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Ethico-politics of the road freight transport markets

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Organizing road freight transportation with effects of sustainability *and* low cost is questioned in west European road transport markets. EU's single market conditions has led to a certain demonization of low-cost country suppliers. The market of road freight transportation is bazaar-like and the organized work of drivers takes sometimes place in many countries. Shippers most often purchase transport operations in price-focused short-term, arms-length business relationships with contractual agreements including a specified social and environmental concern. They outsource the responsibility of operations. There are directives and regulations within the EU but these are not fully harmonized and different market actors find spaces of political dissent and resistance. Actually, road freight transportation is a highly contested activity because of detrimental environmental impact, unjust working conditions and low economic margins. But the transportation is needed for our global flows of products, and the need is increasing.

This paper is part of an inquiry to better understand innovation of work and development of road freight transport markets facilitating sustainability and low cost, especially the ethico-politics of the practice. The purpose is to normatively engage in development based on ethics and politics, i.e. to better understand performative agency(ies) (Diprose 2009; Butler 2010).

Empirical data is from multiple research sites in the road freight sector and illustrations are built on perplexing situations (as is suggested by Dewey 1939; Stark, 2009). The analytical ambitions are spurred by Butler's (2010:154) questions to researchers of market performativity, i.e. not only how economic matters are made, but how are certain effects established? And, how do we think about the political value of economic effects? These are normative questions and hopefully this paper can contribute to a normative approach to ethical road transportation development by elaborating on valuation.

Ethico-politics

Ethics is a matter of values, such as a good that connect with truth (Law, 2004), generosity to the other (Pullen and Rhodes 2014), not necessarily furthered by ethics management reports (Painter-

Morland 2015), such upfront categorizations that tend to judge rather than engage in situated ethical values (Thanem and Wallenberg 2015).

Also, politics is a matter of values and resistance to forms of oppression (Pullen and Rhodes, 2014). Ethico-politics is a burning issue in times when ANT ontology has decentralized the human of social agency, because human do play a crucial role in actualizing potential paths or assemblages and these “are also worlds of value – these are ethical worlds.” (Diprose 2009, p. 9). In these worlds politics connect to judgment rather than truth (Law, 2004). Human judgement that take form among the potential worlds. Think of Annemarie Mol’s studies of the practices of medical diagnosis, and the multiplicity, i.e. different practices that tend to produce not only different perspectives, but also different realities of a disease. Law relate to these multiple realities with more questions, such as

“How do they relate? How do we choose between them? How should we choose between them? One possibility is that we need what Mol calls an ontological politics. If truth by itself is not a gold standard, then perhaps there may be additional political reasons for preferring and enacting one kind of reality rather than another. Such, at any rate, is a possibility.” (Law 2004, p. 13)

Political possibilities are in the commitment to dynamic collectivity, as Diprose (2009) put it in her posthuman analysis of ethico-politics that draws on Foucault and Merleau-Ponty. The basic argument is founded in “I am also others and they are also me”. It is a responsibility that rests in speaking *and* hearing, touching *and* being touched, in an ontology of intercorporeality of being in the world rather than audit or survey it (Diprose, 2009). This seems to be in line with Butler’s call for the performative agency in socio-economic market studies, she is pointing to the lack of normative questioning not only of how economics work but an ethico-political elaboration of its working (Butler, 2010).

Market valuations

Even though we cannot *produce* any trustworthy market solutions, we are able to generate a nuanced understanding of urgent problems such as of concerned markets and of hot phenomenon (Geiger, Harrison, Kjellberg, & Mallard, 2014). Hot relates to that the current valuation regime is questioned (Kjellberg et al., 2013:25). The road transport chain is complex often with several intermediaries that trades a transport operation. Markets of road transportation rely on what Stark (2009) denotes as a social technology; collaboration. Complex operations of coordinating less-than-full truck load of different destinations to different destinations in full truckloads are assigned to different drivers and sometimes outsourced to another transporter in the network. Operations are tradeable and collaborations are common. Specific knowledge is provided from transport operators, they change and refine by coordinating the transport operation to a specific buyer’s need or by coordinating the transport need among the many other routes that are carried out by the supplier or an actor in the supplier’s network. Thus, the sellers are often buying service operations of other transporters, thus, roles in the markets are sometimes fixed (one producer, one buyer) and sometimes shifting (one producer becomes a buyer).

