

**CUSTOMS STRATEGIES IN CONTROLLING SMUGGLING OF GOODS IN  
KENYA**

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**DECLARATION**

This research project is my original work and has not been presented for a postgraduate diploma in an academic institution.

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Signature

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HBD335-C016-2439/2016

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Date

This research project has been submitted for examination with my approval as the supervisor.

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.....

Signature

**Ms Latifa Said**

.....

Date

## **DEDICATION**

I dedicate this work to my family and friends who supported me throughout the process. A special gratitude to my parents whose words of encouragement and continuous monitoring of the progress I made at every stage of my learning period gave me reasons as to why I should complete my studies.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>EAC</b>	East African Community
<b>INTERPOL</b>	International Criminal Police Organization
<b>KEPHIS</b>	Kenya Plant Health Inspectorate Service
<b>KEBS</b>	Kenya Bureau of Standards
<b>KPA</b>	Kenya Ports Authority
<b>RFID</b>	Radio Frequency Identification
<b>ANOVA</b>	Analysis of Variance
<b>OIC</b>	Organization of the Islamic Cooperation
<b>BLO</b>	Border Liaison Office

## DEFINITIONS OF TERMS

<b>Border</b>	A geographical boundary that separates two countries (Jailly, 2012).
<b>Contraband goods</b>	Substandard and illegal goods that are under control through prohibitions and are liable to being detained if imported into the country (Klein, 2012).
<b>Country of Origin</b>	This is an indicator in terms of country in reference to internationally traded goods which identifies the country of exportation (Lee, 2012).
<b>Customs strategy</b>	A defined way used by entities such as customs to take competitive advantage in the manner of doing things (Idowu <i>et al</i> , 2014).
<b>Non-Tariff Barriers</b>	Measures other than tariffs that restrict or distort trade flows in terms of allocation of such goods i.e. imports within the international supply chain (Mayer, 2015).
<b>One Stop Border Post</b>	A single building entity at the border that houses officers where they operate under one building but under each other's sovereign territory (Kunaka & Carruthers, 2014).
<b>Physical Border Patrol</b>	Practice involving the monitoring and movement using authorised and armed personnel in their duty

to protect country border against any aggression (Cisneros, 2014).

**Preferential rules**

Rules applied to goods that originate from countries that are in a trade agreement with a trading partner resulting to preferential treatment on importation (Herrmann, 2013).

**Regional Economic Communities**

This is a group of member states that have been Formed through treaties with central aim of deepening economic ties, trade and partnerships within sub-regions (Olutayo et al, 2015).

**Regional Trade Agreement**

A bilateral trade agreement not in global nature aimed at achieving reduced trade restrictions among member states (Borzal et al, 2016).

**Rules of Origin**

This refers to a criteria that is used to establish the origin of internationally traded goods (Khadka, 2015).

**Smuggler**

A person with covert ways of evading restrictions, customs authorities or boundaries through hidden means (Baird, 2017).

**Smuggling**

Covert and illegal import or export of goods and people through formal and informal borders without payment of duty (Sadeghi et al, 2014).

## **ABSTRACT**

The aim of this study was to determine the effectiveness of customs strategies in controlling smuggling of goods in Kenya. The study was guided by four specific objectives; effectiveness of physical border patrol, effectiveness of customs cooperation with other agencies, and effectiveness of one stop border post in controlling smuggling of goods in Kenya. The study was also guided by; routines activity theory, collaborative advantage theory, social impact theory and situational crime prevention theory. The study used a descriptive research design. The target population of this study was the customs staff at Namanga One Stop Border Post and Nairobi customs region. The study used stratified random sampling technique to determine a sample size of 214 respondents, which was 87.2% of the total 460 staff targeted. Simple random sampling was used to select respondents. The study employed a questionnaire to collect primary data. The questionnaire comprised of close-ended questions. The study generated qualitative data. Qualitative data was coded and entered into Statistical Packages for Social Scientists (SPSSVersion23) and analysed using descriptive statistics. Qualitative data was presented in form of tables. The study found that; Physical border patrol, Customs cooperation with other agencies and One stop border post as customs strategies had an effect in controlling smuggling of goods at Kenya borders. The study established that multiple agencies are required to work in harmony to complement the strategy since cooperation among agencies was found to be key for successful customs strategy. Physical border patrol, customs cooperation with other agencies and one stop border post explained 92.6% leaving 7.4% unexplained. The researcher concluded that there is need to evaluate other factors that contribute to success of customs strategy in controlling smuggling of goods at Kenya borders. The study recommended that all government agencies should adopt effective physical border patrols along the borders, and work in collaboration with other stakeholders such as communities living around border posts. The study sees border patrols would be effective through having informers stationed within given distances to cover wide areas. This would act as a better deterrence mechanism where they would also relay information to 24 hour surveillance centers. The informer approach would be more effective, especially along borders where customs is unable to deploy its officers on a 24 hour basis. Satisfactory levels of up to 85% would be achieved.

## **CHAPTER ONE**

### **INTRODUCTION**

This chapter provides the context of the study. It examines the background of the problem of smuggling of goods in Kenya. The chapter gives an outline of the global, regional, and local perspectives on smuggling of goods, how smuggling has evolved and techniques used in smuggling of goods in Kenya. It also gives a brief explanation on the roles of importers, exporters the Government and the customs and border control department, the related benefits that the research will have, including objectives and research questions, statement of the problem, justification, and limitations that existed during the actual research.

