

# Challenges of Customs Law Enforcement in Ethiopian Revenues and Customs Authority: The Case of Moyale Branch

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## Abstract

The role of Ethiopian Revenues and Customs Authority Customs law enforcement is to effectively protect society and secure the collection of legally due revenue by fighting against cross-border crimes and combating commercial fraud etc. Thus, the purpose of this article is to assess the challenges of Customs law enforcement in Ethiopian Revenues and Customs Authority; Moyale Revenues and Customs Branch Office. The study adopted mixed research approach and descriptive research methods .By applying probability and non probability sampling techniques a sample of 166 staff members was taken. Secondary sources was collected from working manuals and annual reports of years 2005-2015.To collect primary data, questionnaires and in-depth interview guides were designed to gather responses from some 136sampled staff members. The collected data was analyzed by both descriptive and inferential statistics. The result indicated that there was a challenge of Customs law enforcements at the branch; Moreover; location of the branch, lack of evidential intelligence, poor cooperation of stakeholders and inefficient organizational structure of ERCA are the main challenges of Customs enforcement at Moyale branch respectively. It was also found that corruption within the branch official were serious problem that becomes the reason behind those challenges.

**Keywords:** Customs Authority, Customs Enforcement, Customs Challenges

## 1. Introduction

The World Customs Organization (WCO) (1999) lets Customs is an Authority or Agency in a country responsible for collecting tariffs and for controlling the flow of goods. In addition the organization stated that, each country has its own laws and regulations for the import and export of goods into and out of a country, which its Customs Authority enforces or implements. The import or export of some goods may be restricted or forbidden. In most countries, Customs are attained through government agreements and international laws.

In addition, World Bank (2011) stated that, Customs is often the first window through which the rest of the world views a country it plays an important role in shaping the impressions of the key individuals and organizations involved in making important trade and foreign investment decisions. Without an efficient and effective national Customs administration, governments will not be able to meet their policy objectives in respect of revenue collection, trade facilitation, trade statistics, and the protection of society from a range of social and national security concerns. Customs contribution to national development is potentially enormous and can make a significant difference to the lives of many impoverished people throughout the world.

Albeit diverse history, Scholars have written that Customs duty collection in Ethiopia began around the first century in the kingdom of Axum on the red sea coast. It was a mid Menelik II in 1889 set up as lawful government structure (Teweldeberhan W/gebriel, 2011). Then again, re-organized since July 2008 and merged with Ministry of Revenue and Federal Inland Revenue Authority by the Proclamation No, 587/2008. According to article 3 of the Proclamation No .587/2008, the Authority is looked upon as "an Autonomous Federal Agency having its own legal personality". And named as Ethiopian Revenues and Customs Authority (Ethiopian Revenues and Customs Authority (ERCA) website, 2015).

## 2. Literature Review

The challenges of the 21st Century are placing massive demands on Customs administrations. Now, more than ever before, there is a need for Customs administrations to be more responsive (World Bank, 2011 and WCO, 2015). An understanding is required of issues such as globalization, the dynamics of international trade, the technicalities of the trade supply chain, emerging policy directions and the complexities of the global landscape (WCO, 20013). It is imperative that we encourage and stimulate greater intellectual output and analysis. The new and emerging challenges will impact on our future development and demand a more proactive and action-orientated approach .Although some Customs administrations have started to respond to these challenges, the overall global reality is that Customs Administrations still apply unrelated, uncoordinated, ineffective service standards and lacks effective risk management system and overlapping controls to the movement of the same goods and largely operate in silos, resulting in unnecessary duplication ( World Bank ,2006 and Pravin Gordhan, 2007 ).

There are a number of challenges faced by Customs while executing her mandate and these include:

inefficient organizational structure of tax agencies, unsuitable geographical location of tax offices, low access to valuable information, poor coordination of government Agencies, growing variety of threats to the security of the international supply chain, emergence of trading blocs and global competition between major players of the world economy, as well as the international trade agreements that are a threat to Customs revenue base for developing nations (Intelligence Analysis (IA) Handbook for Customs Administrations in the East African Region, 2012).