Some of the biggest firms globally are logistics operators and the status of these giant logistics operators acts as a guarantee about the quality of service operations. However, these actors seldom perform the actual transportation, but outsource it to rather anonymous small transporters. Many transport operators consist of the owner who also is the driver, and basically all transporters have less than 10 employees (there are few exceptions e.g. Netherlands). A simple transport might be outsourced several times with little control of the quality beyond time precision and price. The actual work is, thus done by either the owner of a transport firm or employed drivers. Good drivers are rare. Good implies that they take care of obligations of operations, the truck and need little guidance on the trip. In EU the single European transport area was a political ambition to create a competitive and efficient transport system and it became a concerned market in which political, social, technological and economic interests spurred a debate on multiple values. Geiger et al., (2014) elaborate on such market concerns (markets of palm oil, primary health care and functional food) that matters to citizens or the public authorities that represents them.

Drawing on Appadurai (1986) there is an opportunity to explore conditions to economical object's circulation in different regimes of value in time and space, i.e. the social life of the commodity. Karpik (2010) further develops Appadurai's basic argument, specifying that product qualification and requalification might arrive beyond direct product interventions that is in the interpreting of results (knowledge) of judgement devices and of results of buyers interpretation. The difference between price and value is politics (Appadurai, 1986). Interpretations and politics, thus matter in social and economic aspects of concerned markets.

There are no markets without concerns, say Geiger et al. (2014). The single markets with homogeneous products are rare species, the more common markets are characterized by heterogeneity. The call for concerned market research seems to be in line with Butler's care for market failures. In 2011 Judith Butler brought in a question on how to better understand performative agency. She argues that social sciences, broadly speaking work with performativity in understandings about 'effects', more specifically take into account relations and practices that are constantly renewed by human and non-humans. Performativity effects are interesting, such as a financial device that models the market it is supposed to predict but so are effects such as operations that fail to work, what Butler describes as *performative breakdowns*. She argues that research focus has been on illocutionary performativities (speech acts of humans and non-humans). She calls for perlocutionary performatives (that follow of some specific conditions), which cares about delineating normative horizons.

“the question for theorists of performativity is not merely, how are economic matters made? Or how are certain effects instituted? But also, how do we think about the political value of certain economic effects? Even if political questions are already raised within the terms of economic analysis and practice, those questions do not exhaust what we mean by politics. After all, if certain operations of performativity fail, then it is useful to know when and why they do, and whether they ought to.”
(Butler, 2010:154)

Whether they ought to is a way to engage in conditions how social and economic matters are seen in values and prices. To engage in renewed understanding of valuation processes is thus a political act in concerned markets.

The un-healthy low prices of some road transportation indicates that certain operations of performativity have failed to organize conflicting values (c.f. Garsten & Sörbom, 2014). See, for example, Caliskan's (2010) discussion on markets of cotton,

“whatever the price happens to be (price always “happens” in the countryside), a great majority of the cotton farmers are either locked into relations of debt with merchants, or pledged into selling their cotton to their cooperatives. The price is not “taken” in the countryside; it is accepted as long as it remains above the cost of growing cotton. This does not mean, however, that cotton growers have no effect on the making of prices in their multiple forms. ... [A]s a farmer put it, “the price is what I carry in my pocket after I sell my crop,”” Caliskan (2010:203)

A sense of what is reasonable and possible is situated in knowledgeable actors' worlds (Caliskan, 2010), because they are multiple (Mol, 2002)! There are gaps in knowledge and difficulties of communication between market actors (Appadurai, 1986).

Political and ethical markets

Interest organizations of the transport firms and driver unions lobby by calling for *Fair Transports*, a campaign that spread fast among unions in the “old” EU countries. Unfair is for example a similar transport performed by a Romanian driver compared to a Danish driver which work under very different working conditions. The lobby is to maintain prices at higher levels by barriers towards developing countries that are evaluated as producers at a potential unfair market. Some transport companies, especially bigger ones flag out vehicles to other countries. The business risk of the transport company is low compared to industrial actors that decide to outsource a part of their production to regions far away. Flagging out is discussed in the industry as a question of immorality.

A concerned market example where Lithuanian drivers transport status-laden premium beds between the producer in Sweden and customers in Norway is investigated by journalist Johanna Kvarnsell and illustrated in “Transportarbetaren”, no. 1, 2016. The attention at transport work on behalf of the bed producer, Hilding Anders started when a chief delegate of the safety group at the factory noticed drivers walking in the area without safety shoes. Also, employees that loaded trucks had reported that smells from previous transport (return freight from Norwegian fishing industry) was so bad that loading needed to be postponed until the truck was ventilated, and this was apparently difficult to communicate to the drivers because of language difficulties. The tipping point was a driver that was prevented from driving because he was drunk. Hilding Anders employees felt that a shift had happened. Employees related it to management principles of the new multi-national owner, i.e. centralized purchasing (France) of all production sites' transport needs. The centralized purchasing unit uses several forwarders, and one of these outsources the Sweden-

Norway route to Lithuanian transporters (Girteka that is Lithuania's biggest transport firm and Vlantana).

