production and global trade - made possible by I&C technologies such as the Internet and satellite communication - global competition takes place via virtual networks, which are dissolved once a customer’s requirements have been fulfilled and are re-formed in a different constellation to deal with another customer’s needs.

Logistics companies are ideal for such services because they are the ones that not only physically move the goods, but also monitor and control the network processes. In order for these processes to work trouble-free within a supply chain organisation those controlling the processes need highly qualified transport staff.

Although the actual transport task is still the most important one within the supply chain, it is also one of the few tasks that can be handled with relatively simply basic qualifications. Here the logistics sector has found its largest rationalisation potential, not least because the transport sector represents the largest individual cost factor as a result of the large workforce needed.

The following rationalisation strategies have been observed:

- using subcontractors (outsourcing)
- precarisation of transport work (reducing wages, increasing working hours)

The outsourcing strategies of the transport industry have meant that the transport sector - especially the group of small and very small companies (“one-driver companies”) - has “atomized” transport vehicles in the category up to 7,5 t.

These “independent sole proprietorships” rarely manage to earn enough to cover costs. Self-exploitation while circumventing the relevant laws and directives (safety and health protection) are the rule. These independent companies are extremely difficult for the national supervisory authorities and trade associations to reach.

Even if the transport workers (drivers) are employed, they are subject to the same conditions of use, but have the considerable advantage of working in a company which has to observe the relevant laws and directives, has a company safety and health-protection management scheme, employee representatives (works council) and can be fined for infringing laws.

## **2 Results**

### **3.1 Safety and health protection in practice**

Of the 26 largest providers of transport and logistics services covering the German logistics market and participating in global network competition, only three companies still transport using their own vehicles and their own staff exclusively. The vast majority has its own fleet as well as obtaining additional transport capacity from subcontractors (14 companies); seven companies offer their transport services using subcontractors only. According to logistics companies this is the future trend.

This has considerably consequences for health and safety protection. In principle, the provisions, laws and directives relating to safety, labour and health protection apply for all companies operating in the haulage and transport industry (also for the individual driver running his own one-man company). However, implementation of the statutory requirements in the - mostly very small -companies, is extremely difficult as - unlike the large companies - they do not have a company safety and health-protection organisation.

The situation is made even more difficult by the fact that the small and very small companies have a contract with their customers, who insist on adherence to safety and health-protection standards and concrete quality standards. As a rule, only failure to observe delivery deadlines results in punishment in the form of a fine.

The subcontractors neglect the safety and health regulations with tight route schedules and delivery dates in order to keep their earnings within economic limits. For small companies as a rule this can only be achieved by accepting precarious work.

Logistics companies, which operate globally in virtual network competition, impose their own codes of conduct, in which they undertake to observe the relevant laws, rules and directives for the protection of employees as they apply in individual countries.

Precise criteria are defined for the treatment of goods to ensure a standard product quality within a network, and failure to observe these (missing deadlines, damage, etc.) results in substantial fines for the party responsible.

It is customary for safety and health-protection criteria to be formulated in corporate philosophies in the form of declarations of intent, but these are always monitored via the national authorities of the companies participating in the virtual network.

As these virtual global networks frequently only exist for a short time and are dissolved once a customer's requirements have been fulfilled, monitoring by the supervisory institutions of the individual countries is very difficult to implement. Safety and health protection in the transport industry is an important factor for the well being of the human resources involved, but difficult to implement in practice.

### **3.2 Analysis of the safety and health-protection conditions for drivers working in the haulage/ logistics sector**

In the large companies operating in the haulage and logistics industry (global corporations supported by groups) a company personnel policy geared to employees - in the form of co-determination rules of the Labour-Management Relations Act - has created the prerequisites for partner-like cooperation in corporate safety and health protection. However, it has been observed that in the haulage sector studied the in-company possibilities for constructive and forward-looking personnel and health policy activities are taken insufficient advantage of.

There are many reasons for this: The high-tech logistics sector (which globally organises and controls flows of goods with the support of innovative I&C technologies, networks decentralised virtual production processes and optimally supports commercial companies in line with customer and demand requirements) optimises its individual commercial results by means of outsourcing strategies in the physical transport of goods, i.e. by engaging subcontractors.

