U4 Helpdesk Answer

U4 Helpdesk Answer 2023: 21

The efficacy of geographic staff rotation in preventing corruption in the customs sector.

Geographic staff rotation is widely used by customs administrations to periodically rotate their officials across work locations in order to prevent the formation of new or disrupt existing corrupt relationships. This Helpdesk Answer evaluates the efficacy of this measure, concluding it has the potential to reduce corrupt outcomes, but also that it can give rise to significant operational implications and be ineffective or counterproductive if not carefully and fairly implemented.

AUTHOR
Jamie Bergin (TI)
tihelpdesk@transparency.org

REVIEWED BY

Caitlin Maslen (TI)
Celine Pinzio (TI)
Guillaume Nicaise (U4)

RELATED U4 MATERIAL

↗ Key steps to address corruption in tax and customs

↗ The effectiveness of integrity led anti-corruption interventions

↗ Corruption risk management

Query

Please provide a summary of the literature on the efficacy of geographic staff rotation in preventing corruption in the customs sector.

Contents

Caveat

This Helpdesk Answer is based on desk research and as such relies on literature published by others. No primary research was undertaken.

The topic of this Answer – staff rotation policies – has operational implications beyond the prevention of corruption for any organisation that implements them. While this Answer addresses some of these implications, it does not purport to cover them exhaustively.

MAIN POINTS

— Geographic staff rotation is an established practice used in the customs sector to prevent the formation of new or disrupt existing relationships that lead to corruption.

— Almost only economic models and laboratory experiments suggest that rotation can be effective in reducing the incidence and volume of bribes exchanged between a client and public official.

— The measure may be limited to target entrenched networks and relationships underpinned by social norms.

— Rotation may lead to an increase in corruption if not implemented fairly and deliberately.

— It carries significant operational implications, such as a burden on resources and potentially causing short and long-term efficiency losses.

— A one-size fits all approach to geographic staff rotation should be avoided and it should be implemented carefully with an eye to contextual factors and in tandem with other integrity measures/safeguards.

U4 Anti-Corruption Helpdesk
The efficacy of geographic staff rotation in preventing corruption in the customs sector

2

Introduction

Customs refers to the government service responsible for the administration of customs law and the collection of duties and taxes (WCO 2006). It is also responsible for the application of other laws and regulations relating to the import, export, movement or storage of goods (WCO 2006).

The customs sector is vulnerable to corruption. McLinden and Durrani (2013: 4) argue that:

> "almost every function performed by customs is vulnerable to corruption including the assessment of origin, value and classification; cargo examination; the administration of concessions, suspense, exemption and drawback schemes; post clearance audit; transit operations; passenger processing; the issuing of various licences and approvals; and in recent times, access to authorised or preferred trader schemes which confer special privileges to selected traders."

At its most typical, corruption in the customs sector takes the form of a client bribing a customs official in return for non-enforcement of the law (Jancsics 2019: 3). For example, bribed custom officials can abuse their power to prevent illicit goods from being detected or to withhold the application of tariffs on a client's goods. There have also been reported cases in which customs officials have extorted traders for bribes, for example, threatening them with spurious fees or tariffs (World Bank no date). Other forms of corruption involving customs officials have been fraud (such as the falsification of records), the misappropriation of traded goods and nepotism (especially in recruitment) (Chêne 2018: 9).

The very magnitude of the profits at stake means a wide range of actors can be involved in corrupting customs officials, including private sector entities such as freight companies, but also organised criminal networks and local political actors. In many cases, the client and customs official develop long-term corrupt relationships.

This vulnerability is compounded by the high level of discretion customs officials often enjoy to make decisions such as permitting imports and exports or choosing what level of tax to impose (Chêne 2018: 4). Additionally, many customs officials work in remote locations where it can be challenging to effectively monitor their behaviour (McLinden and Durrani 2013: 4).

Estimates suggest that 30% or more of customs revenues, generated through trade taxes, are lost to corruption in some developing countries (World Bank no date). Corruption in customs can also impede the facilitation of trade and be detrimental to internal security when illicit goods such as firearms are trafficked (Fjeldstad and Raballand 2020: 123).

In response to the serious impact of corruption in customs, a number of anti-corruption measures to address these vulnerabilities and to promote higher standards of integrity have been implemented across customs administrations. This paper focuses on one of these measures: the geographic rotation of staff.

Under this policy, customs administrations rotate officials across different customs offices at regular intervals rather than having the same officials assigned to the same office interminably. The policy may have several aims, one of which is to deter the development of long-term corrupt relationships that are made possible by a customs official remaining in a fixed location.

Staff rotation has been practiced in many sectors as an integrity measure, including law enforcement and public procurement, and it has gathered noteworthy momentum in the customs sector. In 2003, the member states of the World Customs Organisation (WCO) adopted The Revised Arusha Declaration, declaring that effective national customs integrity programmes must address 10 core key factors. One of these reads:

> "In order to reduce the opportunities for malpractice, Customs managers should employ such measures as strategic segregation of functions, rotation of assignments and random allocation of examinations among customs officers and, in certain circumstances, regular relocation of staff."

