

**SUMMARY**

# **COMMERCIAL PRESSURES, WORKING CONDITIONS, AND SAFETY RISKS IN THE ROAD TRANSPORT INDUSTRY**



# ITF

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# OVERVIEW

This research provides a global view of working conditions and safety risks in the road transport industry, using case studies from five countries (Australia, Brazil, India, Kenya, and South Korea). Each study is presented as a stand-alone report, which describes industry structure, road safety indicators, regulatory environment, and the working conditions and health and safety of road transport drivers in the country in question.

The results are alarming. All studies identify significant structural problems in road transport, which put downward pressure on pay and working conditions, result in extremely dangerous work environments, and contribute to high numbers of accidents and fatalities involving commercial vehicles. The studies, particularly the two from South Korea and Australia, also show that the solution to many of these problems are Safe Rates systems – regulatory regimes that bring industry stakeholders together to set and enforce fair standards for driver pay and conditions.

Each case study gives an overview of traffic accident and fatality data for the country in question, with an emphasis on commercial vehicle crashes (and in Kenya, on app-based ride-hailing services).

While the lack of available data poses challenges for detailed analysis, the overall picture is clear. Commercial vehicle crashes are claiming a disproportionate number of lives. In South Korea 53.2% of highway fatalities are caused by truck crashes, while the fatal crash rate per million vehicle kilometres travelled in Australia is three times higher for articulated trucks than passenger cars. In India and Kenya, the recent expansion of the platform economy has led to a rapid increase in traffic accidents, particularly those involving two-wheelers. Road accident fatalities rose in Kenya from 3,686 in 2019 to 4,324 in 2023 (an increase of 17%) and in India from 155,622 in 2021 to 171,100 in 2022 (a 9.9% increase).

A key factor that exerts pressure on ride-hailing workers and therefore undermines road safety is the low pricing regime that yields unsafe fare rates.



This research identified that power is concentrated in the hands of cargo owners or 'transport buyers' who ship their goods by road. These companies have the power to set freight rates, schedules, and contract terms, which directly impact on driver pay and conditions. Extensive subcontracting, and high levels of competition between small trucking companies and a large number of owner drivers (Australia, Brazil, Korea) or informally employed truck drivers (India), have created downward pressure on pay and working conditions. This situation is paralleled in the Kenyan ride-hailing sector, where low pay forces drivers to compete with one another for passengers via app-based platforms.

The results of focus groups, driver interviews, and surveys conducted in the five countries demonstrate that the structure of the road transport industry puts tremendous pressure on workers to work excessively long hours (up to 18 hours per day in Kenyan ride-hailing and 24 hours at a time in Indian trucking), skip

breaks, work while fatigued, overload vehicles, speed, and break other traffic rules in order to make ends meet. This situation is compounded by uncertainty around payments, kilometre or trip-based rates of pay and bonuses, lack of payment for waiting and rest time, and the need for drivers to cover their own maintenance costs and/or carry out maintenance activities themselves during rest days.

The research from India and Kenya further demonstrates a link between industry structure, low pay, informality, and extra-legal activities (those not regulated or sanctioned by law) in these developing economies. Under pressure from transport buyers and transport companies, Indian truck drivers pay as much as INR4.8 billion (USD55.3 million) in bribes to government agencies a year to avoid penalties for violations of driving, rest time and vehicle regulation. Kenyan ride-hailing drivers regularly negotiate extra fares from passengers under the table to top off the low pay granted them by the apps.

# ROAD TRANSPORT WORKERS' VOICES

We were constantly pushed to do more, to overload, to miss breaks and to not record jobs in our logbooks in order to cover up the back-to-back runs that we were doing. For about 12 years, I was forced to operate this way as a driver and an owner-driver, but I don't know how I was functioning.

– Australian Driver

Our condition is pathetic as we work 24 hours, like bonded labourers. There are no off days. During the summertime when diesel consumption is more due to increased agricultural work; consequently, they work 30 days a month for long hours during summer.