The Customs Service faces the environment that changes quickly due to the increase of the production and consumption, growth of international trade and new global challenges (organized crime, terrorism and climate changes). In this context, the role of the Customs administration is to maintain a permanent equilibrium between its major tasks: protection of the society, revenue collection and trade facilitation (World Bank, 2011 and The European International Journal of Science and Technology, 2013:Vol.). In addition, documentary control in the clearance procedures by engaging human resources, which might lead to obstacles to simplified procedures and increase corruption, is the other challenge in Customs Administration (WCO, 2009). Simplified procedures aimed at cutting down on the costs of compliant foreign trade companies, carriers and law-abiding passengers will be of great benefit for the Customs administration, since the officers will be free of dealing, among other things, with low risk goods, and of duplications of procedures, and enable them to focus on high risk goods and improve the services provided to clients (Serbian Customs Administration Business Strategy, 2010).

The historical connection between Customs, revenue and valuable cargo has proved to be a rich source for the temptation and opportunity for corrupt practices. This remains the case even today given the unparalleled amounts of illegal money flowing around the world associated with such trades as narcotics, arms, endangered species, counterfeit goods and the illegal movement of people. No country is exempt from this scourge and a successful remedy must be fully inclusive, determined and properly thought through (Gareth Lewis, 2013).

Weak institutions, poor governance and under resourced Customs services and Police forces make many of Africa's borders porous and difficult to control. Customs and border officials often operate in remote posts that are geographically dispersed resulting inadequate controlling system, and work around the clock with relatively few staff. They often lack adequate supervision, opportunities for corruption abound (Gautam Basu, 2013). As a result, many African states face major corruption challenges at ports and borders which are in violation of Customs law (Kaaria & Muchiri, 2011).

Activities that violate Customs law like Corruption at borders and ports involves various Actors, including Customs officials, border guards and port operators, with different powers and bureaucratic mandates, resulting in different discretionary powers and opportunities to extract bribes(WCO, 2015)

### 3. Research Methodology

The study has incorporated mixed method approach and has applied descriptive research type using the fact that a descriptive research design is used to describe the data and characteristic about "what is" being examined. Descriptive survey additionally empowers to acquire the present data. It is also used in fact finding studies and helps to formulate certain principles and give solutions to the problems concerning local or national issues. Descriptive survey method concentrates on exploring the present status, practice and problems of the under study problem. In this study, to collect primary data from the 136 sampled respondents of the branch staff members taken, a combination of probability sampling and non-probability sampling techniques were used.

Therefore, In order to collect relevant and adequate first hand data, the researcher applied survey method of data collection. Such that, in order to make the chosen research competent to respond to the research purpose and objectives, Personal interview (i.e. Face-to-face interview) and self completed (i.e. hand delivered questionnaire) were used during the data collection in addition to personal observation. Both descriptive statistics and inferential statistics method of data analysis methods was applied. Therefore, to achieve the study purpose, two research questions (RQ) were addressed. These are:-

RQ1. What are the major challenges of Customs law enforcement at Moyale branch?

RQ2. what is the Causes behind of these Customs law enforcement challenges at Moyale Branch?

### 4. Results and Discussion

#### 4.1. Descriptive Statistics

##### **RQ1: Challenges of Customs law enforcement at Moyale Revenues and Customs branch:**

The Ethiopian Revenues and Customs Authority (ERCA) is the body responsible for collecting revenue from Customs duties and domestic taxes. In addition to raising revenue, the ERCA is responsible to protect the society from adverse effects of smuggling. It seizes and takes legal action on the people and vehicles involved in the act of smuggling while it facilitates the legitimate movement of goods and people across the border and within the country. The role of Customs enforcement is to effectively protect society and secure the collection of legally due revenue by fighting against cross-border crimes and tax evasion (ERCA Customs Proclamation No,

859/2014).

According to the descriptive statistics, it seems that the major value or response of respondents lay on three (3) categories (i.e.: Extremely challenging, very challenging and somewhat challenging). Accordingly, 45.6%, 44.9%, 50% and 39% of the total respondents ranked; organizational structure, poor cooperation of stakeholders, location of the branch and lack of evidential intelligence as extremely challenging variables of Customs law enforcements at Moyale ERCA respectively.