As such, this paper assesses the efficacy of staff rotation in countering corruption and aims to shed further light on the "certain circumstances" under which the measure should be used. It focuses on the customs sector but draws findings from other fields where relevant.

The first section of this paper provides an overview of staff rotation, including variations in implementation. The second section will summarise relevant findings from the literature that support the conclusion that the measure can be effective in countering certain forms of corruption. The third section will conversely review the limitations of the measure in this regard. The final section will address some of the potential operational implications of staff rotation that are not per se related to corruption, but nevertheless constitute important considerations for any customs administration implementing this measure.

Staff rotation

Corrupt relationships in the customs sector

Corrupt relationships or networks are a particularly strong risk in the customs sector. While corruption may be led by individuals, there are often "more systemic forms of corruption involving the development of corrupt networks within the customs administration" who distribute the profits from the corruption among each of its members (Chêne 2018: 8).

This can be attributed to several factors. The risk of corrupt relationships is often more pronounced at smaller border crossings where informal social networks may more easily develop outside the workplace (Chêne 2018: 2). In many countries, customs officials often come from the very border regions where they serve, meaning any corrupt ties may be long-lasting in nature. (Begovic and Mijatovic 2002: 30).

Corruption in customs can become especially entrenched due to the durability of such networks. Members of such networks often share a high level of trust and reciprocity, as well as ensuring key information is held for the benefit of the entire network, such as attitudes of the top management's tolerance of corruption and who is susceptible to bribery (Fjeldstad and Raballand 2020: 124).

Staff rotation policies

Geographic staff rotation is one tool of a broader set of staff rotation policies. Gounev and Bezlov (2010: 102) differentiate between three kinds of staff rotation policies used in the customs sector. Customs officials may be periodically transferred to other locations within a country to carry out customs work. Second, their work shifts may be

U4 Anti-Corruption Helpdesk
The efficacy of geographic staff rotation in preventing corruption in the customs sector

4

rotated frequently and randomly with other officials. Finally, there can be randomised schedules so that which customs official inspects which object (for example, a shipment) is not predetermined.

Additionally, there is also job rotation where officials are rotated between different roles and tasks. The term "staff rotation" is often used in the literature as a universal term for all of these measures as they share the common aim of countering corruption. Nevertheless, it is important to differentiate them, because they may have varying levels of impact and operational implications. This paper focuses on the first of these variants. When the term "staff rotation" is applied in this paper, it should be considered as primarily referring to geographic rotation.

The use of this measure to counter corruption has a surprisingly long history. Coşgel et al. (2012: 366) outline how public officials throughout the time of the Ottoman empire were rotated as a measure to reduce corruption risks. It has become more widespread in the modern day; for example, the New York City Police Department adopted it in the 1970s to curb police corruption (Center for the Study of Democracy 2012: 91). The Federal Ministry of the Interior in Germany introduced a directive in 1998 ordering all federal employees working in areas particularly vulnerable to corruption (such as public procurement) to be rotated every five years (Abbink 2004: 887).

The policy has been embraced in particular by the customs sector. In addition to the Revised Arusha Declaration, an OECD report also highlights staff rotation as a best practice in positions that are more vulnerable to corruption and other integrity risks (OECD 2016: 39). In 2016, 13 out of 20 countries reported to the G20 Anti-Corruption Working Group on Integrity in Customs that they had employed staff rotation policies in their customs administrations (OECD 2016: 61).[1] One can hypothesise that this is due not only to customs' vulnerabilities to corruption but also that certain characteristics of the customs sector that are amenable to staff rotation, such as the availability of numerous offices to rotate between.

Variations in staff rotation

Staff rotation policies can vary widely from country to country in a more technical sense. For example, in Singapore, civil servants can be posted for a maximum of 10 years before they are rotated (UNODC 2017); whereas across EU member states, five years was found to be most common period (Gounev et al. 2012: 109). In Italy, the customs agency determines the length of a posting against the risk level of the role, applying shorter periods for higher risk roles (WCO 2017: 56). Some roles might be amenable to more frequent rotation; in Ukraine, for example, 10 interdepartmental mobile units were set up to respond to corruption offences in customs, with all personnel being rotated on a monthly basis (Interfax Ukraine 2016).

Furthermore, staff rotation may not be required of customs officials of all levels of seniority. In their study of EU member states, Gounev et al. (2012: 109) found that, for example, agencies in Estonia and Lithuania made relocation mandatory only for high-ranking officials, whereas Poland and Bulgaria excluded high-ranking officials from their policy. The Italian customs agency makes job

---

[1] Argentina, Australia, Brazil, China, Germany, India, Indonesia, Italy, Japan, Korea, Mexico, Turkey, UK.

rotation compulsory for both non-managerial and managerial positions (WCO 2015: 160).