#### **1.1 Background of the Study**

Smuggling of goods is one of the illicit trade activities that have adverse impacts on the economy of countries where it is undertaken. Sadeghi, Ghasemi, Ranjkesh, and Zandinasab (2014) define smuggling as covert and illegal import or export of goods through formal and informal borders without payment of customs duties. Many countries around the world including Kenya grapple with the problem of smuggling. However, global value, quantity, and prevalence of smuggled goods are not precisely known. The United Nations Office on Drugs and Crime (2015) estimates that between 430 and 450 metric tons of heroin was smuggled across the borders of different countries in the world. The International Consortium of Investigative Journalists claims that about 12% of cigarettes consumed across the world are smuggled. Kenya has been identified as a hub for smuggling goods. Buehn & Farzanegan (2012) established using a structural equation

model that Kenya is one of the countries where smuggling is very rampant besides Pakistan and Cameroon. It is a top destination for smuggling fake pharmaceutical and veterinary drugs and ivory (Royal United Services Institute for Defence and Security Studies, 2015). According to Journalists for Justice (2015), about 150,000 metric tons of sugar is smuggled into Kenya from Somalia every year. The Institute of Research Against Counterfeit Medicines (2017) reported that of the 113 million units of fake illegally trafficked drugs in Africa, 12 million were smuggled into Kenya.

### **1.1.1 Global Perspectives on Smuggling**

Smuggling is a criminal activity that has immense social and economic effects. Wajid, Aziz & Iqbal (2014) argues that smuggling leads to distortion of international trade. Interpol (2017) observes that it fuels transnational organised crime in many countries of the world. The UN Office on Drugs and Crime (2016) says that smuggled drugs cause diseases and deaths of millions of people in the world, prompting countries across the globe to develop ways of controlling the menace. In global control approaches, republics of Iran, Pakistan and Afghanistan are some example of countries with smuggling problem, the countries employ 3 tier strategies involving law enforcement, justice system and cooperation of social nature, including engaging in programs and working groups to manage smuggling (Hakan et al, 2011). The countries also participate in regional initiatives, such as the border liaison offices, a concept that promotes national law enforcement and cross border controls and partnerships (United Nations Office on Drugs and Crime, 2013), by increasing co-operation with other enforcement agencies working along borders. In Afghanistan, intelligence approaches are used by customs, with mobile

detection and the sensitive investigation teams being an effective control method in controlling smuggling of methamphetamine.

While countries coordinate their customs initiatives, customs matters of global nature are coordinated by the World Customs Organisation, an international agency relied upon by many countries to coordinate customs management and reduce smuggling activities. WCO facilitates information exchange on high risks cargo and develops Protocols, Standards and Guidelines for management of borders. For example, the SAFE Framework contains guidelines on scanning on cargo at the ports. Another agency that plays a critical role in the prevention of smuggling is the Interpol whose primary responsibilities are to identify, disrupt and dismantle transnational organised networks behind the trafficking in illicit goods.

### **1.1.2 Regional Perspectives on Smuggling**

Jerven (2014) argues that widespread smuggling plagues Africa's imports and exports. Meaning, the problem of illegal importation and exportation of goods is very rampant in Africa. According to International Crisis Group, North Africa serves as an important locus for smuggling fuel due to vast oil deposits and mountainous borders. The common types of goods smuggled also differ from country to country, for example in Tunisia, fuel smuggling is a big issue which has dominated over the past years. Reports indicate that more than 3500 vehicles are implicated in unregulated fuel activities involving fuel smuggling from Algeria (Karim & Varvelli, 2017). A survey in 2017 reported widespread smuggling of fuel, with market participation of about 30%, leading to loss of state

revenues amounting to 0.8 Billion Euros (Mezran & Varvelli, 2017). The country's approach in the control of smuggling involve multiple agencies, Tunisia border enforcement unit and petroleum facilities guards, being the main actors however much being hampered by militia and terrorist activities. In Central Africa, diamond smuggling continues to be a problem, with the World Crunch reporting that heightening interreligious wars in the Central Republic of Africa is the main cause. Reports indicate that massive illegal exports of diamond of up to 370,000 carats are exported out of the country illegally leading to state revenues of about 40 million Euro's. Smuggling also leads to loss of revenue in other African countries. A study conducted by Global Financial Integrity (GFI) established that undervaluation of imported goods at the ports led to revenue losses of 12.7%, 11.0% and 10.4% in Uganda, Ghana and Mozambique respectively. In Africa, smuggling is mainly addressed by Regional Trade Agreements and Regional Economic Communities whose key mandates are to facilitate legitimate trade between borders and discourage smuggling through the elimination of tariffs and non-tariffs barriers. The blocs prevent smuggling through regional policies and coordination of customs operations.

### **1.1.3 Local Perspectives on Smuggling**

At the domestic level, smuggling causes loss of revenue for the government, distortion of local markets and collapse of local industries by lowering the demand for their goods and decrease in their taxes. The Uganda Revenue Authority says that 90% of the counterfeit goods in the country do not enter through designated borders, thus denying the government taxes. A study done by Global Financial Integrity found that mis-invoicing of imports was leading to revenue losses of 8.3% and 7.4% to Kenya and Tanzania

respectively. The common approaches used to control smuggling by East Africa countries include modernization of customs administration. The revenue authorities of the Kenya, Uganda, and Rwanda also use various ways to controlling smuggling of goods. For instance Transit monitoring of trucks to reduce transit goods fraud and dumping. The countries are able to monitor the hand over process of goods to other partner states hence controlling smuggling (Oxford Business Group, 2014).

#### **1.1.4 Smuggling Operations**

Many people understand smuggling as sneaking of contraband goods in a country through the borders that are beyond the reach of customs authorities. This view is not misplaced. However, the modern understanding of the practice is that smuggling also involves the use of legal channels to import or export goods (Martinez, 2015). In this, since goods are brought through legal channels or points of entry, the traders use their networks to manipulate the custom processing of the goods in order to lessen their tax burden. One of the method used is under-declaration, which involves declaration of less quantity of imported goods than the actual number of items (Nshimbi & Moyo, 2017). The imported items are declared correctly. In other words, the goods in the container are the same as the goods declared, but with different quantity attributes. In addition to under declaration, misclassification of goods is another method used in smuggling which involves using incorrect tariff line (Usa Int' Business Publication, 2013), with the main purpose of reducing tax liability upon importation, where a good is forcefully classified in the wrong tariff line. Other common methods also include avoiding customs officials and borders and false declaration of country of origin. In the avoidance of customs officials and

borders, smuggling occurs along undesignated borders, and other unreachable areas such as bush ways and rivers, while the latter involves false declaration of origin. For example, goods originating from a NON-COMESA country declared as sourced from COMESA region to attract lower tariffs.

