Is infrastructure upgrading an antidote for smuggling? Evidence from Beitbridge Border Post, Zimbabwe

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Abstract

In recent years, Southern Africa has witnessed an increase in the volume of commercial and private cross-border traffic. This has put pressure on inland ports of entry as well as sea ports. The Beitbridge Border Post handles the largest volume of traffic in Southern Africa yet there has been no significant infrastructure development in the past decade. Incidences of smuggling and other illegal activities have increased. The existing infrastructure fails to contain the volume of traffic, enabling travellers to evade duty payment. This paper contends that improvements in infrastructure would help to curb rampant smuggling and offers suggestions to achieve this.

1. Introduction

Cross-border movement of people and goods is common in modern civilisation. Globalisation and international trade liberalisation initiatives have resulted in rapid growth in the value and volume of goods moving across borders (Kieck 2010). According to Koslowski (2011) the world's nation-states exercise territorial sovereignty by adopting policies and enacting laws that require international travellers to pass through official ports of entry. Beitbridge Border Post, between Zimbabwe and South Africa, handles extremely large volumes of traffic and is considered one of the busiest land border posts in Southern Africa (Confederation of Zimbabwe Industries [CZI] 2015). Congestion at the border post makes access to the control area difficult and policing of that area extremely difficult (Irish 2005). The Zimbabwe Revenue Authority (ZIMRA), Zimbabwe's semi-autonomous revenue collection and customs administration body, records that on a daily basis an average of 500 haulage trucks including those in transit to other countries are cleared.

2. Contextual framework

Zimbabwe's recent economic recovery has resulted in an increase in importation of raw materials and other goods. Privately imported goods, especially used motor vehicles ex-Japan, have significantly increased over the past decade. Yet there has been no significant upgrade to physical and other infrastructure despite trade agreements to develop shared physical infrastructure.

Governments around the world spend a sizeable portion of their budget on enforcement and deterrence of illegal activities at ports of entry (Gathmann 2004). The increase in the volume of traffic through Zimbabwe's inland ports has created a breeding ground for illegal activities notably loitering, bribery, corruption and smuggling. Smuggling has been a concern not only to the Zimbabwean government but to many governments globally. A study released in 2004 indicates that efforts to curb illegal migration and smuggling along the United States-Mexican border had increased dramatically, with the budget of

the border patrol increasing six-fold since 1986 (Gathmann 2004). Irish (2005) identifies that trafficking in stolen or illicitly acquired vehicles across South African borders had become a concern for police officials not only in South Africa but also within the Southern African Development Community (SADC) as a whole. According to Naim (2005), borders create profitable opportunities for smuggling networks and weaken nation-states by limiting their ability to curb the onslaught of the global networks that hurt their economies, corrupt their politics, and undermine their institutions. This situation is of concern to Zimbabwe and South Africa and to other developing countries that require strong and effective state agencies to build their economies and deliver much-needed services to their communities.

Improvements in physical border control with more effective use of information and communication technology can be useful in supporting efforts to curb smuggling. This paper seeks to establish whether infrastructure development could reduce the incidence of smuggling and illegal activities.

Smuggling: definition, drivers and deterrents. Smuggling is a relatively sophisticated industry, often arranged in the form of a network amongst service providers and officials, organised primarily by a small number of key players, and following distinctive tactics, routines and schedules (Araia 2009). Unemployment in Zimbabwe, which currently stands at close to 94%, has forced many people to shift to the informal sector where they hope to earn a living among such groups as cross-border traders who frequently travel to neighbouring countries to sell their products and return home with more goods for re-sale and some foreign currency (Mwaniki 2011). Moreover, the pressure to maintain high profit margins has forced many traders to evade payment of duty.

The customs environment in the Southern and Eastern African sub-region is characterised by a lack of coordination among the multiple government agencies on both sides of borders which, in turn, increases the potential for fraud and the need for risk management (Barka 2012). Differences in national economic policies, regional resources, and monetary currencies make borders 'lucrative zones of exchange and trade, often illicit and clandestine' (Flynn 1997, p. 313). Flynn (1997) also points out that smuggling occurs across borders around the world, providing an important means of livelihood for border residents and prompting creative social networking and cross-border ties within borderland populations. Araia (2009) adds that officials are reportedly paid regular 'stipends', bribed on an ad hoc basis, and encouraged through the use of improper influence, to make smuggling possible in various ways and to protect the smugglers from arrest and prosecution.

Infrastructure such as road and truck parking bays, commercial offices, inspection bays, office space, housing, bridge development, information and communication technology, surveillance technology, and truck and baggage scanners is essential at ports of entry. In particular, the use of information and communication technology enables automation of border processes and increases efficiencies (Wilmott 2007).