– Indian oil tanker driver (Barauni)

Our work is very strenuous, and the condition of the vehicles is terrible. They are old and poorly maintained. The trucks are overloaded, leading to higher fuel consumption and maintenance issues.

– Indian terminal tractor driver  
(Jawaharlal Nehru Port - JNPT, Mumbai)





Even when there is a break, in the queues, he is pulling. And the queue goes on even with an appointment, and if he does not follow the line, he gets behind; then, he spends all night queuing, he does not sleep, because he has to follow the line. The next day, he is sleepy, tired, the trip is not that good, he does not eat right, gets stressed, nervous, accident happens. The truck driver's nerves are on edge these days.

**– Brazilian truck driver**

Since the safe rates system was sunsetted [ended], companies have started a price war on rates, and the burden falls directly on us. Due to a significant decrease in revenue, we have to drive more to reach the previous income levels, leading to increased fatigue. We're working six days a week, only getting one day off, and we have to travel back and forth from home to work. The hardship of six days of sleeping in our trucks is a heavy burden, and I feel like fatigue is building up.

**– Korean truck driver**

# THE WAY FORWARD: SAFE RATES

Despite this bleak picture of an industry marred by poor pay, dangerous working conditions, high numbers of accidents and fatalities, and legal violations, these studies also provide evidence that the introduction of legal Safe Rates systems can lead to positive transformation.

In Korea, Australia and Brazil, Safe Rates systems have brought together industry stakeholders and governments to set fair and safe minimum standards for driver pay and related conditions. The goal of these systems is to ameliorate competition that has reached dangerous levels and to ensure adequate income for drivers, so they do not have to engage in dangerous on-road behaviours. These systems place 'contractual chain obligations' on transport buyers which can include, as in the case of Korea, minimum rates these companies must pay to transport operators to ensure drivers can be paid adequately.

The evidence from Korea shows that truck drivers' working hours and instances of overloading, speeding, and driving while fatigued all decreased substantially after the introduction of the Safe Rates system. In Australia, where a national Safe Rates system is just coming into effect, evidence shows that the state-level system in New South Wales saved at least 205 lives that would have been lost in articulated vehicle crashes. The Minimum Freight Floors System (MMF) – Brazil's Safe Rates legislation – is providing hope to truck drivers, but is currently having to resolve enforcement issues.

The implications of this report are clear: governments must bring industry stakeholders together and develop plans for improving road transport industry structure, pay and working conditions to reduce the number of deaths on the world's roads. The introduction of Safe Rates systems, adapted to specific national contexts, is an essential part of the solution.



# CASE STUDY SUMMARIES

## INDIA

**Interviews with 34 truck drivers from four regions, combined with analysis of government statistics and secondary sources, show that the Indian trucking industry is caught in a vicious cycle of informality, corruption, low pay, long hours, accidents and fatalities.**

### KEY FINDINGS

- Road accidents in India are a major problem, with the highest number of fatalities globally due to road crashes, according to some sources.
- In 2022, a total of 38,777 people died as a result of accidents involving trucks, accounting for 23% of all road fatalities. Overall, 20% of the total road fatalities occurred due to accidents caused by trucks. This is despite the fact that trucks make up only approximately 4.4% of registered vehicles.
- The Indian trucking industry is characterised by high levels of informality and dominated by small trucking companies and truck owners (70% of the market) who compete with one another on cost. In some industries, such as the fuel industry, powerful transport buyers set prices, conditions, and schedules.
- Truck drivers face several issues, including informal employment, low pay (sometimes as low as INR6000, or USD67, per month plus food allowances), long working hours (16-20 hours or more per day), poor working conditions, lack of facilities, and a lack of legal protections. This has made the industry unattractive and led to driver shortages.
- Drivers do not receive written contracts, resulting in a lack of standardised wages, conditions, and social protections.
- Drivers are paid by the kilometre or by the month, with trip-based tips or bonuses. They also have to take responsibility for their own vehicle maintenance, which encourages them to skimp on maintenance time and costs, and drive long hours, which leads to fatigue, sleeplessness, and increased accident risks.
- Corruption is rampant in the industry, with drivers being forced to pay bribes to avoid penalties for violations of traffic and commercial rules.
- Poor road infrastructure and a lack of safety features on trucks also contribute to accidents.
- A new penal provision – Bharatiya Nyaya Sanhita, Section 106 (2), or BNS 106(2)) – poses heavy penalties on drivers in the case of fatal road accidents that are not immediately reported. It has sparked anger from workers, unions and employers for unfairly assigning responsibility to workers for road safety issues instead of addressing root causes.