Finally, there can be variation in the nature of relocation or transfer. The literature distinguishes between horizontal transfers – where officials are transferred between positions of equal rank or seniority – and vertical transfers, by which officials are transferred between positions of differing rank or seniority. For vertical transfer, relocation can serve as an opportunity to promote or demote an official. A study of the Serbian customs administration (Begovic and Mijatovic 2002) found that despite having both, horizontal transfers were much more common than vertical transfers. In a different approach, the Indian customs administration reportedly makes conscious efforts to rotate its officers between sensitive and non-sensitive posts (WCO 2020: 17).

Aims of staff rotation

There can also be variation in the exact policy aims of staff rotation. For example, the stated aims of staff rotation in the Kyrgyz Republic civil service include reducing corruption risks plus supporting career motivation and improving institutional efficiency (Nozdrachyev/Ноздрачев 2019: 15). Gounev et al. (2012: 100) carried out a study on several agencies and units responsible for border security in 23 EU member states and found that 75% of them had rotation policies in place. The stated aims of the policies included preventing corruption, but some agencies also used relocation punitively to address petty corruption offences committed by agents that did not warrant contract termination. One responding agency in Finland said that rotation may also be used to help officers gain experience in performing different tasks.

Given the multifaceted nature of corruption, few anti-corruption measures can or even aim to target every form of corruption. Accordingly, staff rotation aims to address a specific aspect of corruption. There is a general consensus within the literature that this is to target corrupt relationships between public officials and clients. This can include preventing such relationships from forming, but also disrupting established corrupt relationships (UNODC no date). In the context of the customs sector, this concerns relationships between customs officials and three types of clients: individuals, informal groups (such as an organised criminal group) and formal organisations such as a trading company (Jancsics 2019: 11).

Of course, there are also corrupt exchanges that are less predicated on the existence of a relationship. For example, there are reports of clients trying to bribe whoever is on duty, irrespective of whether or not they know them (Jancsics 2023: 7). This also holds for rogue customs agents who attempt to extort clients indiscriminately. However, staff rotation is expected to be more effective against long-term corrupt relationships.

Bouman (2021: 104) explains the logic behind this. If a customs administration rotates the officials whose roles involve them having frequent contact with potential bribers, then it can prevent the development of a longer relationship between a potential briber and official. The lack of such a relationship makes it harder for the briber to predict if an official will accept the bribe or not, or if they will reciprocate the bribe with the desired action. This increases the risk that the attempted bribery will have consequences, such as being reported, which in turn creates a deterrent effect. Indeed, there is also a reduced incentive to attempt to bribe an official, because if they are not going to continue in their fixed position, the potential long-term gains of the bribery are diminished (UNODC no date). As Bayar (2013) explains: "It may not be worthwhile for an individual client to incur the

costs of establishing connections with every new public officer in order to get corrupt benefits".

Therefore, staff rotation as a policy assumes that creating "uncertainty with respect to the corruptibility of one's potential partner in corruption" (Abbink and Serra 2012: 6) will deter corruption.

This understanding seems to also be reflected at the policy level. In their study of EU member states, Gounev et al. (2012: 100) found that rotation of staff "aims to prevent the establishment of durable corruption networks or personal relations with local communities that may influence an officer's judgement". There may be specific local factors addressed by the policy. For example, Onder (2015: 65) found that the policy of personnel rotation in the Turkish national police aimed to weaken bonds between police officers and the communities they serve in, including to discourage collusion grounded on ethnicity factors.

The key role of corrupt relationships and networks within the customs sector may help to explain why staff rotation, a policy that aims to target these very relationships and networks, is widely used in the sector. Furthermore, preventive measures of this nature are suited for customs in which direct supervision can be difficult. Similarly, as Bouman (2021: 22) points out, it can be more effective for policymakers to aim to break up networks rather than pursue criminal justice responses for each of its individual members.

The efficacy of staff rotation in preventing and countering corruption

The widespread and continued use of staff rotation policies suggests that many authorities and countries positively assess the efficacy of the measure (for example, see Bundesministerium des Innern und für Heimat 2019).

Nevertheless, the efficacy of staff rotation policies has not been extensively studied. Borges et al. (2017: 27) carried out a review of the available literature at that time and identified no studies using "ethnographic/qualitative", "macro quantitative" or "micro quantitative" approaches had been carried out.

Ingrassia (2021: 5) describes how measuring the impact of staff rotation faces the same challenges that are present for measuring other anti-corruption interventions. For example, the fact that acts of corruption tend to occur out of sight makes it difficult to assess impact against a reliable number of incidents of corruption.

One approach adopted in the customs sector is to use the volume of revenue collected as an indicator. For example, a study (Cheptarus 2018: 31) on revenue collection in Kenya collected 107 responses from people working in different roles in customs. They were asked to share their views of the statement that staff rotation had made a positive impact on the rate of revenue collected. The results were as follows:

- 45.8% strongly agreed with the statement
- 24.3% agreed
- 18.7% unsure
- 11.2% disagreed
- 0% strongly disagreed

There is also an account of staff rotation having immediate results in Moldova: 168 people working for the national customs administration were rotated between July-December 2002. The administration reported positive impacts – for example, finding that after 80% of staff were rotated at the customs office in the city of Cahul, more revenue was collected in one week than had been in the previous month (Obreja et al. 2003: 83).