The Kenya Revenue Authority is the agency which Basu (2014) argues that has the mandate of deterring illicit trade. The Kenya Revenue Authority has put in place several strategies to control smuggling of goods in Kenya. These include physical border patrol, customs cooperation with other agencies and implementation of one stop border post. This research project intended to determine the effectiveness of these customs strategies in controlling smuggling of goods in Kenya.

## **1.2 Statement of the Problem**

Smuggling has immense negative socioeconomic effect on Kenya and its people. The government of Kenya loses a substantial amount of revenue when goods are smuggled in and out of the country. Federation of East African Freight Forwarders Associations (2014) point out that KRA loses about Kenya Shillings 2.5 billion in revenue from the illegal exportation of unprocessed hides and skins. The Business Daily (2015) reported that Macadamia processing factories in Kenya lost 500million as a result of smuggling of nuts out of the country. Mashiri and Sebele-Mpofu (2015) observe that smuggling leads to the wide availability of illegal liquidity that prevents fair and open markets from reaching their full economic and threaten state sovereignty. The Kenya Institute for Public Policy Research and Analysis (2014) argues that smuggling of tobacco products in Kenya imposes many economic costs to the country including increased health expenditure.

Smuggling also exposes Kenyans to increased levels of social problems such as corruption, loss of productivity, harmful effects of drugs, dumping of toxic products, poaching and endangering of human lives. Schubert (2014) found that drug smuggling contributes to insecurity and organised crime. The KRA has the responsibility of protecting Kenya from adverse effects of smuggling. It does so through various strategies of which need to be looked into. The effectiveness of the KRA's strategies in controlling smuggling of goods has not received much-needed research. There is the need for evidence on whether the KRA's customs strategies aimed at controlling smuggling of goods are effective in Kenya. This will inform stakeholders on improvements in order to seal revenue leaks, protect society against counterfeits and inform strategy.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

To determine the effectiveness of customs strategies in controlling smuggling of goods in Kenya.

#### **1.3.2 Specific Objectives**

The following are the specific objectives of this study:

- i. To establish the effectiveness of physical border patrol in controlling smuggling of goods in Kenya.
- ii. To establish the effectiveness of customs cooperation with other agencies in controlling smuggling of goods in Kenya.

- iii. To establish the effectiveness of one stop border post in controlling smuggling of goods in Kenya.

#### **1.4 Research Questions**

- i. How effective is physical border patrol in controlling smuggling of goods in Kenya?
- ii. How effective is customs cooperation with other agencies in controlling smuggling of goods in Kenya?
- iii. How effective is one stop border post in controlling smuggling of goods in Kenya?

#### **1.5 Significance of the Study**

This study is of significance in Kenya, and particularly customs and border control department including other stakeholders. This is because it will inform various stakeholders on the effectiveness of strategies employed by customs to control smuggling of goods along some of its borders. In addition to their effectiveness, it will give policy makers an insight regarding loopholes for further action in order to reduce instances of smuggling of goods in Kenya. Among entities that will benefit include:

##### **1.5.1 The Customs and Border Control Department**

The customs and border control is a department under Kenya Revenue Authority. The Kenya Revenue Authority plays the wider role of administering taxes, facilitating trade as well as collecting customs revenue. The primary responsibility of this department is to collect import duty and VAT on imports which are a key revenue stream for the government of Kenya. Some of the other taxes collected on importation of goods by the

department include petroleum development levy, road maintenance levy, sugar development levy and import declaration fee. The department is also responsible for preventing illegal exportation or importation of goods out and into the country through the land, sea or air. A significant amount of Customs and border control department's operations are based at the Port of Mombasa and at the border posts. It is also charged with controlling smuggling of goods and illegal trade through effective border control measures. Thus, in establishing the effectiveness of the customs strategies, the department would be able to develop more effective ways of controlling smuggling, while advocating for legitimate trade, which is good for a country's business climate. The study would also therefore be beneficial to the department, as it would redefine business processes and strategies with the aim of maximizing on output.

### **1.5.2The Government**

The government of Kenya is made up of three arms, the executive, parliament and judiciary. KRA is a statutory body that falls under the executive arm of the government. It collects revenue on behalf of the government. However, its operations are supported by the three arms. For example, the executive proposes a budget for the agency which is then forwarded to the parliament for approval. The judiciary, on the other hand, interprets laws for KRA and also help the organisation resolve disputes with taxpayers. Thus, in evaluating the customs strategies, the government would benefit as legal businesses would thrive which would promote a conducive business environment meaning more tax collection and adherence to customs laws.

### **1.5.3 The Importers and Exporters**

International trade is a significant contributor to Kenya's economic growth and development. According to Kenya National Bureau of Statistics Kenya (2017) exported and imported goods valued Ksh 578.1 billion and Ksh 1,431.7 billion respectively in the year 2015. The exact number of importers and exporters is not precisely known. However, from Economic Survey Report compiled by KNBS, it is evident that most exporters come from the agricultural sector, especially farmers growing tea, coffee and horticulture. On the other hand, most importers bring in agricultural commodities such as wheat and rice, crude oil and petroleum products, chemical fertilisers, cement, iron and steel and automobiles. This indicates that imports and exports flourish which is also a source of income, in terms of import and export revenue. Effective customs strategies would therefore be key in ensuring that declarations are in line with what is being conveyed across country boundaries. Thus, in establishing effectiveness of customs strategies, importers and exporters would be able to conduct legal trade, reduce inconveniences that result from disputes from mis-declarations and delays at the border posts.

### **1.5.4 Future Researchers and Scholars**

The success of future researches depend on already researched and existing knowledge on a given subject matter. It is important that correct and authoritative researches undertaken prior contain knowledge that enhances or support future writing of scholarly work. Thus the existence of a research as the study undertaken is helpful to future scholars in the advancement of knowledge. The study therefore, as an accumulation of knowledge will benefit future studies exploring instances and effectiveness of control measures aimed at

controlling smuggling of goods in Kenya. It will therefore be beneficial to future research, as it will provide a benchmark on smuggling, hence enable future researchers understand how the problem has evolved, for the betterment of the society, governments and stakeholders involved in trade.

