

English summary

Just in time. Economic crime in the road haulage industries of Sweden and Norway

Authors:

Lotta Pettersson and Vanja Lundgren

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This report is based on in-depth interviews with 36 hauliers and long-distance lorry drivers in Sweden and Norway. The accounts provided by these individuals constitute the basis for the study's findings.

Crimes are a response to structural problems within the industry

It would be wrong to characterise the road haulage industry as an unmitigated problem area characterised by extensive economic crime. But this does not mean that there aren't a number of problems that lorry drivers and hauliers are constantly trying to deal with. These difficulties are of a structural nature, with the interviewees describing four general types of problem:

1. *Insufficient freedom of action.* Drivers and hauliers perceive themselves to be overly subject to the control of outside factors, namely the demands placed on them by clients, and therefore unable to control the length of their working day, for example. This leads them on occasion to act in breach of legislative regulations.

2. *Inadequate transport planning.* These days, road freight consists of warehouses on wheels, passing along a chain of suppliers, transporters and producers who must collaborate well with one another if the stock is to be delivered "just in time". Whenever there is a glitch in this process, finding a solution to the problem often falls to the individual lorry driver. Further to this, the lorry mustn't break down, the roads have to stay clear and there can be no delays to ferry traffic.
3. *Living on narrow margins.* The road-haulage industry is still largely comprised of hauliers with either a single or only a few vehicles at their disposal. Many of these firms have inadequate financial and social resources. Margins are therefore tight and even minor changes, such as a moderate increase in the price of diesel and tyres, for example, can have a major impact. The individual driver therefore does what he can to make the business work.
4. *International competition.* Hauliers feel that road haulage prices have been stationary for a long time as a result of the internationalisation of amongst other things the domestic haulage market. Stated simply, this means that foreign hauliers are taking on internal domestic haulage contracts and forcing prices down. In many ways, Sweden and Norway are high-cost countries in relation to employers fees, diesel duty and vehicle duty.

Hauliers deal with these problems by means of both legal and illegal strategies. The choice of strategy depends to a large extent on the size of the haulage firm, particularly as regards financial and social resources. It is not therefore possible to equate the size of a business with the choice between legal and illegal strategies. There is a great deal of variation between different haulage firms. The goal of these strategies is to reduce costs and increase revenues. There are several good examples of legal strategies aimed at achieving these goals and of businesses that are successful as a result of their commitment and quality of service. This report is not primarily concerned with such firms, however, but rather with the others—those who engage in crime on wheels.

Illegal strategies

- Bad transport planning and having to issue counter-directions to drivers may lead to breaches of regulations relating to the time to be spent driving and resting respectively.
- The smuggling of large quantities of alcohol and tobacco does take place as a means of increasing revenues, but is not all that common. It is more "normal" simply to bring slightly more than the customs limit into the country.
- Black market labour is employed within the haulage industry, but according to the interviewees this is not as widespread as may generally be perceived.

”Trading favours” is considerably more common, i.e. networks of acquaintances’ acquaintances providing various ”tax free” goods and services for one another.

- Wage payments may in part be ”grey” and might comprise payment in kind in the form of consumables such as diesel, tobacco and clothing for example. Employers may also not charge the VAT on these goods. This leads to lower employers’ duties, income tax and VAT payments.
- Invoices and receipts may be forged in order to increase tax deductions. This is quite uncommon, however, according to the interviewees. It is rather more common to ”produce” receipts in order to adjust the accounts by means of deductions that are in actual fact being used to make ”grey” wage payments.
- The use of cheap red diesel is described on the whole as a Norwegian problem. Special methods are used in order to remove the red pigment.

In order to avoid controls by authorities out on the roads, lorry drivers employ an internal warning system. Evading controls is necessary more as a means of avoiding late delivery than because of the risk of being caught doing something illegal.

The control activities of the authorities may also be exploited by the drivers as means of dealing with actors who use unscrupulous methods in the form of inadequate vehicles that may constitute a serious hazard to life and limb. Such hazards may involve bad tyres, brake problems, oil leaks and untreated exhaust fumes. The method employed is to make sure that these deficiencies come to the knowledge of the authorities.

Legal strategies

- There is a sense of solidarity among the drivers that means they will stop and help one another when problems arise, irrespective of whether or not the driver in difficulty works for a competitor. This might involve anything from advice on the quickest route to helping change a punctured tyre.
- Hauliers form informal networks and give each other tips on cheap suppliers and good mechanics as well as on reliable collaborative partners in the form of drivers and suppliers of goods.
- Hauliers join together in haulage organisations and drivers in trade unions in order to work to improve conditions.
- In order to keep prices down, the tank is filled with diesel in the cheapest country on international runs.

Altered structures may produce better conditions

Although all the interviewees have a good knowledge of the crime that takes place in the road haulage industry, certain of them clearly see these crimes as representing deviant behaviour and they themselves play more or less entirely by the rules. There were also a number of interviewees however who found it more easy to accept the existence of this criminal behaviour and who themselves also committed offences of this kind. In other words, there was a great deal of variation among those interviewed.

The crime results from the structural problems within the industry. The principle reason why certain hauliers and drivers commit offences whilst others do not has to do with access to financial and social resources. Those with lower levels of resources have a higher propensity to engage in crime than those with better resources. This does not however mean that all those with few resources commit offences whilst all those with better levels of resources choose legal strategies. Once again, there is a great deal of variation.

The drivers and hauliers interviewed view the problems within the industry as being primarily of a structural nature. It ought therefore also to be "relatively simple" to do something about them. It is primarily these structures—the conditions within the industry—that need to be changed, and not individuals. The report ought therefore to be seen as providing the basis for a discussion on how conditions in the road haulage industry might be improved in the future in such a way that greater numbers are able to choose to follow legitimate strategies.