The producer of premium beds has an ethical policy that all their employees should have fair salaries and a right to organize themselves in the union. In Lithuania the drivers' union (Vairuotoju profesine sąjunga) says that they need to work in the shadows, because unionized drivers get problems. The mentioned companies, Girteka and Vlantana offer similar and common conditions to the drivers: On-the-road for six weeks and then two to three weeks rest in Lithuania, total payment is about 1500 euro a month. The drivers at Vlantana say that this is basically right, i.e. these are the conditions. Because 1500 euro is not enough for a living in Sweden, the drivers need to live in and around the truck and do their cooking etc at the roadside. Drivers say they know their earnings are bad from a Swedish perspective but in Lithuania they would get even less. *"It is a dog's life, you are sleeping in the truck and you are eating in the truck."* But it is worth it, i.e. in Lithuania they would be worse off.

The Nordic manager of production and logistics at Hilding Anders says that Hilding Anders is not sourcing Lithuanian work, it is the forwarder who is in control of that. *"We buy a transport service, and I haven't put much interest in how they manage that. We are busy with our own factory. I guess it is a question about transport price and we want the price to be as low as possible. It adds no value to our product."* Hilding Anders has a legal responsibility to react if they are aware of illegal acts. The journalist, Johanna Kvarnsehl asks even if there are no legal responsibilities, what are the moral responsibilities?

"There is of course a general responsibility to source from suppliers acting in a decent situation. But my main responsibility is the responsibility of our production and the company I represents. There I have a responsibility to keep us competitive, so I can provide job opportunities. This is more important if I come into conflict between these stakes." (Hilding Anders Manager)

As I reflect, the drivers argue about valuation as a process, a practical action worthwhile in order to finance studies for a younger driver but questionable for the older driver that "survived" to be away from home, wife and children for long periods by drinking alcohol. And, the Hilding Anders manager argues of value as a noun, a price on a service that adds no value to the product and the firm competitiveness. (But, beware – the value-adding aspect might change as a consequence of the article's reader response.) It is interesting that the managerial expression seems almost to be a copy-and-paste from Milton Friedman's (1973 cited in Beckert, 2005) dictum that the social responsibility of business is to make profits and the moral task of economic actors is to maximize economic welfare. The moral responsibility that the journalist is addressing is actually controversial in economics as well as in sociology (Beckert, 2005). All markets operate in social contexts with economic and non-economic values and Beckert argues that morality is an integral part of the efficient functioning of markets. However, the role of morality for market outcomes is ambivalent:

Market-liberal objections to any type of coordination devices but self-interest don't do justice to the problems emerging from unequal initial endowments, monopolistic

market structures, external effects, free-riding and principal-agent problems. This, on the other hand, does not imply that morality based decision-making can be seen as unequivocally positive for the efficiency of market outcomes. Morality might be discriminatory to outsiders, hinder the functional differentiation of the economy and block markets that would be beneficial for at least some market participants. (Beckert, 2005:16-17)

The discrimination is in advancements of codes of social accountability. If these are advanced in the North in a paternalistic way and regards, e.g, working conditions and low wages that are one of the few competitive advantages of the South, then they act as a hidden enforcement of a competitive disadvantage for emerging economies (Beckert, 2005). However, moral or ethical codes might also be a mechanism for market efficiency by cooperation in mutually beneficial relationships based on promises and expectations (in line with Pullen and Rhodes (2013) forms of ethico-politics of organizing that enact oppression).

My assumption is that valuation is a pragmatic practice, performed by individuals and organizational actors. Valuation practices are *contextually* legitimate and therefore always becoming. These are developed in what may be seen as spaces and forms of political dissent of the single market and resistance to unfair valuation. Development of sustainability and low costs in road transport chains relates to several and overlapping valuation practices performed in a market context but more correctly described as a loosely connected net of transporters and logistics operators with multiple orders of worth. Valuation is to be seen as an action (Muniesa, 2012; Dewey, 1939). Judgement is situated and decisive in *what to do*.

The driver and the industrial supply chain manager are two important actors with differences in culture, economy but also similarities in dependence on low cost structure and not being legally responsible for unsustainable transport chain work. Transporters, forwarders and logistics operators are buyers and suppliers of road transportation. The problems and opportunities in their valuations might offer insights to social innovation (Stark, 2009), i.e, bringing together incompatible traditions in road transportation sites.

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