### **1.6 Scope of the Study**

This study intended to establish the effectiveness of three customs strategies used by KRA in controlling smuggling of goods in Kenya. The study purely involved strategies, physical border patrol, customs cooperation with other agencies and one-stop-border-post. The target population was 460 customs officers, mainly at Namanga one stop border post and Nairobi customs region. In Namanga, the study involved customs officers drawn from border control, while in Nairobi, the officers involved were from enforcement and transit monitoring units. The study also captured some elements on revenue, however focus remained on the control attributes.

### **1.7 Limitations of the Study**

This study was mainly concerned with describing the relationship between physical border patrol, customs cooperation with other agencies and one-stop-border-post in the control of smuggling of goods in Kenya based on data collected from customs officers from Namanga and Nairobi customs region. This brought about time factor, which made it impossible to cover all aspects on the one stop border posts. In addition to time, cost of undertaking the research was an issue given the instances that required travel at very short notices, refreshments and boarding in towns. The other limitation was the sensitive nature of the study, hence approval by station managers before actual research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section of the study presents the theoretical context of the research. It discusses the relevant theories related to the variables under study, the conceptual framework and how variables are implemented, empirical review of related studies, critique of the literature, summary and the research gap. The literature review gives an overview of routines activity theory, collaborative advantage theory, social impact theory and situational crime prevention theory, their relation to the variables under study, coupled with the benefits to the topic of research. The empirical review explores past researches on variables, while critique of literature expounds on inconsistencies that exist in current written work.

Literature review main purpose is to give a summary and evaluation on knowledge of a particular existing topic under study (Machi & McEvoy, 2012). It helps one to identify suitable research interest or issue for inquiry, hence enabling a researcher to narrow towards the specific area of research. Literature review builds on knowledge and assists in defending the logical position taken in research. Paul (2012), argues that literature review helps researcher to provide a sound basis on which the research can be founded, while also provides for an anchor on which new ideas can be attached to the research. In more definitions, it involves the systematic identification, evaluation and synthesis of an already existing work by other researchers, practitioners and scholars (Booth et al, 2012).

## **2.2 Theoretical Review**

Theoretical review explores the relevant theories and explains the relationship between the independent variables; physical border patrol, co-operation with other state agencies and one stop border post to control of smuggling of goods. It explores the routines activity theory, explains why countries implement physical border patrols, collaborative advantage theory explains the concept of customs cooperation with other agencies and its effect, social impact theory highlighting the importance of one stop border post and the benefits to customs. The other, situational crime prevention theory explains the decision making process of criminals and motivating factors, including how it can be used to control criminal acts, such as smuggling in the case of Customs and Border Control department.

### **2.2.1 Routine Activity Theory**

Routine activity theory, one of the most widely applied theories in criminology, was developed by Cohen and Felson in 1979 (Pimple, 2016). It emanated from the rational choice theory which holds that individuals' behaviours are motivated by the pursuit of pleasure or avoidance of pain (Newburn, 2017). The theory posits that three conditions must be present for a crime to occur namely motivated offender with criminal intentions, target or vulnerable victim and lack of capable guardian (Smith & Brooks, 2012), for example, the police officer that can intervene. In other words, there must be opportunities for crime to be committed by willing offender. This theory sees crime as an event that happens as a result of convergence of a motivated criminal, suitable target and absence of a guard. Miller (2009) argues that routine activity is not a causal theory that seeks to

explain why people commit a crime but is a place based theory that explains when people might decide to commit a crime.

Although convergence of three elements of routine based theory occurs at micro level, Welsh, Braga & Bruinsma (2013) observes that it was placed at the macro level of the society by its proponents. Cohen and Felson in 1979 believed that changes in the structure of the patterns of daily activity of people in the society can lead to increase in the crime rates (Branic, 2015). These activities could increase the number of motivated offenders or suitable targets or reduce the level of guardianship. This theory can be used to explain why smuggling is rampant in economies where corruption levels are high. Corruption increases opportunity for crime. What are needed therefore are many offenders with smuggling intentions and absence of law enforcement for the crime to thrive. For Kenya Revenue Authority, it means that the routine activities of its staff have effects on smuggling. For example, delaying cargo clearance unnecessarily at the border posts may increase the number of motivated offenders. In other words, smugglers who would want to bypass the procedures by illegally exporting or importing goods through borders. The theory has undergone significant changes since 1979 as a result of contributions from various scholars. Fisher & Lab (2015) argue that the theory has been broadened to factor in offender decision-making process and situational factors such as changes in land use which have moved people away from job location. The fourth condition of crime, handler, was also incorporated into the theory (Albertson & Fox, 2013). Felson defined handlers as peoples who exercise informal social control over potential offenders to prevent them from committing crime.

This theory is relevant to the topic of this research because it explains that conditions such as the absence of physical border patrols may create opportunities for smugglers, who may want to smuggle goods through unofficial border posts.

For KRA, the most important aspect of the theory is guardian who includes customs officers patrolling ports and borders to prevent smuggling. The presence of patrol officers as predicted by this theory lowers likelihood of smuggling by minimizing opportunities for individuals to import or export goods illegally into Kenyan territory, and that may reduce illegal smuggling of goods.

### **2.2.2 Collaborative Advantage Theory**

The theory of collaborative advantage has been developed through extensive research undertaken since 1989 (Osborne, 2015). Flynn & Wanna (2016) argue that the idea of collaborative advantage was first used by Macdonald & Human in 1992. The theory holds that organizations can attain some outcomes that they cannot achieve on their own through collaboration or partnerships (Hans, Garmann & Richard, 2016). These outcomes are called collaborative advantages or rewards. These advantages may include resource and risk sharing, efficiency and greater information flow. As a practice-based theory, collaborative advantage theory is applied in different ways. However, common themes in the theory include shared aims, interdependence, trust, communication, and accountability (Huxham & Vangen, 2013).