However, the bulk of the available literature on the efficacy of staff rotation policies is found in the field of economics, especially in the subfield of game theory. This strand of literature focuses in particular on how effective staff rotation – whether geographic or otherwise – is in changing the decisions that the actors in a corrupt relationship would normally make.

Abbink (2004) authored a leading paper describing the use of a laboratory experiment to determine if staff rotation reduced the rate of bribery. He designed a game in which students simulated the roles of potential bribers and public officials under conditions of staff rotation. They were allocated a fictional currency which could be exchanged with legitimate currency at the end of the game. In each round, potential bribers were presented with the decision to try and bribe the public official, whereas the public official could choose to either accept or reject the bribe. Relevant costs and risks associated with these decisions were built into the game, including the level of organisational inefficiencies caused by bribery. The game took place over 30 rounds in which the pairs of potential bribers and public officials were randomly rematched each time in a simulation of staff rotation and thereafter compared to results where the pairs remain fixed.

Abbink found that staff rotation had a significant effect, decreasing bribes paid by almost one-half and the frequency of inefficient decisions due to

bribery fell by two-thirds. Abbink acknowledged certain limitations in his model – for example, the risk of an official reporting a bribe attempt is not accounted for – and highlighted the need to analyse the effects of staff rotation in other environments accounting for a range of richer and more diverse conditions.

Nevertheless, Abbink's study adds empirical weight to the logical argument that staff rotation actually does make clients and public officials less likely to engage in corruption due to the lack of predictability as to whether or not the opposing actor can be corrupted.

Furthermore, other scholars using economic modelling or laboratory experiments have reached similar findings to Abbink, broadly concluding that staff rotation does have a bribery reducing impact when clients and officials are rotated in this kind of model (Jellal 2009; Bayar 2013; Rangone 2016; Bühren 2020; Fišar et al. 2021). It should be noted that reservations were expressed in some of these studies. For example, Fišar et al. (2021) found that while staff rotation did reduce the share of bribe acceptance by public officials and inefficient decisions made due to bribery, it did not influence the proportion of potential bribers offering bribes.

The limitations and risks of staff rotation in countering corruption

As discussed, the main anti-corruption potential of staff rotation is the prevention and disruption of corrupt relationships. Accordingly, the sceptics about the efficacy of staff rotation often focus on its limitations in disrupting these relationships.

Corrupt networks may be sufficiently organised enough to react to and circumvent the effects of staff rotation. For example, a media report of a corruption case involving a customs division working in Shenzhen, China, found that several rounds of staff rotation had failed to stem the corruption because the implicated division had copied the bribery practices existing in other divisions (Chen 2015). Indeed, sophisticated corrupt networks often have widespread geographic coverage. Similarly, Begovic and Mijatovic found that rotation of customs officials in Serbia during the 1990s was ineffective because corrupt networks were robust enough to quickly adapt to new border crossings (2002: 101).

Some kinds of corrupt relationships may be more entrenched and thus resistant to staff rotation. Jancsics (2019: 11) hypothesises that this is the case for "corrupt relationships based on preexisting social arrangements, such as family, friendship, or community networks". Fjeldstad and Raballand (2020: 125) argue that "customs officers are building up networks made up of family, friends, and acquaintances that are based on trust and reciprocity as a way of banking assistance for the future". They talk about how customs officers are often perceived by family members and social networks as patrons (Fjeldstad and Raballand 2020: 124). This suggests certain networks that are underpinned by social norms and societal pressures may be more resistant to staff rotation.

Bühren (2020) carried out a bribery experiment inspired by Abbink's to test the effect of staff rotation on corruption in Germany and China. He found staff rotation reduced the propensity of public officials in both countries to behave corruptly. However, he found that staff rotation affected clients' propensity to bribe in Germany to a greater degree than in China. He interpreted this difference with reference to the Chinese culture of *guanxi*, which he describes as "strong social ties of

reciprocity and trust (and against opportunism) in Chinese economic behavior". According to Bühren, the client in China as opposed to Germany may, due to the social norms of *guanxi,* carry a greater expectation that their attempt to bribe a public official will be reciprocated, even if they have not developed a long-standing relationship with that official, meaning the rate of bribery was not significantly affected by staff rotation.

Other limitations may be linked to the kind of technical variations in implementation of the measure. For example, certain respondents to a study of staff rotation in Kenyan wildlife management felt that the rotation periods of three years were too long to prevent the emergence of localised relationship based corruption risks (OECD 20217: 51).