However, inferring by simply looking on the frequency table and high percentage responses of the variables from the table above may lead biased conclusion. Where, the corresponding inferential test statistics shown below directs the true conclusion.

#### 4.2. Inferential test of statistics

##### Friedman Test

Statistical Hypothesis:

*H0: There is no statistical significant median difference between the main Customs enforcement challenges.*

*H1: At least two of the main Customs enforcement challenges are significantly different.*

**Table 4.1: Mean rank of Customs enforcement challenges**

No	Observed variables	Mean Rank
1	Inefficient organizational structure,	5.74
2	poor cooperation of stakeholders	5.89
3	location of the branch	6.18
4	Lack of evidential Intelligence	5.83
5	Lack of effective service standards	4.80
6	Lack of performance standards	4.14
7	lack of Appropriate Compensation and Working Conditions	4.72
8	lack of effective risk management system	4.04
9	lack of responsibility and measures taken	3.67

Source: fieldwork, March2016

Table 4.1 above shows that, the 136 respondents have identified the first four variables with high mean ranks as main concern of Customs law enforcement at Moyale branch compared to the next five variables on the same table. The purpose of the Friedman procedure is to test whether these observed differences are statistically significant or not. The SPSS output to the Friedman test is shown below.

**Table 4.2: Friedman test Statistics<sup>a</sup>**

N	136
Chi-Square	159.165
Df	8
Asymp. Sig.	.000
a. Friedman Test	

Source: fieldwork, March2016

The computed chi-square statistic is 156.165. The null hypothesis (H0) is rejected since the asymptotic significance (P-value) is less than 5%. Thus the observed differences in the ranking among the Customs law enforcement challenging variables are not just by chance, that is, the degree of challenge to enforcement are statistically different. Then having performed Wilcoxon signed ranks test for two related samples of multiple comparison on the group medians, the analysis has done and the most challenging of Customs enforcement are identified as followed below.

##### Wilcoxon Signed Ranks Test

##### Statistical Hypothesis:

*H0: The statistical median difference (M) between the main Customs enforcement challenges are equal to zero (M=0).*

*H1: The statistical median differences (M) between the main Customs enforcement challenges are not equal to zero (M≠0).*