## RECOMMENDATIONS

- **Government accountability for decent work and road safety:** The government must recognise the structural problems in the road transport industry. These include the over-supply of small fleet owners and cut-throat competition, widespread informality, pressure from shippers and consignees to meet unrealistic schedules, low pay and kilometre and trip-based pay schemes, long hours, lack of rest time and rest facilities, poor conditions generally, rampant legal violations, and corruption by government agencies responsible for enforcing road transport laws.
- **Repeal laws that are overly punitive to drivers:** Recognising these structural problems, the government must repeal the BNS 106(2) and instead strengthen enforcement of fairer regimes under the Motor Vehicle Act and the Motor Transport Workers' Act.
- **Consult trade unions:** The government must consult trade unions about the problem in the industry and work with them to develop solutions.
- **Formalise the industry:** Measures should include a strategy for formalising the industry through the introduction of a system that sets and enforces fair standards for pay, working time, and contract provision.
- **Invest in safety:** The government should also invest in road infrastructure, fleet renewal, and safe and secure rest and eating facilities.

## KENYA

**Road safety in Kenya is a major concern, with the explosive growth of ride-hailing services playing a significant role in the increasing number of road accidents. A survey of 130 ride-hailing drivers and motorcyclists demonstrates that these workers face considerable pressures as a result of platform companies' business models, especially their algorithmically-controlled low pricing policies, which contribute to unsafe driving behaviours.**

### KEY FINDINGS

- Road traffic accidents increased from 7,184 in 2019 to 9,960 in 2023, with an average annual growth rate of 9.7%. During the same period, road traffic fatalities rose 5.1% annually, from 3,586 in 2019 to 4,324 in 2024. This period coincides with the explosion of ride-hailing services in the country. Taxis, motorcycles and bicycles are the vehicles reported to be primarily responsible for road accidents and deaths.
- A large majority of workers surveyed experience fatigue (81.5%) and stress (64%) on the job, while close to half (49.2%) have fallen asleep at the wheel.
- Four in five (80%) drivers and motorcyclists who must meet income targets set by platforms or vehicle owners only meet these targets some of the time. This is a main source of pressure, leading workers to speed, work for longer hours, or seek to supplement their income in other ways.
- Most respondents (90%) were conscious of platforms monitoring drivers' speed, location, and trip acceptance, which is perceived as intrusive and stressful.
- Respondents identified low pay as the greatest source of pressure on them, leading to unsafe driving behaviours, followed by the possibility of trip cancellation.



- A significant number of ride-hailing drivers and motorcyclists log into more than one app at a time to avoid working time restrictions and to supplement low pay. More than three in five respondents (61.5%) said that multi-apping put significant pressure on them because of the need to carry many phones and deal with multiple requests, alerts and notifications.
- Respondents identified the need to provide for families as a significant source of pressure affecting work practices.
- Almost half of respondents had either directly experienced sexual and gender-based violence and harassment (21%) or were aware of a colleague who had experienced sexual and gender-based violence and harassment (26%).
- **Develop a comprehensive pricing model:** The pricing model should include elements such as base rates, dead miles, active time, waiting time, and per kilometre/per-minute billing. It should also factor in margins for investors, commissions for platform companies, driver remuneration, and a risk variant. The pricing model and rates should be reviewed regularly to take into account changing socio-economic conditions.
- **Advocate for a Legal Framework for Platform Work:** The MoL&SP should collaborate with the TAWU to lobby for a legal framework that entrenches platform work, recognises ride-hailing companies as employers and ride-hailing workers as employees, and widens the definition of wages to include service fees paid to these workers.