A further limitation is that the disruption of one corrupt relationship may spawn other relationships. Bayar (2013) proposes an economic model to test the effect of staff rotation on corruption that differs from Abbink's in that it attempts to account for the role of intermediaries in facilitating corruption between officials and clients. His model establishes that staff rotation can in some conditions lead to an increase in corruption through intermediaries. This occurs when intermediaries (who are considered to be immobile) assume the costs of building a connection to the official (the target to be corrupted) for the benefit of clients, because staff rotation has obstructed clients (the bribers) from doing it themselves. If the intermediary succeeds in building this connection, they can offer this connection to many clients in return for a commission, meaning that the overall cost per corrupt transaction is reduced. Therefore, the corrupt relationship is more profitable than it would have been without the intermediary playing this role, which in turn encourages a greater rate of corruption facilitated in this way.

Nevertheless, Bayar argues that it is possible to design the policy so that staff are rotated frequently enough that intermediaries cannot build connections to officials as easily and thus will become discouraged. Bayar's finding on intermediaries may be particularly relevant for the customs sector where there are often additional third parties operating between the relationship between customs and traders, such as customs brokers and logistics operators (Fjeldstad and Raballand 2020: 123).

There are also voices in the literature that argue that staff rotation can create more opportunities for corruption. Langseth et al. (1997: 26) theorise that staff rotation could facilitate systemic corruption because it creates the opportunity for corrupt senior level officials to exploit the policy to punish subordinates who resist corruption. Bouman (2021: 104) warns that because some duty stations may be considered by customs officials to be better than others, it may lead them to compete among each other and bribe higher-level officials to influence the location where they will be posted to.

Fjeldstad (2003: 173) argues that, if corrupt officials are unsure about the station they will be relocated to next and the opportunity to benefit from corruption there, they could react by trying to maximise the opportunities for corruption in their current station. He cites a study from Arifari (2006) who found that customs officials in Benin were giving bribes to be relocated to "lucrative posts" where they stepped up their corrupt activities, in part so that they could recover the money invested in the bribe. In this case, the element of uncertainty created by the rotation policy appeared to have the reverse effect.

Della Porta and Vannucci (2016) describe the potential "snowball effects" of corruption. Their theory supports the idea that if actors with the know-how to create corrupt relationships and

networks are relocated, they may spread that know-how geographically, which can amount to corruption being exported across new locations.

Onder (2015: 91) carried out a study of the geographic personnel rotation policy used by the Turkish national police, finding that most respondents felt that the policy was often unfairly applied which caused a reverse effect. One respondent even confessed to soliciting a fake health report from a doctor to avoid being relocated to a position which he perceived to be a demotion that was planned by superiors for political reasons. In Mexico, a secretary for the customs administration was discovered to have sold a "secret rotation schedule" to organised criminal groups, which enabled them to know which customs officials were working where (Jordan 2001). Again, this speaks to the risk that those charged with implementing staff rotation may pose corruption risks.

In general, one of the reasons customs officials are considered to be susceptible to corruption is that they are often given inadequate salaries and working conditions (Chêne 2018: 1). It is possible that unfair or undesired staff rotation could exacerbate this dynamic and make them more susceptible to corruption.

The WCO has acknowledged that "favouritism, political loyalties and nepotism could influence internal promotion and transfers" (2021: 51). In response, it provides guidance that staff rotation policies need to "be free of favouritism and bias and transparent and a clearly understood condition of service" (WCO 2021: 126).

Operational implications of staff rotation

This paper has so far assessed staff rotation in relation to the policy's efficacy in countering corruption. However, the policy carries other significant operational implications. Indeed, some of the scholars relying on economic modelling to assess the policy's efficacy to counter corruption acknowledge that their models do not account for all its costs and the benefits (Jellal 2009: 16).

Financial cost

One major implication is that staff rotation is inherently costlier than keeping officials in fixed posts, primarily because customs administrations must incur relocation costs for its officials (Gounev et al. 2012: 109). These can be higher in larger countries where posts are geographically spread out (Ardigo 2014: 7). There may also be associated training costs to support the onboarding of staff into their new roles, especially if they require new knowledge (Gounev et al. 2012: 109).

Therefore, customs administrations especially in low and middle-income countries can face resource challenges in implementing staff rotation. Masake (2023: 190) found in his study of the Namibian police force that there was a policy for staff rotation in place and its anti-corruption effects were positively assessed by respondents, but it was considered to be a costly exercise and therefore seldomly applied in practice.

Efficiency

In additional to financial resources, there can be a cost in terms of job specific human capital. The WCO guides state that "it takes time to develop specialization in most of the activities carried out by [c]ustoms" (WCO 2015: 160). Indeed, staff rotation may be less effective in countries where there is a scarcity of qualified personnel for certain roles in customs, such as auditors and accountants (Fjeldstad 2003: 173).

This may not come only in the form of hard skills, there may also be knowledge and skills that can only be acquired from working in a fixed place; for example, familiarity with local cases, clients and routines. Organisations can benefit from keeping an employee at a post long enough for them to develop proficiency in the role (Bayar 2013: 2). Relocating a staff member means this information becomes underutilised or redundant, which leads to overall efficiency losses (Abbink 2004: 888).