**Table 4.3: Test Statistics of customs law enforcement challenges**

No,	variables	Z	Asymp. Sig. (2-tailed)	Adjusted value $\alpha=0.05\div 36=0.0014$	Decision
1	2 - 1	-0.876 <sup>b</sup>	.381	.381>.0014	Do not reject Ho
2	3 - 1	-2.878 <sup>b</sup>	.004	.004>.0014	Do not reject Ho
3	4 - 1	-0.668 <sup>b</sup>	.504	.504>.0014	Do not reject Ho
4	5 - 1	-2.930 <sup>c</sup>	.003	.003>.0014	Do not reject Ho
5	6 - 1	-4.520 <sup>c</sup>	.000	.000<.0014	reject Ho
6	7 - 1	-2.402 <sup>c</sup>	.016	.016>.0014	Do not reject Ho
7	8 - 1	-3.778 <sup>c</sup>	.000	.000<.0014	reject Ho
8	9 - 1	-5.181 <sup>c</sup>	.000	.000<.0014	reject Ho
9	3 - 2	-1.870 <sup>b</sup>	.061	.061>.0014	Do not reject Ho
10	4 - 2	-0.310 <sup>c</sup>	.757	.757>.0014	Do not reject Ho
11	5 - 2	-3.445 <sup>c</sup>	.001	.001<.0014	Reject Ho
12	6 - 2	-5.046 <sup>c</sup>	.000	.000<.0014	Reject Ho
13	7 - 2	-2.947 <sup>c</sup>	.003	.003>.0014	Do not reject Ho
14	8 - 2	-4.766 <sup>c</sup>	.000	.000<.0014	Reject Ho
15	9 - 2	-5.846 <sup>c</sup>	.000	.000<.0014	Reject Ho
16	4 - 3	-1.814 <sup>c</sup>	.070	.070>.0014	Do not reject Ho
17	5 - 3	-4.561 <sup>c</sup>	.000	.000<.0014	reject Ho
18	6 - 3	-5.883 <sup>c</sup>	.000	.000<.0014	reject Ho
19	7 - 3	-4.257 <sup>c</sup>	.000	.000<.0014	reject Ho
20	8 - 3	-5.497 <sup>c</sup>	.000	.000<.0014	reject Ho
21	9 - 3	-6.363 <sup>c</sup>	.000	.000<.0014	reject Ho
22	5 - 4	-4.016 <sup>c</sup>	.000	.000<.0014	reject Ho
23	6 - 4	-5.624 <sup>c</sup>	.000	.000<.0014	reject Ho
24	7 - 4	-3.076 <sup>c</sup>	.002	.002>.0014	Do not reject Ho
25	8 - 4	-4.962 <sup>c</sup>	.000	.000<.0014	reject Ho
26	9 - 4	-6.166 <sup>c</sup>	.000	.000<.0014	reject Ho
27	6 - 5	-3.424 <sup>c</sup>	.001	.001<.0014	reject Ho
28	7 - 5	-1.130 <sup>b</sup>	.897	.897>.0014	Do not reject Ho
29	8 - 5	-2.357 <sup>c</sup>	.018	.018>.0014	Do not reject Ho
30	9 - 5	-4.680 <sup>c</sup>	.000	.000<.0014	reject Ho
31	7 - 6	-3.097 <sup>b</sup>	.002	.002>.0014	Do not reject Ho
32	8 - 6	-1.143 <sup>b</sup>	.886	.886>.0014	Do not reject Ho
33	9 - 6	-2.666 <sup>c</sup>	.008	.008>.0014	Do not reject Ho
34	8 - 7	-2.506 <sup>c</sup>	.012	.012>.0014	Do not reject Ho
35	9 - 7	-4.307 <sup>c</sup>	.000	.000<.0014	reject Ho
36	9 - 8	-3.213 <sup>c</sup>	.001	.000<.0014	reject Ho

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks.

c. Based on positive ranks. Source:  
SPSS output,2016

**Note:** To control for Type I error across the pair-wise comparisons, the researcher divided 0.05 by the number of possible pair-wise tests, and used “Bonferroniized” P-value to arrive at a decision. In this test, there are a total of thirty six (36) pair-wise tests, and to test at the 5% level of significance, the correct value of  $\alpha=0.05/36=0.00138=0.0014$ . This means that if the P-value is larger than 0.0014, there is no a statistically significant results. And to make the work simple, the nine (9) variables are assigned from 1 to 9 as they are in table 4.2 respectively.

There was a statistically significant differences among the Customs law enforcement challenges at,  $\chi^2(8) = 159.165, p = 0.000$  on the table 4.2 above. table 4.3 Wilcoxon signed-rank multiple comparison test also shows, there is statistical significance difference in their degree of challenges among the variables of organizational structure and lack of performance standards, lack of effective risk management system, lack of responsibility and measures taken on violators of rules and regulations at ( $Z=-4.520, -3.778$  &  $-5.181, P=.000$ ) respectively. The Z-score in those pairs is negative. This is an indication of organizational structure of ERCA is one factor of Customs enforcements challenge in Moyale branche level. Because, Customs enforcement is enforced with the collaborations of two independent organizations (ERCA civil staffs and Federal polices).

Secondly, the test statistics above indicates that, there is statistical significance difference in the degree of challenges of between poor cooperation of stakeholders with the branch and lack of effective service standards, lack of performance standards, lack of effective risk management system and lack of responsibility and measures taken on violations of rules and regulations at ( $Z=-3.445, -5.046, -4.766$  &  $-5.846, P=.001, .000, .000, \&.000$ ) respectively. The Z-score in those pairs is negative. This is an indication of that poor cooperation of stakeholders with ERCA is one factor of Customs enforcement challenge in Moyale branch level. Because most of stakeholders assume that Customs enforcement is mandate of Customs only.