The central argument made by the proponents of collaborative advantage theory is that there are some benefits received when organisations work together towards certain common goals (Johnsen & Ennals, 2012). This theory is based on assumption that

organisations exists in nested arrangements and so they depend on each other in one way or the other (Brown & Lambert, 2012). According to Osborne (2015), although the main aim of collaboration among organisations is to yield benefits for the partners, they are more than just the deal. The cooperation offers the parties an option on the future, opening new doors and unforeseen opportunities. Foss & Nielsen (2012) argue that successful collaboration involves creating new value together not merely exchange of information. Collaborative advantage theory is relevant to the topic of this research because it brings out understanding that problems such as smuggling can be tackled through working together with other agencies within and outside Kenya. For Kenya Revenue Authority, it has to partner with agencies such as the World Customs Organisation and Interpol to manage some aspects of customs operations in cooperation with other nations.

For example, KRA cooperates with both WCO and Interpol in customs matters, especially in high value consignments and those originating from countries with high-risk probabilities. The agency also implements some of the framework developed by WCO such as SAFE framework which provides guidelines on how ports should be managed in a coordinated manner. It also uses the WCO Customs Enforcement Network (CEN), a system used by customs administrations to gather data and information for intelligence purposes. The theory is important as it indicates that KRA needs to collaborate with other agencies such as Interpol to investigate cases of smuggling involving certain high risk goods such and vehicles (Reitano et al, 2017). In short, the theory emphasises on cooperation in areas of common problems such as smuggling that cuts across many states. It underscores the importance of cooperation in trying to solve issues of a global nature

such as smuggling, for organizations to achieve their roles in fighting crimes such as smuggling of goods. Collaborative advantage theory empathizes also on partnerships, and for institutions like Kenya Revenue Authority, such can deter smuggling activities along its borders.

### **2.2.3 Social Impact Theory**

Social impact theory was proposed by Bibb Latané in 1981. The theory holds that most changes in behaviours, attitudes, feelings, motives, and beliefs of individuals are caused by real, implied, or imagined presence or actions of other individuals (Perez-Vega, Waite & O'Gorman, 2016). In other words, the theory posits that influence, be it at individual or organisational level, is as a result of social forces namely people and pressure they put. According to Bibb Latané (1981), the effects of the influence depend on the strength, immediacy and the number. Strength is the intensity of a given influence while immediacy is the closeness in space and time with the given influence. Number implies the magnitude of attempts or people who exert that influence (Stangor, 2015).

This theory is relevant to the topic of research because it explains how people's decisions and behaviours that results to smuggling are influenced by social pressures. It implies that smugglers are more likely to continue with their criminal activities if they are backed by a clique of powerful individuals. According to Franz (2012), social impact theory implies that influence from a number of powerful people is more likely to succeed. The strength of influence is a determinant of individual behaviour according to social impact theory. In other words, this theory suggests that human behaviour such as smuggling of goods is primarily motivated by social forces.

For the Kenya Revenue Authority, the theory implies that political support is required for the organisation to succeed in curbing smuggling. Hogg & Tindale (2013) argue that according to social impact theory, influence is a function of power of individuals exerting pressure on a target. KRA is more likely to change its processes and procedures when it is under pressure from higher authorities like a minister. Initiatives such as one stop border posts are as a result of political influence exerted by leaders of EAC.

Social impact theory also recognizes that majority also play an important role in shaping the behavior of individuals and organizations (Franz, 2012). Actions such as faster clearance of goods at the ports and borders can reduce smuggling behaviours. These actions influence the behaviour of traders in a positive way. Traders may find no justification if they are aware that clearance of goods is much faster at specific customs exit points. In this, the One Stop Border Post facilitates faster clearance of goods hence reducing smuggling behaviours.

A one-stop-border post is an example of an initiative that simplifies the process of customs clearance at the borders. It is one of the approaches used in several African countries and EAC in particular to promote a coordinated and integrated means of simplifying trade processes and movement of goods across the borders of nations. OSBP simplifies the process of importation and exportation of goods in that it eliminates the need of traders to stop twice in terms of border formalities (Bergqvist et al, 2016).

Social impact theory has been criticised for ignoring reciprocal and recursive nature of influence (Breckler, Olson & Wiggins, 2016). As a result, Latané et al. (1996) developed dynamic social impact theory to address some of the limitations of social impact theory

such as failure to explain why some people fail to succumb to social pressures. (Darcy, Edwards, Almond & Maxwell, 2017).

#### **2.2.4 Situational Crime Prevention Theory**

The Situational crime prevention theory is based on the assumption that reducing opportunities for crime reduces crime levels (Crawford & Evans, 2016). The theory was developed by Clarke in 1997 from the rational theory and routine activity theory. Welsh, Braga & Bruinsma (2013) argue that this theory stands out among other crime prevention theory because it focuses on the setting in which the criminal act takes place and the criminal is apprehended. It posits that opportunities for crime play an important role in its causation. In other words, an offender is heavily influenced by environmental inducements or situation. Hence, the main crime preventive measure proposed by this theory is reducing the opportunities for criminals to offend. Reducing opportunities for crime is achieved through modification of physical environment, systems or products in order to influence offender's perceptions of increased risk, efforts and reduced rewards (Tonry, 2011).

According to Siegel & Welsh (2014), situational crime prevention theory provides a framework for prevention of crime through exploration of the decision making of a criminal in the process of committing crime. The theory focuses on situational factors that propagate crime, and as a result comes the idea that a reduction in situational factors may as well reduce criminal activities. Clarke grouped the tenets of this theory into four major areas namely decrease of reward, increasing perceived effort, increasing risk and removing excuses.

Said the other way, the theory proposes that crime can be reduced by increasing the effort taken to commit a crime, increasing the risk an offender takes to commit a crime, reducing the benefits of crime, and eliminating the excuses offender might use to justify crime. Further developments in this theory showed that situational factors may not be enough to reduce crime and as a result more areas in research on the surrounding environment have been included (Welsh & Farrington, 2014). In more psychological researches which have been conducted, environment issues and behaviour have been focused on.