## RECOMMENDATIONS

- **Multi-stakeholder cooperation on a pricing model:** The Ministry of Labour and Social Protection (MoL&SP) should consult with other government bodies, the Transport Workers Union (TAWU), and other parties and establish a multi-stakeholder committee in charge of designing an appropriate pricing model.
- **Establish a bargaining forum:** A bargaining forum including TAWU, ride-hailing companies, regulators, and other related government officials should be created to handle grievances, promote social dialogue, and advance association and collective bargaining rights.



## BRAZIL

**Focus group discussions with self-employed truck drivers across Brazil and analysis of secondary sources highlight problems in the Brazilian road transport industry, including an ageing fleet, poor road conditions, extensive subcontracting, low pay that is often below cost recovery, long working hours, inadequate safety standards, and poor enforcement. These problems are negatively affecting driver safety, health, and wellbeing. The introduction of the Minimum Freight Floors system (Safe Rates) is an important step forward but the system must be fully enforced to be effective.**

### KEY FINDINGS

- Brazil's self-employed road cargo carriers (Transportador Autônomo de Cargas, TAC) or self-employed drivers work long hours, face pressure to meet deadlines, and experience fatigue and exhaustion due to long workdays.
- Drivers are often paid below cost recovery, and so may be unable to pay operational and vehicle costs.
- Poor road conditions, the lack of maintenance and proper signage, and the lack of adequate rest areas contribute to safety risks and driver fatigue.
- Drivers face health problems such as poor diet, lack of physical activity, sleep deprivation, stress, anxiety, and depression.
- Drivers who spend long periods away from home and may not be registered with the healthcare services near where they are driving have difficulty accessing adequate healthcare.

- Evidence shows that fatigue due to long distances travelled, pressures to comply with deadlines required by shippers, excess loads, poor vehicle condition (high average age of the fleet), and poor road conditions are main causes of truck accidents.
- The theft of cargo and vehicles is a major concern for drivers, adding to their insecurity.
- The lack of effective enforcement of regulations and policies contributes to the problems faced by drivers.
- The Minimum Freight Floors System (MFF), which has the features of a Safe Rates system, is providing hope to drivers for better income and safer conditions, but it is facing enforcement problems due to legal challenges.

### RECOMMENDATIONS

- **Improve data collection:** National authorities should collect regular safety data and other statistics specifically involving cargo trucks.
- **Proper enforcement:** The MFF must be properly enforced by all the relevant national authorities, including penalties and fines for non-compliance by shippers.
- **Rational floors setting:** The government should provide regular indexing of minimum freight floors to ensure that they keep up with the growth of costs to drivers. This should include proper incorporation of truck depreciation into the MMF, including historic depreciation to enable fleet renewal, as a key factor in increasing road safety for all.
- **Strengthen driver healthcare:** The healthcare system should be reformed to enable drivers, who are constantly moving across the country and between jurisdictions, to receive care when and where they need it.

**The lack of effective enforcement of regulations and policies contributes to the problems faced by drivers.**



## SOUTH KOREA

South Korea's owner truck drivers face low, trip-based rates of pay and long hours of work, and are often forced to speed and overload their vehicles, which leads to high numbers of commercial truck crash fatalities. Two truck driver surveys, supplemented by government-issued statistics, show that the introduction of the Safe Rates system in 2020 led to improvements, but the industry has regressed since the system ended in December 2022.