Thirdly, there is statistical significances difference among location of the branch and lack of effective service standards, lack of performance standards, lack of Appropriate Compensation and Working Conditions, lack of effective risk management system and lack of responsibility and measures taken on violations of rules and regulations in their degree of challenge to Customs enforcement at the branch level at ( $Z=-4.561, -5.883, -4.257, -5.497$  &  $-6.363, P=.000$ ) respectively. The Z-score in those pairs is negative. This is an indication of that location of the branch is one factor of Customs enforcement challenges in Moyale branch. Because the branch is found at politically un stabled area, administered by two woreda administrators, in addition, the area is smooth and easy to contrabandists to transit without touching the main road.

Forth, there is statistical significance difference among the variables of lack of evidential Intelligence and lack of effective service standards, lack of performance standards, lack of effective risk management system and lack of responsibility and measures taken at ( $Z=-4.016, -5.624, -4.962$  &  $-6.166, P=.000$ ) respectively. The Z-score in those pairs is negative. This is an indication of that lack of evidential Intelligence to the branch is one factor of Customs enforcement challenge in Moyale branch. Because there are no formal informants, Customs intelligence officials are less skilled and they are corrupt, and the attitudinal problem of intelligence officers.

Fifth, there is statistical significance difference among the variables of lack of effective service standards and lack of performance standards and lack of responsibility and measures taken at ( $Z=-3.424$  &  $-4.680, P=.001$  &  $.000$ ) respectively. The Z-score in those pairs is negative. This is an indication of that lack of effective service standards of the organization is one factor of Customs enforcement challenges at Moyale branch.

Finally, the above test showed, there is statistical significant difference among lack of Appropriate Compensation and Working Conditions and lack of responsibility and measures taken and between lack of effective risk management system in Customs law enforcement and lack of responsibility and measures taken on violations at ( $z=-4.307$  &  $P=.000$ ) and ( $Z=-3.213$  &  $P=.001$ ) respectively. The Z-score in those pairs is negative. This is an indication of that lack of appropriate Compensation and Working Conditions to the employee and lack of effective risk management system in Customs law enforcement are factors of Customs enforcement challenges at Moyale branch.

Accordingly, the researcher summarized the analysis that, the four main challenges ranked by Friedman test as major challenges of Customs law enforcement at Moyale branch are statistically tested by Wilcoxon signed rank test and they are statistically significant challenges of Customs enforcement at the branch. These are location of the branch is the first and most challenge followed by poor cooperation of stakeholders and lack of evidential intelligence respectively; and inefficient organizational structure of ERCA is the fourth statistically significant major challenge of Customs enforcement at Moyale branch.

#### **4.5 Main Causes of Customs law Enforcement Challenges of Moyale Revenues and Customs Branch.**

Clearly, the traditional role of Customs in terms of mostly focusing on revenue collection is changing and the mandate of Customs administrations has expanded. Although the objectives and priorities for controlling the cross-border movement of goods may differ from country-to-country, a greater awareness is emerging of the contribution of Customs administrations to socio-economic and political development by, on the one hand, contributing to the expansion and facilitation of legitimate trade and, on the other, protecting national economies and societies through the application of controls on the cross-border movement of goods. Accordingly, Customs plays a critical role in the implementation of a range of trade, economic and social policies and contributes to the achievement of national development objectives. Without an efficient and effective national Customs administration, governments will not be able to meet their policy objectives in respect to revenue collection, trade facilitation, trade statistics and protection of society. However, because of the following reasons, the above identified four main challenges are hindering Customs law enforcement effectiveness in ERCA. Especially Moyale Branch office.

The descriptive statistics indicates that, of 58.8%, 33.1% and 66.2% the total respondents replied their idea that, Corruption of ERCA officials and stakeholders, lack of accountability on ERCA and stakeholders and suitable geographical setting of the area for contrabandists are the major causes of Customs enforcement challenges at Moyale branch respectively. In addition to this, of 27.9% and 31.6% the total respondents answered that, lack of supervision and guidance by the authority to the branch as well as the branch to business processes and Customs check points and inadequate controlling system of ERCA and stakeholders are ranked as



the second major cause of Customs enforcement business process challenges at Moyale branch respectively. On the other hand, of 27.2% the total respondents respond that, excessive discretionary power of the ERCAs official as third major cause of Customs enforcement business process challenges at Moyale branch.