Organisations using situational crime prevention theory see criminals such as those involved in smuggling as individuals motivated to do criminal activities because of the existing opportunities or social and economic circumstances surrounding their lives. They believe, for example that those involved in smuggling are rational thinkers who would only commit a crime when the benefits of crime outweigh the risks. Consequently, situational crime prevention theorists advise firms and individuals to make the cost of criminal behaviour higher than the benefits (Wortley & Townsley, 2016). The theory is important to the topic of the study as it tends to explain the theoretical importance of reducing opportunities and making such behaviours costly than may be perceived. This means that for the Kenya Revenue Authority, joint enforcement under the one stop border post arrangement may be enough to control smuggling. In this way, smugglers of goods would understand that the efforts and risks required to import or export goods illegally are high. This is because the goods are likely to be seized by customs authorities working jointly. Reducing the opportunities, therefore, would displace the crime to other places where benefits of committing a crime is higher than risks.

This strategy moves the focus of crime from an individual criminal to making the risks of crime much higher than anticipated. Nonetheless, it places more responsibilities on the individual to ensure that they do not commit a crime. This hence would reduce smuggling activities at points of entry and exit.

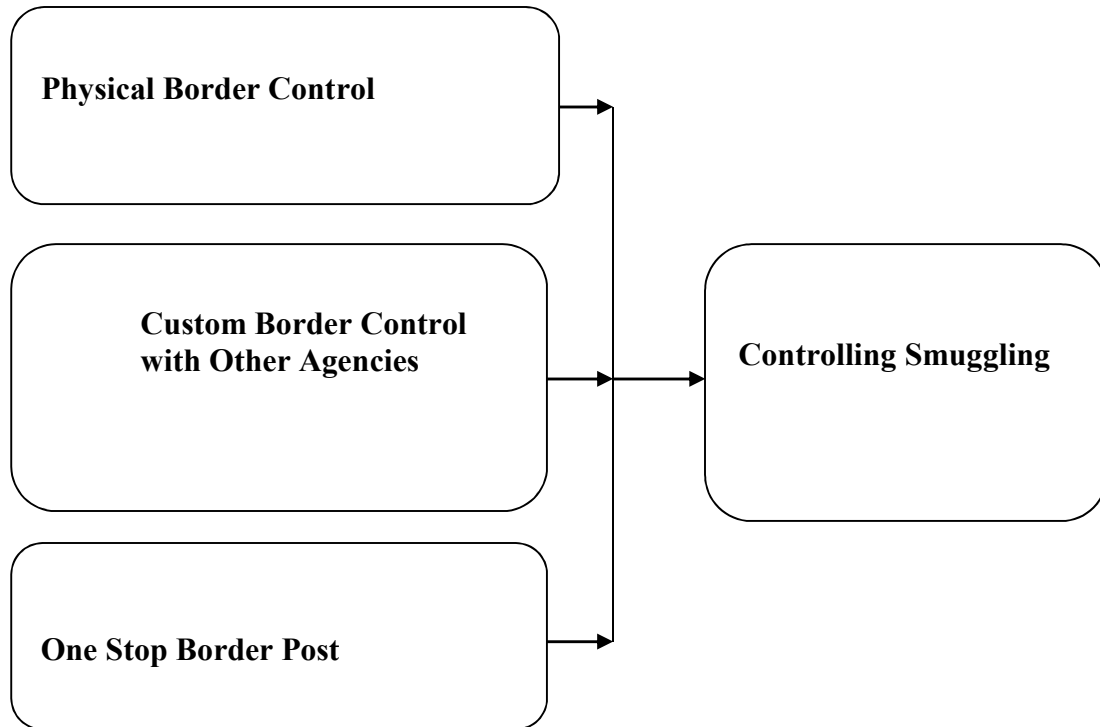
### **2.3 Conceptual Framework**

Conceptual framework is a design used in various researches as a way of representing actual status of things that need to be studied and their various relationships thereon (Bloomerg & Volpe, 2012). Maxwell (2013), elaborates on the same by bringing concepts of relationship between the variables, by stating its importance in assisting the researcher to come into conclusion on the subject under the study. According to Sharon et al. (2012), conceptual framework supports a researcher's approach towards proper arrangement and study of various tenets of research such as variables. This section presents the relationship between variables and concepts of the study. It starts with a discussion of the selected independent and dependent variables and ends with a visual representation of how the factors are linked to the dependent variable.

**Independent Variables**

**Dependent Variable**

**Figure 2.1: Conceptual Framework**



**Source:** Author's Construct (2019)

## **2.4 Review of variables**

### **2.3.1 Physical Border Patrol**

Physical border patrol is an enforcement method, rather a customs strategy employed by many customs administrations worldwide. It is an operation usually conducted by customs authorities in conjunction with other state agencies such as Police. According to Stana (2010), physical patrols help detect and prevent illegal entry of people and goods. This process is conducted through screening vehicles and persons coming into or exiting a country through its border. In many instances, physical patrol also involve surveillance along the borders to detect, control or apprehend people involved in smuggling (Haddal,

2010). Physical Patrols also involve permanent erection of road blocks that help manage flow of vehicles, where suspicious vehicles are stopped and screened for illegal contrabands or goods. KRA conducts physical patrols along the Kenyan borders. This initiative is done in light of smuggling attempts and cases reported along the borders with other partner states, in order to interdict, confiscate or control illegal operations involving smuggling of illegal goods and contrabands into the country.

### **2.3.2 Customs cooperation with other agencies**

Customs cooperation with other agencies concerns information flow between customs authorities of different countries involved in international trade, including government agencies manning country's borders. There is information flow between different agencies in respect to control of smuggling, of certain goods. Customs administrations cooperate in areas of information exchange. Kenya Customs for instance, coordinates certain intelligence activities with China customs to try control smuggling of ivory from Kenya into China. Kenya currently envisages the collaboration with China Customs as a milestone towards controlling smuggling of ivory, and also offer an avenue for exchange of intelligence. Cooperation aims to facilitate information flow leading to interception of goods being smuggled through points of entry and exit points. Several agencies such as the United Nations Office on Drugs and Crime (UNODC), and Interpol coordinate this, in terms of profiling and verification of high-risk containers exported and imported through the various ports. This is implemented through systematic review of manifests from high risky areas that are prone to ship dangerous cargo. This helps in intercepting, preventing and controlling the flow of dangerous cargo.