The transport sector is organised along the lines of SMEs. There were 97,000 transport companies operating in Germany in 2003. 56% of these companies had up to 5 employees, 31% up to 19 employees and only 13% of companies employed an average of 80 persons. <sup>2</sup>

The small and very small companies are mainly bound by contract as subcontractors to the few large companies in the sector on very clear conditions with regard to transport quality and price timing. The majority of these transporters are individual drivers, operating vehicles between 2.8 and 3.5 t and between 3.5 and 7.5 t, working on the basis of wage structures with a tendency to precarious payment terms.

These companies are not in a position to develop safety and health models and implement them in their companies. Surveys among individual selected transport companies and discussions with sole proprietors have shown that the general statutory safety and health-protection laws are inadequately known or not known at all.

In order to improve active and passive safety there are a large number of technical solutions in and on transport vehicles (trucks) that are able to drastically reduced accidents involving drivers. These may be technical improvements in the vehicles, using integrated easy-to-handle securing systems, organisational-technical

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<sup>2</sup> BAG USTAT, Cologne 2004

improvements, such technical monitoring systems as speed controllers or systems to record driving times, etc. In any case, external monitoring activities on the part of the police, financial regulatory bodies (customs), Bundesamt für Güterverkehr (BAG), are helpful. Taken altogether, all these measures are extremely efficient with regard to (transport) safety and result in a decrease in accident figures.

The need for statutory (preventive) health protection has yet to be recognised in the sector. The ideology of the “tough guy” prevails in the sector, enjoying his “free wheeling”, solving any problematic transport problems that occur with ease and accepting full responsibility for them as a matter of course. Health protection is regarded a “nanny state interference” and a “restriction of corporate freedom”.

The effects of this “ideology of freedom” are interesting if one looks at the diagnoses when drivers are written off sick. HSFG has analysed the data from the BKK-Bundesverbandes 2003<sup>3</sup> The greater part of illnesses recorded (excluding influenza infections) relate to “psycho-social anomalies” with an extremely long period of illness per patient. Here we must assume that unofficial figures are much higher as the health insurance funds only cover the smaller group of drivers, employed drivers, whereas by far the larger number of drivers work for themselves and are not obliged to be covered by health insurance.

The following reasons were given by the drivers as to why they ignore existing safety and health-protection rules: “Putting my seat belt on makes my work more difficult”, “I’ll take that order too, I still have some space at the back“, even if the truck is already overloaded, “I’ll make the deadline, I still feel fine” even when the prescribed driving times have already long been exceeded by skipping the prescribed rest times or vehicles are simply exchanged, etc., and these confirm our analysis. Drivers are generally aware of the strains and stresses. Ultimately supported by the special attention of the media to the job of “trucker”, it nevertheless still has positive connotations. Health problems are individualised and seen as the responsibility of the individual driver.

It can be noted that the aims of a corporate safety and health-protection policy as pursued to date are largely reactive in nature. Even if this still prevailing culture of repair and compensation is gradually changing <sup>4</sup> the fact is that for all those involved (companies in the haulage and transport industry, industrial associations, trade supervisory authorities, trade associations, social security funds, health insurance funds, etc.) and the state as the body responsible for directives and laws with the corresponding supervisory authorities), a culture of preventive problem avoidance and taking advantage of health-promoting opportunities is still largely in its infancy.

In particular, the complex network of parties outside of companies should be reviewed and reorganised. On the one hand, there is no clear definition of responsibility and on the other there is no continuous, problem-oriented cooperation - especially on the part of the social security funds. The aims and tasks of government supervisory authorities should be reviewed. The scope given to companies to initiate their own in-company responsibility must be supported by a permanent debate.