In the table 4.4 below; Friedman test compares the mean ranks between the related variables or groups and indicates how the variables differed. However, it is not very likely to actually to report these values. It is the **Test Statistics** informs the actual result of the Friedman test. Accordingly, Excessive discretionary power in the hands of officials seems has high mean rank (4.19) and followed by Inadequate controlling system by ERCA & stakeholders, lack of supervision and guidance by ERCA and lack of accountability on staff & stakeholders ( 3.99,3.96 and 3.52) respectively. Corruption/ conflict of interest on the officials & stakeholders and suitable geographical setting of the area for Contraband seems have low mean ranks (2.86 and 2.49) respectively. This result shows an inverse of the above frequency descriptive.

**Friedman Test**

**Statistical Hypothesis:**

*H0: There is no statistical significant median (M) difference between the causes of Customs enforcement challenges.*

*H1: At least two of the causes are significantly different.*

**Table 4.4 Ranks of Causes of Customs enforcement challenges**

No,	Statements	Mean Rank
1	Corruption/ conflict of interest on the officials & stakeholders	2.86
2	lack of supervision and guidance by ERCA	3.96
3	Excessive discretionary power in the hands of officials	4.19
4	Lack of accountability on staff & stakeholders	3.52
5	Inadequate controlling system by ERCA & stakeholders	3.99
6	Suitable geographical setting of the area for Contraband	2.49

Source: fieldwork, March2016.

The test statistics table 4.5 below shows, the actual result of the Friedman test, and whether there was an overall statistically significant difference between the mean ranks of table 4.4 above related variables.

**Table 4.5 Friedman test Statistics of the causes**

N	136
Chi-Square	123.916
Df	5
Asymp. Sig.	.000

a. Friedman Test

Source: own work,2016

The table 4.5 above provided the test statistic ( $\chi^2$ ) value ("**Chi-square**"), degrees of freedom ("**df**") and the significance level ("**Asymp. Sig.**"), which is all are important to report the result of the Friedman test. From the same table, it is shown that there is an overall statistically significant difference between the mean ranks of the related variables. This table of test statistics tells about, whether there are overall differences or not, but does not pinpoint which variable in particular differ from each other. To do this it needs to run post hoc tests as followed below.

**Wilcoxon Signed Ranks Test**

**Statistical Hypothesis:**

*H0: The statistical median difference (M) between the causes of Customs enforcement challenges are equal to zero (M=0).*

*H1: The statistical median differences (M) between the causes of Customs enforcement challenges are different from zero (M ≠0).*

**Table 4.6 Test Statistics of the causes of Customs enforcement challenges**

No	variables	z-score	Asymp. Sig. (2-tailed)	Adjusted p-value=0.05/15=0.0033	Decision
1	2-1	-4.304 <sup>b</sup>	.000	.000<.0033	Reject Ho
2	3-1	-5.601 <sup>b</sup>	.000	.000<.0033	Reject Ho
3	4-1	-5.227 <sup>b</sup>	.000	.000<.0033	Reject Ho
4	5-1	-5.664 <sup>b</sup>	.000	.000<.0033	Reject Ho
5	6-1	-2.064 <sup>c</sup>	.039	.039>.0033	Do not reject Ho
6	3-2	-2.882 <sup>b</sup>	.004	.004>.0033	Do not reject Ho
7	4-2	-2.471 <sup>b</sup>	.013	.013>.0033	Do not reject Ho
8	5-2	-3.090 <sup>b</sup>	.002	.002<.0033	Reject Ho
9	6-2	-5.051 <sup>c</sup>	.000	.000<.0033	reject Ho
10	4-3	-.228 <sup>c</sup>	.820	.820>.0033	Do not reject Ho
11	5-3	-1.128 <sup>b</sup>	.259	.259>.0033	Do not reject Ho
12	6-3	-6.220 <sup>c</sup>	.000	.000<.0033	Reject Ho
13	5-4	-1.500 <sup>b</sup>	.134	.134>.0033	Do not reject Ho
14	6-4	-6.795 <sup>c</sup>	.000	.000<.0033	Reject Ho
15	6-5	-6.929 <sup>c</sup>	.000	.000<.0033	Reject Ho

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks.

c. Based on positive ranks.

