OP-ED

by Michael H. Belzer

Trucking industry blues

"As union density declined about 90 percent over the last four decades, trucks became 'sweatshops on wheels.'"

Credit: Photo by Taylor on Unsplash

In 2020, COVID-19 hit the United States and the rest of the world with a vengeance. In March 2020, the United States, along with most of the world, began a grueling lockdown that lasted for about two years, depending on local conditions. That lockdown profoundly transformed the way we do business and the way we work.

The world last experienced a pandemic one hundred years earlier — the 1919 influenza outbreak — following the first globalization era, which ended in 1914. While both pandemics caused economic contraction, the COVID-19 pandemic occurred following a 60-year increase in global mobility of people and goods — the latter especially due to the introduction of intercontinental jets and intermodal containers that reduced the cost of freight transport.[1]

The pandemic lockdown created a historically sharp economic contraction that governments fought with massive spending designed to sustain demand. Policymakers were uncertain about the likely net outcome, but the peculiarities of both the lockdown — including the inability to access the services on which the modern economy depends — and the macroeconomic stimulus meant that many people had more money than they could spend, which kept spending to normal levels but possibly contributed to subsequent inflation.

In addition, many occupations, especially white-collar ones, continued after a massive shift to online work, while others, such as passenger transport and the personal service sectors, including hospitality, dried up completely. Critically, lockdowns meant that demand for services shut down fast, and spending sharply shifted from services to goods. The sharp demand for goods led to supply-chain backups.

Michael Belzer is an economics professor at Wayne State University. He is a former trucker and a trucking industry expert.

The trucking labor market has changed dramatically since 1980. It is time that law and regulations catch up.

Supply chains jammed during the pandemic for many reasons, including the ripple effects of lockdowns around the world as well as shifting government policies, including China's extreme "Zero COVID" lockdowns and global national hoarding of personal protective equipment and intermediate and final goods, such as vaccines. Erratic demand for trucking services in the United States and elsewhere created sharp constraints as lengthy and complex supply chains broke down.

In spring 2020, trucking briefly shut down substantially, and unemployed truck drivers (mainly owner–operators) joined convoys to Washington, rallying against their predicament. While truckers were complaining of a lack of work, federal regulators, under pressure from the trucking industry, relaxed safety regulations to allow truck drivers to exceed currently lax regulatory limits on working hours[2] and allowed 19-year-olds to become interstate truck drivers, creating a significant imbalance in freight service supply as well as new highway hazards.

Limited protests, fueled by disinformation on social media and in the right-wing press, later morphed into a broad protest against the very vaccinations that were allowing goods and services to move again. Supply chains went from disrupted to chaotic.

> The "truck-driver shortage" is a myth. Turnover at the typical long-haul trucking company exceeds 100 percent annually.

Enter the driver-shortage myth. Since at least the mid-1980s, a mere five years after trucking deregulation, the trucking industry has complained of a "truck driver shortage." The myth is built on documented significant churn of workers into and out of trucking and steady trucker turnover at the typical long-haul trucking company, which exceeds 100 percent annually.

Officials in the Biden administration have characterized this correctly as a recruiting and retention problem, rather than as a driver shortage. As union density declined about 90 percent over the last four decades, trucks became "sweatshops on wheels," making the job unattractive. Truck driver compensation declined by about 50 percent since 1980, making weeks away from home, long hours, low compensation, and unsafe and unhealthy working conditions relatively unattractive.

Is there a policy solution? In 2022 (now former) Congressman Andy Levin (D-MI) introduced the Guaranteeing Overtime for Truckers Act, repealing Section 13(b)(1) of the Fair Labor Standards Act of 1938 [29 U.S.C. 213(b)(1)], eliminating the overtime exemption in the FLSA for truck drivers engaged in interstate commerce.

Senators Alex Padilla (D-CA) and Edward J. Markey (D-MA) sponsored a bill with the same language. While the bill remains in limbo ahead of the 2024 elections, the act has the support of the International Brotherhood of Teamsters, the Owner–Operator Independent Drivers Association, and the Truck Safety Coalition.

The bill would finally provide the same protection to truckers that federal law extends to other production workers who make up the truck driver labor market.[3] It would require, for the first time, that employers record truck driver hours of work and offer drivers the same protections afforded other workers in the same labor market. It would allow the United States to join the global labor standards movement for "safe rates" for truckers.[4] The trucking labor market has changed drastically since 1980, and it is time that law and regulations catch up. ■

Scan QR code to view footnotes for this article.