

## The organization of work in the last-mile delivery

While the postal sector is a very traditional but fast-changing sector, logistics and parcel delivery has always been driven by customer demands and competition rules. Most postal companies are providing both services, some in combined delivery, some even in separate entities. The big majority of postal companies are still state-owned, they compete in the parcel delivery market with local, regional, and big multinational logistics companies. Additionally, the services are influenced by new technologies, digitalization, climate change and e-commerce.

While in some countries post has still a monopoly and exclusively delivers letters, the trend goes more and more towards a liberalized postal market following the lead of the European Union. This imposes a financial and structural burden to the companies. They articulate the need for cheaper and more flexible services and accordingly reduce and/or raise prices of less profitable parts of the industry while investing and intensifying the profitable business. During the pandemic, we have witnessed a huge boom of e-commerce globally and with it the need for postal and parcel companies to develop fast and flexible ways to ensure a last-mile delivery.

This development came along with a huge deterioration of working conditions in last mile delivery trying on one end to reduce costs which are mainly composed by staff costs in order to stay competitive and get more customers, and on the other hand to become more flexible and agile regarding evolving clients' and customers' needs. This deterioration looks different in different national contexts and depends largely on the legal framework and the national culture in Post & Logistics as well as the differing national traditions in collective bargaining and organising work. Overall, the main observed trend is one of outsourcing of costs, risks, and work. Independent platforms are entering the market in parallel to platforms which are created or run by postal and logistics companies.

From a trade union point of view in the logistics market the last mile delivery faces a multitude of working relations and with it a race to the bottom in terms of wages and working conditions. The range of work of delivery drivers covers directly employed, outsourced, self-employed and platform workers competing with each other. From an external perspective, it is sometimes not clear anymore, how work in the last mile delivery is organized, what are the terms and conditions of work and what effect does it have on the sector overall. From a trade union perspective, self-employed or platform deliverers are not legally entitled to form or join a union while small and outsourced layers of subcontractors are difficult to organize. The coverage of collective bargaining agreements or other forms of minimum standards often do not apply to the outsourced drivers. This practice opens the door for companies to start a race-to-the bottom on salaries and working conditions.

Therefore, UNI Post&Logistics decided to conduct a global study on the organization of last-mile delivery to support local unions with information on this segment of the industry. Trade Unions globally need an overview about the organization of work, salaries and working conditions in the last-mile delivery to exert pressure on companies and politicians to improve their situation, safeguard working conditions in the whole industry and stop the

race-to-the-bottom in terms of collective bargaining by engaging in meaningful social dialogue for that market segment.

## **What do we expect from this research?**

The research should cover different aspects of last mile delivery: the work organization patterns, the differences in working conditions and salaries, and the legal and political framework.

It should provide an overview of the current situation of last mile delivery through selected examples of companies and countries in all parts. The research will in turn support future trade union work by providing them information and recommendations to represent drivers in last mile delivery and improve their working conditions.

- 1) An overview about the existing forms of work organization in the last mile delivery and the distribution and use of them by the companies active and competing in the area.
- 2) The different terms and conditions in last mile delivery – a comparison between salaries, working conditions, working time and workload.
- 3) The legal and political framework in which the different forms of work are embedded and current developments and discussions to change it.
- 4) Recommendations for trade unions how to represent the different forms of last-mile delivery on an organising, collective bargaining, and legislative/political level.

## **Why do we need this research?**

Currently we witness a trend towards ever-more flexibilization and the worsening of working conditions in the last mile delivery. While especially multinational companies generate huge profits by the current e-commerce boom, they try to outsource risks and costs by sub-contracting, using self-employed drivers, or the use of platforms.

How work is organized and what are the exact terms and conditions in last mile delivery is often not transparent. Trade Unions often don't have actual information and therefore lack possibilities to represent these workers accordingly.

On an internal level, we would like to use the study as a basis to develop organising and bargaining strategies with companies (multinational and incumbent postal companies). Externally, we would like to use the outcome of the study for political lobbying to limit the legal and political framework in the use of precarious working conditions and to introduce minimum standards in the industry.

## **Possible forms of research**

It is clear, there are limits in the coverage of such a study. Not every aspect of the organization of work in the last mile delivery in all countries can be analysed. Therefore, we are open to define together with the researcher the perimeter and scope of the study by selecting countries and companies to ensure a good overview and representative data at the end.

We will follow the recommendation of you as an expert on how to select examples and on methodology used to achieve a comprehensive source of information at the end. Recommendation will be given by the researcher on the basis of findings.

## **Deadline and presentation**

The study should be ready by **January 2023** at the latest.

We would need the study in English in a form to be able to layout, translate and distribute it to our affiliates.

Further we would need a comprehensive summary in English as well as posters or other forms of presentation we can use to show the different challenges.

The researcher should be available to present the study at UNI events like in World Meeting, Steering Groups and other political thematic sessions in an international context.

## **Cooperation**

Working method and research methodology will be up to the research team.

UNI will support the team by providing information, expertise, and contacts to the national trade unions, companies if available, the UPU and the ILO.

The work should be done in close cooperation with the Head of Department of Post&Logistics who should have the last decision on which examples should be included in the study and in which form.

## **Contact**

If you are interested in sending us an offer, we would kindly ask us to do it before Friday, the 22nd of April 2022 to [cornelia.berger@uniglobalunion.org](mailto:cornelia.berger@uniglobalunion.org). We are at your disposal for any information or if you have further questions. We are looking forward getting answer from you soon.

Best regards,

Cornelia Berger  
Head of UNI Post&Logistics