<sup>3</sup> BKK: Gesundheitsreport 2003, Essen, 2004

<sup>4</sup> Bieneck, H.J., Das Arbeitssicherheitsgesetz – ein Gesetz im Wandel der Zeit, nicht publizierter Vortragstext aus dem Jahr 2004

The new rules on labour protection give company the choice of means to do this. In the companies we asked (works council, dispatch controllers and drivers) their “own” responsibility for safety and health protection is largely unknown or this “freedom” results in considerable disruptions of behaviour - resulting in corporate labour protection being ignored - as confirmed by the press spokesman of the “Berlin District Authority for Labour Protection, Health Protection and Technical Safety” in an interview with the Berliner Zeitung: ....“many companies are simply overwhelmed by these new freedoms. They prefer concrete conditions!”<sup>5</sup>

The principal task must be to strengthen corporate health reporting, especially in small and medium-sized companies (SMEs), and to intensify the exchange of ideas between supporters of preventive safety and health protection and (scientific advisors?) and those involved in day-to-day practice. Instead of one-sided disciplinary measures geared to particular groups of jobs, there should be problem-related cooperation with those responsible in the company.

In this connection the efforts undertaken by the Berufsgenossenschaft Fahrzeughaltung (BFG) to build up a “networker” system for the transport industry and the small companies it comprises, using so-called moderators, who are themselves small or one-driver companies, and to remind these small or one-driver companies of the need for individual (preventive) health protection and to support them when necessary are worthy of note.

## **1 Conclusions**

### **Modernisation of corporate and supra-corporate labour and health protection**

The physical risks, typical job-related illnesses and accidents at work in the transport sector will also have to be monitored in the future although the focus of in-company safety and health-protection activities will move to the psychological and social risks, as well as the as well as the future psychological and physical well-being of, of the drivers. A sense of well being and good health should be at the centre of interest of employees, employee representatives, management and company safety and health-protection experts as a high level of long-term commercial efficiency can only be maintained and improved if the integration and sense of responsibility of employees is encouraged and modern safety and health management is given high priority.

In-company safety and health policy currently only has a low priority with all those involved in transport companies - and this is typical of the whole transport sector. In nearly all cases, the haulage and forwarding industry must be put in a position to implement a modern in-company safety and health policy and especially the small and mid-sized companies need particular support as a result of their integration in logistic systems where time is a critical factor.

Here it is important that this should take the form of providing qualifications and exchanging examples of “best practice”. According to our research in the sector, such a package of measures alone is not sufficient to awaken interest in a comprehensive safety and health-protection culture in companies. Financial

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<sup>5</sup> Berliner Zeitung, No. 62, dated 15 March 2005, p. 23

incentives would constitute a good “lever” to activate in-company safety and health policy.

If one is to allow for those pathogenic and salutogenic factors that influence well-being, safety and health, it is necessary to view the company as a whole. This covers management, structure, process organisation, corporate culture, social relations and no longer simply working conditions, work content and technical equipment. In addition to the man-machine interface, the man-man interface will become a focus of development in the company.

Companies must undertake to run a healthy organisation, making use of modern in-company safety and health-protection management<sup>6</sup>. The aims of an innovative safety management system (SMS) fulfill the expectations of customers, shareholders and employees.

In the past, the focus of in-company personnel policy in reacting to changes in underlying conditions was:

- “substitution using technology”
- “slimming down via outsourcing” and
- “rejuvenation of staff by means of a “creative” personnel policy”.

There are some signs of a forward-looking, staff-oriented approach to modern safety and health-protection policy in the companies in the transport sector, but these are not widespread. These beginnings are accepted by a very limited number of employers, trade unions and employees. In spite of a proven increase in health risks and hazards for employees, this situation is not likely to change significantly without considerable efforts on the part of the companies.

An in-company safety and health policy requires close cooperation between company management and employee representatives. In the haulage and transport sector this demand seems quite anachronistic: on the one hand the special nature of the sector, with its predominantly small companies, has to be taken into account: which small or one-driver company has its own works council? Or, if one looks at the trend towards globalisation, where do the globally operating parties from this sector meet? In competition on the world markets as a rule by forming virtual companies, which are dissolved once an order has been dealt with and are revived in a different form with different parties involved for a new order.

In forming a virtual transport company the global players make use of the many transport companies in the goods-transport sector with the aid of suitable IT-supported control strategies. Although virtual companies have a clear economic target and a defined, responsible management to control the productive processes within the virtual system, due to the limited range of standardised systems of rules for safety and health protection they cannot be obliged to implement these.

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<sup>6</sup> Lange, J., u.a., Gesundheitsschutzkonzepte für kleine mittlere Hafenbetriebe beim Auto- und Massengutumschlag, Dortmund/Berlin, 2002

The responsibility for the safety and health protection of those actively involved in virtual companies must lie with the “controllers” as they are the value-adding companies in the virtual network.