Essentially, if staff rotation is effective at disrupting relationships, then it can also disrupt positive relationships as well as negative ones. For example, informal social and business relationships between customs officials and clients can also be useful, help the customs officials better perform their roles and lead to gains in the efficiency of customs work (McLinden and Durrani 2013: 3). Therefore, relocation may also lead to the breaking up of useful networks (Begovic and Mijatovic 2002: 30). This is especially the case where a level of mutual trust with locals is desired (Storry 2008).

There may also be efficiency losses in the short-term that are associated with staff rotation. In El Salvador, a lack of planning for staff rotation in customs apparently led to a failure for all personnel to have necessary access, causing widespread delays, (La Prensa Gráfica 2017). The World Customs Organisation (2021: 5) recommends that rotation policies take into account the fact that having inexperienced employees in positions could delay the process for a period.

U4 Anti-Corruption Helpdesk
The efficacy of geographic staff rotation in preventing corruption in the customs sector

11

On the other hand, there are arguments suggesting that staff rotation can increase efficiency. Wei (2020) conducted a controlled experiment to test the effect of rotation in lowering the ratchet effect, a phenomenon in which an agent strategically restricts effort and output levels – a commonly cited example is when employees reduce output towards targets so subsequent targets are not set so high. Wei found that the ratchet effect is reduced when agents are informed that they will be rotated. Furthermore, Ingrassia (2021) found in a study of Rome based civil servants that staff rotation for anti-corruption purposes did not clash with but rather enabled their professional development.

Efficiency losses or gains may influence the capacity of a customs administration to implement a wider set of anti-corruption measures by, for example, maintaining a clear and effective internal reporting system. Furthermore, corruption typically creates efficiency losses due, for example, to the misallocation of financial resources. While it can be difficult to quantify these losses, it is possible that the avoidance of these losses may offset any operational efficiency losses that staff rotation brings.

Staff morale

Staff rotation may also have significant implications on the levels of staff morale or job satisfaction, which in turn can lead to efficiency losses or other operational concerns for customs administrations. This may be linked to the nature of the transfer of a customs official. Eby and Russell (2000: 667) found that, when people are relocated horizontally, they had a greater propensity to be unsatisfied and had even higher quitting rates than people who were relocated with a promotion. This was also the case when the relocation was perceived by the employee to be involuntary rather than voluntary.

Other contextual factors pertaining to the destination of the relocation may also affect staff morale, including the level of social infrastructure present (Cho and Kim 2020: 35). Staff morale is generally expected to be higher when employees and their families are satisfied with their new physical and psychological environment (Cho and Kim 2020: 36).

Staff rotation may be perceived, incorrectly or otherwise, as a punitive measure. For example, mandatory staff rotation for sensitive positions in public institutions in Romania was repealed in 2016. One of the reported reasons was that the practice was associated negatively with its punitive use in the communist era (Bouman 2021: 104).

The WCO advises that the effect of staff transfers may be distorted where they are used to reward or sanction customs officials (WCO 2021: 51). This finding appears to be supported by Onder's study of the geographic personnel rotation policy used by the Turkish national police. The policy was used both to reward and punish employees. Most participants in his study said it was important to be careful when using the policy as a reward and punishment tool, finding that "instead of correcting deviant behaviour, the punitive use of GPR may exacerbate the situation and lead to losing the officer" (Onder 2015: 90). In this respect, it is worth noting the guidance from WCO that customs administrations have a transparent staff rotation policy in place (2021: 51). This can help ensure that the policy is not abused for corrupt purposes and that there is adequate buy-in from each employee.

Conclusion

As discussed, staff rotation is widely used as an anti-corruption measure within the customs sector. Nevertheless, there is comparatively less agreement

on how it should be implemented in a technical sense and the contexts it is best suited to. It is beyond the scope of this paper to address this gap, but some reflections deriving from the previous sections are provided here.

Anti-corruption and integrity programming must be a priority for customs administrations, considering the heightened risks facing the sector, especially in the form of relationships and networks. The logic that rotation of customs staff can prevent or disrupt these relationships and networks appeals on an intuitive level, but it also is backed by findings from the field of economics.

However, there is also evidence that the measure may be limited in addressing certain kinds of these relationships, and, perhaps more alarmingly, poses risks that it engenders new forms of corruption. Furthermore, it has been established that staff rotation may carry significant operational implications.

In light of all this, promoting a one-size-fits-all approach towards staff rotation is unsuitable. Rather, deciding when and how to implement the policy in practice resembles more of a balancing act informed by the local context. For example, Begovic and Mijatovic (2002: 158) found that staff rotation is generally effective as a measure to counter corruption, but that it carries operational costs. Therefore, they advise that the policy be prioritised in settings where levels of corruption are high. Similarly, UNODC (no date) advises that rotation must be balanced against other concerns, such as building competency and commitment to public service.

Another important consideration is that staff rotation cannot target all forms of corruption. Accordingly, it is self-evident that it is only one of a set of anti-corruption measures available for customs administrations to adopt. Indeed,

Mugellini et al. (2021: 32) find that policies such as staff rotation work better in conjunction with other interventions.