### KEY FINDINGS

- Drivers' monthly take home pay increased from KRW2.45 million (USD1,664) in 2019, before implementation of the Safe Rates system, to KRW3.62 million (USD2,511) in 2022, after the system had been implemented – an increase of 47.8%.
- During the same period, drivers' monthly working hours decreased by 17.3 hours (5.1%) from 377.2 hours to 319.9 hours. While this is an improvement, it is still over twice as long (106.5%) as the average for all wage-earners (154.9 hours), demonstrating a need to continue the system.
- The implementation of the Safe Rates system led to decreases in subcontracting and cost-cutting pressures in road transport supply chains, increased market transparency, and the perception among drivers that pay rates were being set on a rational basis.
- Following the introduction of the system, risky driving behaviour decreased significantly. The number of drivers who regularly overloaded their vehicles decreased from 24.3% to 9.3%. The number of drivers who regularly sped decreased from 32.7% to 19.9%. And the number of drivers who regularly dozed off while driving decreased from 78.1% to 53.3%.
- On the other hand, following the end of the Safe Rates system, truck drivers' net income fell 34.4%, while working hours have increased by 16.9%. Truck drivers' hourly pay fell from over KRW14,000 (USD10) to below the minimum wage at KRW8,000 (USD5.5).

- Almost two thirds (58.5%) of drivers responded that overloading increased following the end of the Safe Rates system, while 66% said they speed more often, and 70% said they were more fatigued.

## RECOMMENDATIONS

- **Reintroduce the Korean Safe Rates system:** The system should be reintroduced and allowed to operate on a sustained basis without the threat of being terminated. This will allow for a full assessment of its impact on industry structure, working conditions, and road safety.
- **Expand the application of the Safe Rates system:** The system should be expanded to cover a greater proportion of the market, beyond the drivers originally covered (5.7%). This would maximise the benefits for drivers and the travelling public.
- **Ensure effective enforcement:** The Safe Rates system must be accompanied by robust enforcement mechanisms to prevent violations and ensure compliance.
- **Address pressures:** Supplementary measures should be implemented to combat the pressures that force drivers to engage in unsafe practices such as overloading, speeding, and driving while fatigued.
- **Collect disaggregated data:** The government should collaborate with industry stakeholders to collect comprehensive and disaggregated data on working time, working conditions, and commercial vehicle accidents and fatalities. This data is essential for a comprehensive understanding of the impact of the Safe Rates system and for informing future policy improvements.

## AUSTRALIA

The safety of road transport workers in Australia is being threatened by unsustainable economic pressures in the road transport industry, particularly those imposed by large transport clients (transport buyers) and gig economy platforms – as evidenced by academic research, government inquiries, and legal decisions. The Safe Rates system in New South Wales has had a positive long-term impact, leading to improved driver safety and pay and a reduction in risky driving behaviours. New transport reform which applies nationally, and also strengthens transport buyer accountability, has the potential to deliver similar results nationwide.

## KEY FINDINGS

- The Australian road transport industry faces major safety problems, with 983 Australians losing their lives in commercial vehicle crashes between 2017 and 2022.
- The fatal crash rate per million vehicle kilometres travelled is three times higher for articulated trucks than passenger cars.
- Unsustainable economic pressures force transport companies and workers to cut corners, leading to unsafe driving practices and other safety issues.
- Contractual chains in the industry put significant pressure on operators to undercut standards and safety measures to secure contracts.
- The rise of gig economy platforms has further eroded safety standards and working conditions in the transport sector.
- The Safe Rates system in New South Wales has demonstrably improved driver safety and pay, and has effectively reduced the number of fatal accidents involving articulated trucks, saving at least 205 lives in recent decades.



- The new Closing Loopholes Act No 2, which passed Parliament in February 2024, builds on the experience of the New South Wales system, most notably by strengthening supply chain accountability.

## RECOMMENDATIONS

- **Resource the new system:** The federal government should ensure the adequate provision of resources for the new legal system, so it can effectively perform its functions to ensure a 'safe, sustainable, and viable' road transport industry.
- **Improve state-level laws:** State governments should pass complementary legislation that fills any constitutional gaps, to ensure coverage of all forms of road transport work, including gig transport work, and full supply chain accountability.
- **Begin work immediately:** Authorities under the new legislation should begin work immediately, prioritising the creation of standards to deliver safe, sustainable, and viable practices in the following areas:
  - Contract chains, including for clients procuring transport work – to recognise the commercial influence which supply chain actors maintain and their capacity to determine safety outcomes through supply chains.
  - Gig economy operators in the road transport industry – to recognise the dangerous impact which such transport operators are having on safety, through the erosion of industry standards.

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