Source: SPSS output, 2016

The table 4.6 above shows the output of the Wilcoxon signed-rank test on each of combinations. It is important to note that the significance values have not been adjusted in SPSS Statistics to compensate for multiple comparisons. The researcher must manually compare the significance values produced by SPSS Statistics to the Bonferroni-adjusted significance level calculated. You can see the adjusted value at the  $p < 0.0033$  significance level.

There was a statistically significant differences among the causes of Customs law enforcement challenges at,  $\chi^2 (5) = 123.916, p = 0.000$  on the table 4.5 above. table 4.6 Wilcoxon signed-rank multiple comparison test also shows that, there is statistical significance difference between Corruption /conflict of interest of ERCA officials and stakeholders and lack of accountability on ERCA officials and stakeholders, lack of supervision and guidance by ERCA to the branch, inadequate controlling system of ERCA and stakeholders and excessive discretionary power on the hands of ERCA officials at ( $Z = -4.304, -5.601, -5.227, \& -5.664$   $P = 0.000$ ) respectively. The negative value of Z-score indicates that, Corruption is the major cause of Customs enforcement challenges among those paired variables.

On the same test above, there is a statistical significance difference between lack of supervision and guidance by ERCA to the branch and inadequate controlling system of ERCA and stakeholders, and Suitable geographical setting of the area for contrabandists at ( $Z = -3.090 \& -5.051$   $P = .002 \& .000$ ) respectively. The negative value of Z-score indicates that, lack of supervision and guidance by ERCA to the branch, is the major cause of Customs enforcement challenges among those paired variables.

To sum up, as compare to all the pair-wise tests above, Corruption /conflict of interest of ERCA officials and stakeholders at Moyale branch covers a high statistical significance differences among these all explained causes, in which it shares four(4) of the six casual variables. Accordingly, the researcher concluded that, Corruption/ conflict of interest is the major causes of all the Customs enforcement challenges identified above for Moyale ERCA Customs law enforcement followed by lack of supervision and guidance by ERCA to the branch and the branch to check points under it.

Moreover, the interview with official of the branch and secondary data of the branch; like annual reports and other documents of the branch reveal that, corruption of officials and stakeholders make the difficulty of Customs enforcement at the branch. Previously, on June 2013, the branch had a research to identify the main problems on its branch. Then it identified attitudinal problem of officials and corruption as the major causes of malpractices on the branch. The researcher found from annual reports that, ten(10) employee on 2008, five(5) employee on 2011, two (2) employee on 2013/14 have been fired from their work due to corruption. In addition to this, two (2) workers have been punished their three (3) month's salary on 2013. Four (4) suspected workers cases are still on pending. From the year 2012 to 2014, eight (8) suspected workers have been escaped from fire and other penalties' due to lack of evidential intelligence, document and eye witnesses. The test analysis has correspondingly assured the secondary data indication and both officials interviews.

## 5. Conclusions

This article has attempted to analyze the challenges of Customs law enforcement in ERCA Moyale branch. These investigations were addressed by employing survey questionnaires, semi structured and structured interview given to ERCA officials and Federal police members and reviewing annual reports. Finally, on the basis of qualitative and quantitative analysis of data; location of the branch ,poor cooperation of stakeholders, lack of evidential intelligence and inefficient organizational structure of ERCA are statistically significant major challenges of Customs enforcement at Moyale branch respectively. And according to the analysis, Corruption of ERCA officials and stake holders are the main causes of the above main Customs enforcement challenges at Moyale branch.

Effective implementation of Customs law enforcement often requires inter-institutional cooperation including the local, regional, and international levels, governments and nongovernmental organizations; and individual stakeholders. However, there are often challenges identified above in efficiently ensuring effective cooperative compliance and enforcement initiatives caused by corruption. Where among those challenges ERCA faces; Moyale Branch Office enforcement officials share severe Challenges when they fulfill the duty imposed up on them.

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