3. Research methodology

This paper is a case study of the Beitbridge Border Post between South Africa and Zimbabwe. The border is of strategic importance to Zimbabwe and the SADC. According to Yin (2009), case study evidence may come from documents, archival records, interviews, direct observations, participant observation and physical artefacts. To ensure that there is no distortion that comes with knowing that one is a participant in research, direct observations and impromptu interviews were used in this study. Observations covered events in real time and interviews focused on the case study topics. According to Sekaran (2000), observations help in unveiling participants' movements, facial expressions, emotions, work-flow patterns and layout. Purposive sampling was used to ensure the research focused on its objectives.

4. Challenges at Beitbridge Border Post

Uncontrolled access into the customs area and poor surveillance. Beitbridge Border Post is one of the most porous border posts in Zimbabwe. People could be seen entering and leaving the border without proper searches or declarations. Small-scale traders would pass through with goods, especially bread, several times a day without completing customs formalities. Some people could be seen using the exit side of the border to enter despite the fact that police, immigration and customs officers manned the gate. At Beitbridge Border Post there is no closed circuit television (CCTV) or any electronic surveillance mechanism in place. It was observed that the border post is very busy at midday and midnight and, at these times, it is densely populated. This makes surveillance difficult in the absence of technology, and without surveillance, rampant smuggling is possible.

Absence of a customs barrier. Notably, ZIMRA does not have its own customs barrier, that which is used to control access into the customs yard belongs to a private organisation, New Limpopo Bridge (Private) Limited (NLB), the firm that collects tolls for accessing the new Limpopo Bridge. As a result, control of traffic movement has been compromised. A sizeable number of vehicles passed the customs checkpoint without stopping and the customs officer would occasionally send a security guard to collect the vehicle's gate pass.

Malfunctioning baggage scanners. In a drive to curb smuggling, ZIMRA baggage scanners operate at both entry and exit counters. However, observations and enquiries revealed that the baggage scanners have been malfunctioning since 2009 and minimal effort has been made to restore them to functionality. Customs officers have to rely on physical baggage searches which are tiresome and less effective. Evidently, small but high-value goods such as smart phones are easy to smuggle when searches are conducted physically.

Temporary shelter housing families in the customs yard. The government-sponsored program to improve the border face has taken a long time without significant progress. Temporary structures that were built to house workers on duty have been turned into homes and there are people with families living within the border post. Goods these people import from South Africa are consumed within the border, hence there is no need for customs formalities. This facilitates a breeding ground for smuggling. Also, completed buildings that are not being used are harbouring people, unofficially. This weakens the fight against smuggling.

Delays in customs clearance, bribery and corruption. The biggest challenge facing Beitbridge Border Post is queue management. During the research, it was observed that it takes an average of one and half hours to complete border formalities at Beitbridge. This has been worsened by the fact that one has to pass through the police department to have vehicles cleared inwards before reporting to Customs. It was observed that a sizeable number of bogus clearing agents now loiter at the border and constantly approach travellers claiming that they can help travellers jump the queue or assist in faster customs clearance. As a result, many travellers become impatient and restless and are tempted to evade formalities, including paying duty. These research findings are in line with the literature. Mills (2012) says that on average, producers can expect their vehicles to spend up to a week at the Beitbridge Border Post 'if they don't pay anything'. Zhangazha (2009) also indicates that it may take 12 hours to have a passport stamped at the border post. Bulawayo24.com, an online newspaper, reported on 4 June 2013 that ZIMRA suspended three officers at Beitbridge Border Post on allegations of corruption and facilitating the smuggling of several commercial goods into the country.

Information deficiency. There is no dedicated information officer or information centre at Beitbridge. The structure that is labelled 'information centre' is rundown and always unoccupied. In the customs hall, it was observed that people would join the wrong queues when wanting to pay road access fees or duty calculated or to process temporary import permits. The duty calculation queue was arguably the longest and most disorganised of all. Local cross-border transporters could be seen pushing in,

undeterred. This evidently frustrated a sizeable number of travellers who had to spend a longer time in the queue. Moreover, the security officers in the hall were not assisting travellers as they should.

Poorly arrayed parking space and separation of commercial and private imports. Beitbridge Border Post is a hive of activity especially in the early hours of the day when cross-border buses report. Parking space is a noticeable problem at the border post and is made worse by the fact that there are no permanent barricades that demarcate vehicle parking for commercial and private importations. Small trucks carrying commercial goods were seen using the private imports section, causing mayhem. This has become a threat not only for motorists but is a loophole for smuggling. Mixing private and commercial imports has resulted in unsupervised transhipments and consignment splitting. One truck was observed offloading goods into a smaller vehicle without customs supervision.