For example, staff rotation may benefit from background checks and risk management approaches to help inform the selection of suitable and risk averse locations for specific customs officials. Risk management when implemented correctly takes local context and costs into account, thus moving solutions away from a one-size-fits-all approach. In general, further research is needed to consider how other accompanying anti-corruption measures can address the limitations, risks and operational implications posed by staff rotation.

References

Abbink, K. 2004. Staff rotation as an anti-corruption policy: An experimental study. European Journal of Political Economy 20 (4): 887–906.

Abbink, K. and Serra, D. 2012. Chapter 4 anticorruption policies: Lessons from the lab. In *New advances in experimental research on corruption* (pp. 77-115). Emerald Group Publishing Limited.

Ardigo, I. 2014. Literature review on corruption in customs and tax administration.

Arifari, N.B. 2006. We don't eat the papers': Corruption in transport, customs and the civil forces'. *Everyday corruption and the state: Citizens and public officials in Africa.*

Bayar, G. 2013. Staff rotation, connection building and intermediaries in corrupt transactions.

Borges, M., Gans-Morse, J., Makarin, A., Nickow, A., Prasad, M., Watters, V., Mannah-Blankson, T. and Zhang, D. 2017. Combatting corruption among civil servants: Interdisciplinary perspectives on what works.

Begovic, B. and Mijatovic, B. 2002. Combating corruption at the customs administration.

Bouman, J. 2021. *Preventing corruption of civil servants in France, Romania and the Netherlands: A comparative study of law and policy.*

Bühren, C. 2020. Staff rotation as an anti-corruption policy in China and in Germany: An experimental comparison. *Jahrbücher für Nationalökonomie und Statistik*, 240(1).

Bundesministerium des Innern und für Heimat. 2019. Korruptionsprävention in der Bundesverwaltung. (DEU)

Center for the Study of Democracy. 2012. Anti-corruption measures in EU border control.

Chen, S. 2015. Officer rotation fails to stem entrenched corruption at Shenzhen customs station. South China Morning Post.

Chêne, M. 2018. Corruption at borders.

Cheptarus, E.K. 2018. Influence of internal controls on revenue collection at the customs services department of the Kenya Revenue Authority.

Choi, J.P. and Thum, M. 2003. The dynamics of corruption with the ratchet effect. *Journal of public economics,* 87(3-4).

Cho, Y.C. and Kim, Y. 2020. Investigating determinants that affect job and life dissatisfaction: the case of relocation. *The Journal of Industrial Distribution & Business*, *11*(3), pp.29-38.

Coşgel, M.M., Ergene, B., Etkes, H. and Miceli, T.J., 2012. Crime and punishment in Ottoman times: Corruption and fines. *Journal of Interdisciplinary History*, *43*(3), pp.353-376.

Council of Europe, GRECO. 2019. Fifth evaluation round: France.

Della Porta, D. and Vannucci, A. 2016. *The hidden order of corruption: An institutional approach.*

Eby, L.T. and Dematteo, J.S. 2000. When the type of move matters: Employee outcomes under various relocation situations. *The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, *21*(6).

Eby, L.T. and Russell, J.E. 2000. Predictors of employee willingness to relocate for the firm. Journal of Vocational Behavior, 57(1), pp.42-61.

Fedotov, O. 2015. "Rotation and single-level displacement of personnel of regional customs direction of the state fiscal service of Ukraine: theory and practice." *Administrative law and process* 3 (13). (UKR)

Fišar, M., Krčál, O., Staněk, R. and Špalek, J. 2021. Committed to reciprocate on a bribe or blow the whistle: The effects of periodical staff-rotation in public administration. *Public Performance & Management Review*, *44*(2).

Fišar, M., Krčál, O., Staněk, R. and Špalek, J. 2019. *The effects of staff-rotation in public administration on the decision to bribe or be bribed* (No. 2019-01).

Fjeldstad, O.H. 2003. Fighting fiscal corruption: lessons from the Tanzania Revenue Authority. Public Administration and Development. *The International Journal of Management Research and Practice*, 23(2).

Fjeldstad, O.H. 2009. The pursuit of integrity in customs: Experiences from sub-Saharan Africa.

Fjeldstad, O.H. and Raballand, G. 2020. Corruption in customs: How can it be tackled? *Enhancing government effectiveness and transparency: The fight against corruption.*

Fjeldstad, O.H. 2005. Revenue administration and corruption.

Gorshkov, N.N. 2013. Retrospective analysis of practice of rotation in the public service of the Russian Federation. *The Topical Issues of Public Law* (3).

Gounev, F., Bezlov, T. and Džekova, R. 2012. Anti-corruption measures in EU border control. CSD-Center for the Study of Democracy.

Gounev P & Bezlov T. 2010. Examining the links between organised crime and corruption. European Commission and Centre for the Study of Democracy.

Jancsics, D. 2021. Law enforcement corruption along the US borders. *Security Journal* 34.