As is the case for the responsibility of the works council for the labour-protection and labour-safety matters relating to an “outside labourer” who is involved in company production processes (BetrVG) and is also entitled to participate in works council elections, the works council should also take care of the requirements regarding safety and health protection of those working for virtual companies. The reality in companies currently looks very different from this vision: the companies and works councils do not see themselves always as partners and it is not accepted as self-evident by those responsible in companies that works councils are their co-managers. It is not always sufficiently recognised that safety and health protection is a classical task of the works councils. Entrepreneurs often regard this as an irksome duty. The need for innovative in-company safety and health management and the opportunities this offers are frequently not seen or taken seriously.

The change in the focus of in-company safety and health-protection policy to the companies and service organisations in the wake of decentralisation and more individual responsibility presents the individual companies with new challenges.

The same applies for the supra-company bodies, the health insurance funds, the trade associations, the pension funds, the associations and the state. The tasks to be performed, aspects taken for granted and behaviour patterns must be reviewed and re-adjusted - although this does not seem possible without a valid analysis of the actual situation (strengths, weaknesses, need for development). Cooperation between these supra-company bodies with regard to companies must be significantly improved while clearly defining the respective areas of responsibility. The first developments in this direction in the transport sector can be observed among the health insurance funds and the Berufsgenossenschaft für Fahrzeughaltung (Trade Association for Vehicle Ownership) although aspects of pension insurance and the need for a connection between health promotion, prevention and rehabilitation are not included to a sufficient degree. Furthermore, it should be noted that the federal states are reducing their supervisory services without there being any clarity as to their future and their change of function.

With the current legislation the state has set some important points for the future. However, there is a gap between the regulations and their implementation. The way in which cooperation between the state (national and regional governments) and the associations of the logistics, haulage and transport companies is to be designed is still being discussed. On the one hand, the state is “on the retreat”, but on the other it is facing new challenges as a result of the greater need to work with financial incentives. The latter also applies to its future inspection duties - such as external quality assurance, in-company safety and health management and the implementation of a “new type of intervention”.

Since 1996, the Arbeitsschutzgesetz (Labour Protection Act), das Arbeitssicherheitsgesetz (Labour Safety Act) and SGB VII and SGB V have offered the beginnings of a progressive safety and health protection in the haulage and transport industry as well as an innovative in-company safety and health policy. There are thus actual laws

containing corresponding beginnings in place. It is generally agreed that although implementation is inadequate, these laws do not prevent or hinder reforms. These legal foundations must be made efficient use of. It should be looked into why the workplace directive is not permitted to apply for a truck workplace as here there is a gap in the law. In addition to this, the application of a new type of intervention is necessary for the supra-company bodies.

This new type of intervention (in cooperation with the health insurance funds, trade associations), which is compatible both with the changed realities and the understanding of comprehensive preventive in-company safety and health promotion will - if professionally handled with positive effects on the commercial result - be determined by the following key points:

- decentral,
- designed on the basis of companies,
- based on participation of those affected and
- designed as an integrated task in corporate strategy.

As with this type of intervention the government leaves companies plenty of scope for its own design possibilities, unlike with tradition methods, it ensure acceptance and acceptability by employees by defining the underlying conditions and minimum standards.

A new in-company safety and health-protection policy has to overcome major problems and this is why the government should offer financial incentives to support the companies in following this new path. This support can take the form of external moderation and consulting.

In order to reduce arbitrary and contradictory behaviour, given the large number of possible ways available, the trade unions and industrial associations should motivate the entrepreneurs and works councils to the support in-company safety and health policy. Cohesive networks and inter-company platforms are suitable for deepening and generalising good examples and proven procedures and making them transferable. The new in-company safety and health policy must be designed as a learning process for all those involved as only in this way can it develop on the basis of a fundamental agreement within a competitive situation.

The potential for safety and health varies greatly throughout the transport sector. It varies to a considerable degree in accordance with the wage-related integration of the drivers in transport companies. To this extent today the representation of super-company interests by those negotiating wage agreements is still of significance if only to counter the impression that they are always only interested in questions relating to income.

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