Inadequate computer infrastructure and system interruptions. The computer systems in use for duty calculation experienced outages twice in an eight-hour shift. Interviews with border officials and clearing agents indicated that the customs authority, ZIMRA, has recently migrated from ASYCUDA++ to the new and more robust ASYCUDA World. However, because of inadequate hardware and network systems, their systems were not functioning properly. Only one computer was dedicated to duty calculation and this created a bottleneck. The team of bogus clearing agents was also seen conversing with travellers in the queue, some of whom would unceremoniously leave the queue never to come back.

5. Infrastructure-related strategies to curb smuggling

The infrastructure shortcomings at Beitbridge Border Post present a breeding ground for illegal activities including smuggling. It is contended that improvements to both physical and cyber infrastructure would significantly reduce the success rate of smugglers. The following recommendations are made specifically with regard to infrastructure improvement as a means to reduce smuggling at ports of entry.

Install CCTV and surveillance systems. The need for a functioning electronic surveillance system to closely, accurately and effectively monitor the activities at border posts cannot be over-emphasised. It is imperative that all ports of entry be under constant surveillance to ensure that illegal activities are detected and measures to deter them are implemented in good time. It is also easy to identify syndicates when they are placed on computer-aided surveillance. The recommendations made by Irish (2005) as a result of research on the South African side of Beitbridge Border Post favoured the installation of CCTV cameras within the border control area as a possible means of reducing levels of corruption. Use of these technologies is of considerable relevance to supply chain security initiatives: they would speed up the inspection and control process and, ultimately, contribute to the rapid transit time of goods and so facilitate trade.

Adopt an e-government framework. The term ‘e-government’ refers to the ‘use of Information Technology to enhance the access to and delivery of government services to benefit citizens, business partners and employees’ while ‘e-Customs’ is the ‘use of Information Technology to carry out customs compliance using electronic communications channels replacing paper format customs procedures, thus creating a more efficient and modern customs environment’ (Granqvist, Hintsa & Männistö 2010, p. 50). Such an integrated system is essential because it integrates the operations of business and government departments and enables the detection of irregularities in business operations and fiscal declarations such as income tax, value-added tax and customs duty.

Develop truck parking and inspection bays and separate commercial and passenger traffic. In order to ensure that there is minimal interaction between private and commercial importations, there is a need for clear demarcation of the two sections so that it is clear where the importer belongs. In addition, the parking bays for commercial vehicles need to be improved to enable effective surveillance. Disorganised and random parking encourages illegal activities through reduced visibility. There is also a need to emphasise to importers that transhipments conducted inside the customs yard should be authorised or

supervised by an appropriate officer. Improvements to infrastructure would go a long way to eradicating smuggling tendencies at Beitbridge Border Post.

Improve internet connectivity. The adoption of ASYCUDA World requires capable internet connectivity. There are a number of circumstances where breakdowns in the computer system cause delays in customs clearance. The interviews conducted as part of this research revealed that clearing agents spend, on average, 20% of a working day without connectivity with ZIMRA. This may be a factor that forces importers to take the smuggling route as they would have failed to get services from the customs authority. The valuation of motor vehicles is based on postings by the Japanese car suppliers on the internet. However, internet connectivity at Manica Bonded Warehouse is slow and results in serious delays. This is in line with the findings of Mills (2012) who argues that it may take a week to clear a motor vehicle. Poor service encourages smuggling, therefore, by upgrading the technology infrastructure, service can be improved.

Construction of clearance booths, renovation of information centres and installation of signage. The availability of clear and concise information makes travelling and customs clearance easier. With the right information, importers find it convenient to clear their goods properly rather that opting to smuggle them. There is a need, therefore, for the information centres to be renovated and upgraded regularly as well as for a clearing booth to be constructed. The purpose of the clearing booth is to avoid unnecessary queuing in the customs hall as travellers with nothing to declare within the travellers' rebate would be processed promptly and clear the booth. Local passenger vehicles with non-duty-payable goods can also be cleared from the booth thereby reducing pressure on the duty calculation counter in the hall. Vetting travellers and granting duty free allowances would continue to be handled outside the customs hall. Observations were made that travellers sometimes spend 30 minutes in a queue only to be informed that their goods are within the duty free allowance. Meanwhile, the long queue is frustrating duty paying travellers who are then ensnared by bogus clearing agents (*maguma-guma*) who facilitate smuggling.

6. Conclusions

Beitbridge Border Post is a strategic port of entry both to Zimbabwe and Southern Africa. The volume of traffic through the port has increased significantly in recent years and so too have the incidences of illegal activities such as smuggling. However, the current infrastructure at Beitbridge Border Post does not help to deter smuggling. The available literature supports the notion that improving infrastructure would significantly curb smuggling. To achieve this, there is a need for urgent improvements to the infrastructure at Beitbridge Border Post in line with the strategies and recommendations mentioned above.

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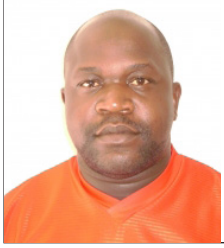

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