### **2.3.3 One Stop Border Post**

An OSBP is an integrated border system whose aim is to bring together all the border agencies under one roof to improve efficiencies through streamlined, coordinated and harmonized operations. In more defined terms, Kanuka & Carruthers (2014) defines it as an entity at the border that houses customs officers operating under one building but under each other's sovereign territory. It is a concept common in East Africa, and is known to open up trade in areas prone to smuggling activities. The one stop border post concept has been implemented together with other East African Countries where a single housing entity is used to house the operations of both interfacing countries (Odularu & Adekunle, 2017). In this concept, smuggling is reduced as partner states freely facilitate the flow of goods at the borders. This also reduces harassment, and traders gain trust on customs clearance, thereby increasing traffic through the legal points. In the One Stop Border Posts, customs officers from both countries charged with the responsibility of clearing goods passing through the entities, undertake joint verification of goods to ascertain the truthfulness of the declarations.

### **2.3.4 Controlling Smuggling**

Sadeghi (2014) defines smuggling as the covert and illegal import or export of goods and people through formal and informal borders without payment of customs duties. It is almost the same as defined in the East African Community Customs Management Act 2004, however it is detailed in the sense that it includes the intent to defraud customs, or violation of any regulation and condition in regards to prohibition and restrictions. In regards to this, controlling smuggling involves techniques and methods used by customs

and government agencies to check or monitor instances of illegal importation or exportation of illegal or specifically controlled goods.

Kenya Customs controls smuggling through various methods, among them physical border patrols, customs cooperation through prior sharing of intelligence import and export documents and enforcement measures at border posts to control flow of goods exiting or coming into the country. Physical border patrols control smuggling through constant monitoring and surveillance along border posts. Prior sharing of international trade documents through pre-arrival mechanisms also helps Kenya customs control smuggling at points of entry, as this help detect mis-declarations and manipulations. Other border initiatives like one stop border post also increases private public partnerships therefore reducing smuggling instances along borders and points of entries.

## **2.4 Empirical Review**

### **2.4.1 Physical Border Patrol**

In a study on physical border patrols, Keck & Correa-Cabrera conducted a study in 2015. The aim of the study was to determine the effects of patrol as a control method of deterring smuggling of drugs along Southern United States border with Mexico. The study involved data analysis from multiple agencies, mainly interdiction reports involving 21000 officers, from the U.S Customs and Border protection, federal law enforcement unit and U.S Marshals and drug enforcement unit, based in the southern border of the United States and Mexico. The researchers used an observational design approach involving the analysis of secondary data from government publications through vector auto regression (var) analysis. The researchers analysed patrol and seizure of drugs data for the period between

1996 and 2003. They used line watch hours on the U.S.-Mexico border to measure the intensity of patrols while data on drug seizures was got from the Office of National Drug Control Policy Report on the Southwest border region.

They also used bivariate regression analysis to assess the link between these variables. The study established that there is a positive correlation between border patrol and cocaine seizures. The researchers found that one-unit increase in the number of line watch hours resulted in about 0.5 increase in cocaine seizures. The researchers also found that border control strategies had significant positive results in relation to seizures involving illegal drugs along the U.S Mexico border. The results determined that patrols had immense positive correlation to seizures of marijuana and cocaine. In addition to positive correlation to drug seizures, researchers also found that it significantly influenced the motivation of drug traders to smuggle drugs into the United States, such as inadequate border patrols by enforcement agencies.

#### **2.4.2 Customs co-operation with other agencies**

A study done by Ross et al. in 2015 was conducted to evaluate the effectiveness of various measures taken by different countries to control smuggling of tobacco. The countries included Kenya, Morocco, Brazil, Canada, United Kingdom, Spain, Italy Hungary, Romania, and Albania. The population of the study were the agencies involved in controlling smuggling in the selected countries. The researchers used case study design. They conducted an in-depth analysis of different strategies the selected countries used to deal with the problem of smuggling of tobacco. The researchers interviewed customs and tobacco companies' official besides collecting secondary data from various publications.

The study established that various agencies cooperate to identify sources of smuggled tobacco and intercept the products before they reach intended markets. The researchers concluded that cooperation between agencies supported intelligence gatherings and joint operations to seize smuggled goods. The researchers also found that coordinated interventions blended well with intelligence gathering techniques to reduce tobacco smuggling menace. The researchers found that the countries have dedicated agencies that coordinate the overall strategies in order to control tobacco smuggling. The findings were that intelligence gathering also led to the disruption of the tobacco distribution networks, and that intelligence gathering impaired tobacco smuggling.

Cooperation is treated as an aspect of border management approach by many researchers. Gerstein, Adler, Davenport, Grill, Kadlec & Young (2018) explored the tradeoffs between security and smuggling at international borders. Drawing from literature review, the researchers established that without cooperation, customs agencies are blind to what is happening beyond their borders. Hence, cooperation is essential for information gathering and solving problems that cannot be solved easily by a single organisation. The other relevant study was undertaken by the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Cooperation (2016). The aim of the study was to explore ways of improving the border agency cooperation among the OIC member states for purposes of facilitating trade. The researchers established that cooperation had enabled wider exchange of trade information and intelligence between border agencies and across borders thereby improving accuracy of risk assessment of cargo movements. This finding confirmed earlier conclusion made by Weerth (2009). The aim of his study

was to explore the structure and function of the World Customs Organization. It was based on analysis of secondary data. The researcher observed that cooperation between customs agencies and World Customs Organisation had resulted into high-level exchange of information, views, and experiences on customs issues. Casas-Cortes, Cobarrubias & Pickles (2016) argue that EU has prioritised cooperation between it and North African Countries as one of the mechanisms of curbing smuggling.