Jancsics, D. 2019. Border corruption. *Public Integrity*, 21(4).

Jancsics, D. 2020. Corruption in border administration. *Handbook on Corruption, Ethics and Integrity in Public Administration.*

Jellal, M. 2009. Dark side of social capital: Social preferences and corruption.

Jellal, M. 2012. An anti corruption mechansim.

Jenkins, M. 2018. The relationship between business integrity and commercial success.

Jordan, M. 2001. Mexico fights broad customs corruption. *The Washington Post*.

Holmes, L. 2021. *Comparing police corruption: Bulgaria, Germany, Russia and Singapore*. Routledge.

Ingrassia. 2021. Organizing for what: Job rotation as an organizational development strategy or as an organizational anti-corruption tool? *IMPRESA PROGETTO*, *3*.

Interfax-Ukraine. 2016. Мобильные таможенные группы начинают работу в начале сентября в Киевской, Львовской, Одесской, Закарпатской и Волынской областях. (RUS)

Lambert-Mogiliansky, A., Majumdar, M. and Radner, R. 2007. Strategic analysis of petty corruption: Entrepreneurs and bureaucrats. *Journal of Development Economics*, *83*(2), pp.351-367.

Langseth, P., Stapenhurst, R. and Pope, J. 1997. The role of a national integrity system in fighting corruption. *Commonwealth Law Bulletin*, 23(1-2).

La Prensa Gráfica. 2017. Persisten problemas por rotación de personal en aduanas en todo el país. (ESP)

Masake, P.H. 2023. *A critical assessment on strategies to detect and combat systemic corruption in the Namibian Police Force* (Doctoral dissertation).

McLinden, G. and Durrani, A.Z. 2013. Corruption in customs. *World Customs Journal*, 7(2).

Mischkowitz, R. et al. 2000. Einschätzungen zur Korruption in Polizei, Justiz und Zoll Ein gemeinsames Forschungsprojekt des Bundeskriminalamtes und der Polizei-Führungsakademie. (DEU)

Mugellini, G., Della Bella, S., Colagrossi, M., Isenring, G.L. and Killias, M. 2021. Public sector reforms and their impact on the level of corruption: A systematic review. *Campbell Systematic Reviews*, *17*(2).

Nozdrachyev/Ноздрачев, А.Ф., 2019. Институт ротации в системе государственной гражданской службы. Журнал зарубежного законодательства и сравнительного правоведения, (5) (RUS)

Obreja, E., Gasca, V. and Calenic, N. 2003. *The customs activity in the Republic of Moldova and corruption*. Transparency International Moldova.

OECD. 2016. Integrity in customs: Taking stock of good practices.

OECD. 2020. Public Integrity Handbook.

OECD. 2016. Country case: Staff rotation in the German civil service

OECD. 2018. *Strengthening governance and reducing corruption risks to tackle illegal wildlife trade: Lessons from East and Southern Africa*.

Onder, S.G. 2015. A distinctive organizational control practice: Personnel rotation. Doctoral dissertation.

Rangone, N. 2016. A behavioural approach to administrative corruption prevention. *Preventing Corruption and Promoting Good Government and Public Integrity*.

Rashki, Z., Hasanqasemi, A. and Mazidi, A. 2014. The study of job rotation and staff performance in customs organization of Golestan and Mazandaran Provinces. *Kuwait Chapter of Arabian Journal of Business and Management Review, 3*(7).

Ryvkin, D. and Serra, D. 2012. How corruptible are you? Bribery under uncertainty. *Journal of Economic Behavior & Organization,* 81(2).

Singh, D. 2022. The causes of police corruption and working towards prevention in conflict-stricken states. *Laws*, 11(5).

Søreide, T. 2002. Corruption in public procurement. Causes, consequences and cures. Chr. Michelsen Institute.

Storry, K. 2008. What can corruption and anti-corruption theory tell us about the problems facing policing in remote Indigenous communities?

UNODC. 2017. Handbook on anti-corruption measures in prisons.

UNODC. No date. Preventing public sector corruption.

Velkova, E. and Georgievski, S. 2004. Fighting transborder organized crime in southeast Europe through fighting corruption in customs agencies. *Southeast European and Black Sea Studies, 4(2).*

Wei, C. 2020. Can job rotation eliminate the ratchet effect: Experimental evidence. *Journal of Economic Behavior & Organization*, 180.

Walsh, J.T. 2003. Practical measures to promote integrity in customs administrations. *Changing Customs*. International Monetary Fund.

World Bank. No date. Customs Administrations.

World Customs Organisation. 2021. Integrity Development Guide.

World Customs Organisation. 2003. Revised Arusha Declaration.

World Customs Organisation. 2006. The Revised Kyoto Convention.

World Customs Organisation. 2015. WCO Integrity Newsletter Issue 11.

World Customs Organisation. 2017. Compilation of Integrity Practices from WCO Members.

U4 Anti-Corruption Helpdesk
The efficacy of geographic staff rotation in preventing corruption in the customs sector

17