

### Corruption in logistics

Logistics is prone to corruption due to a number of reasons.

Production processes have been unbundled and manufacturing processes have been outsourced to remote markets in developing countries. Such countries do have fragile security systems in place, weak legislation and judicial systems, all factors that allow corruption to become systemic in society (Manners Bell).

In the World Economic Forum's Global Competitiveness Report of 2013, 22 out of 144 countries indicated that corruption has been identified as a "leading barrier" in conducting business. Anti-corruption legislation has been created, however, it cannot effectively prevent corruption in logistics, specific not at border posts. Some of the most corrupt countries are Somalia, Korea, Afghanistan, Myanmar and Sudan, listed at the bottom of the 174 countries in the mentioned report.

Corruption is also rife in the European Union where organised crime is bringing in fast shipments by boat along Europe's long coastline (Manners Bell). The borders of Greece are longer than the total coastline of Africa, making prevention of smuggling an extreme challenge.

#### **BORDER POSTS**

Payments to a number of officials is a problem at African countries' border posts where officials of Customs, Police, Agriculture and Health all can command bribes.



**JOHAN COETZEE**

One way to reduce corruption at border posts is for countries to cooperate and operate one stop border posts, using integrated technology, and automating customs processes.

Measures to reduce corruption at border posts can be to enable strong investigative powers of Customs officers, ensure that these officers do not stay long at the same border posts, rotating officers so that their work does not become predictable and maintaining robust technology systems. Other measures are to ensure systems that encourage whistleblowing and tip-offs, payment of higher salaries to Customs officials, enforcing severe legal penalties and increasing the probability of detecting corruption at border posts to prevent Customs officials being drawn into criminal behaviour.

#### **References**

Manners-Bell, J. 2014. **Supply Chain Risk: Understanding emerging threats to global supply chains.**

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[jcoetzee@nust.na](mailto:jcoetzee@nust.na)

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