### **2.4.3 One Stop Border Post**

In one study done by Muqayi & Manyeruke in 2015, the research assessed the impact of the Chirundu One Stop Border Post in addressing barriers that constrained the flow of people and goods. In the study, the target population included customs officials from Zimbabwe and Zambia, agencies involved in the regulation of import and export business across Zimbabwe and Zambia at the border town of Chirundu. The researchers used a sample of 25 to gather data. Data was gathered through face to face interviews and observation. The face to face interviews involved 25 customs officials, traders and representatives from various government agencies; including Ministry of Regional Integration and International Cooperation, Zimbabwe Revenue Authority (ZIMRA), Common Market for Eastern and Southern Africa (COMESA) and Shipping and Forwarding Association of Zimbabwe (SIFAZ). Observation was also used in order to determine clearance times, interaction between border agencies and traders.

The study used qualitative research methodology involving analysis of primary data collected from respondents and secondary data collected from sources such as books, journals, policy documents, government publications, newspapers, and magazines. The

researchers found that the implementation of Chirundu One Stop Border Post had helped to reduce smuggling activities at the border post. In the research, results also showed that its implementation also significantly streamlined clearance procedures of goods, and minimized clearance delays, hence motivating more traders to pass through the border. Other activities at the OSBP that had a positive impact on smuggling according to the researcher included joint operations and inspections by security officers from both Zimbabwe and Zambia. The researchers established that the OSBP installed psychological deterrence in the minds of unscrupulous traders on the possibilities of being caught. Among the methods that the facility deterred in the control of smuggling included use of falsified documents used in declarations, joint scanning and inspection of consignments passing across the border, that had lacked thereby increasing motivation to smuggling goods.

In other studies, Haven, Van Eeden & Pienaar (2013) are some of the few researchers who have focussed their efforts in this research area. The aim of their study was to determine the logistics cost impact of cross-border delays in South Africa and its major neighbouring trading partners, and prioritise opportunities for improvement. The researchers applied the freight demand model and a logistics cost model developed by Stellenbosch University (SU). The study established that streamlining of border-post operations is beneficial. They observed OSBP reduced waiting time for cargo clearance and facilitate legal trade practices. Prior study conducted by Kieck (2010) also produced similar findings. The aim of this study was to explore opportunities in coordinated border management specifically one stop border post. The researcher used analysis of secondary data method. They found

that one stop border post promotes legitimate trade by simplifying and harmonising customs procedures and practices. He observed that OSBP reduces smuggling by enabling the clearance of goods on the basis of a single customs declaration thereby preventing the substitution of one set of documents with another. Moreover, the researcher noted that OSBP enabled authorities to share infrastructures such as scanners which are instrumental in identifying cases of double layering; concealment. Hence, OSBP can curb illegal flow of goods across the borders occasioned by inefficiency at the official borders.

#### **2.4.4 Controlling Smuggling**

A study done by Varavayi and Shirkesht in 2014, conducted to determine ways in which the Iranian government would employ to prevent fuel smuggling at the Ghasreshirin border. The countries involved included Afghanistan, Pakistan, Gharbi and Kurdistan. The study population involved customs officials from the different countries, experts in combating smuggling, judicial officers and personnel at the border city. The researchers conducted a survey by distributing questionnaires to a sample size of 100 each picked from the target population, in order to find possible ways of controlling fuel smuggling along the Ghasreshirin border town. In addition to the questionnaire, data collection also involved note taking, which aided in the recording of other situational and human elements during the research.

The researchers established that basic administrative structures that the Iranian government had laid down at the border did not have an effect in controlling fuel smuggling. They established that human factors influenced the underperformance of the structures in combating fuel smuggling across the border town. The researchers

established that human factors contributed to the fuel smuggling problem, among them being, corruption and negligence, which played a big role to the deteriorating, cases of smuggling. The researchers concluded that state agencies would be better placed to control fuel smuggling particularly specific state trustees.

A study in 2018, was conducted by global initiative against transnational crime to determine the effectiveness of state structures in controlling trade of illicit tobacco across the borders of Zimbabwe and South Africa (Simone, 2018). The researcher used a case study approach with focus on organized criminal networks that actively engage in the smuggling racket. The target population included actors involved in the underground trade, tobacco smugglers, lawyers, law enforcement agencies, employees of tobacco companies and representatives of tobacco regulatory agencies. The researchers gathered data through 16 structured interviews in Beitbridge, Zimbabwe and Johannesburg in South Africa. The study also focused on actors of smuggling, mainly low smuggling operators and structured cartels with political links. The study found that state agencies such as customs, central intelligence agencies and police had been hindered by instances of stonewalling, and cover up within the agencies mandated to control smuggling. The study found that resource and infrastructure constraint had hindered the state agencies in controlling the vice, hence minimal surveillance to deter smuggling across the border. The study also found that despite border control strategies such as use of sniffer dogs and scanners, including other hand held devices, the agencies had multiple intervention lapses between informers and enforcement agencies resulting to inefficiencies of most deterrent techniques. Particularly, human attributes were found to be the predominant cause

hindering effective control of tobacco smuggling. The study also found that scanners and intelligence gathering were not effective in deterring smuggling, due to political instability and corruption among enforcement agencies put in place by government.

## **2.5 Critique of Literature Review**

Customs authorities conduct physical patrols along borders. Stana (2010), notes that it is one of the method used to deter smuggling of goods. Researchers have made inputs in the academic front globally by analyzing different approaches of controlling smuggling and their benefits. However, many have not done analysis as elaborated in this study. Keck & Correa study only involved control of drugs into United States. The method of deterrent is quite similar with Kenya's border control agency. The literature only focused on few smuggled goods such as cocaine (Keck & Correa-Cabrera, 2015), without mentioning the broader aspect of border patrol as a customs strategy in controlling smuggling.

Rose et al. 2015 in evaluating control measures of controlling tobacco smuggling stated that intelligence attributes are used to distort smuggling networks. In her study, Rose does not articulate the function of customs as a border control agency. The research focused on the wider aspect of agencies without mentioning what customs actually does in deterring smuggling. Kenyan customs border control manages smuggling, and coordinates interventions on smuggling across borders. The researcher also does not quantify the effectiveness of a customs strategy, each country has employed to control the menace.

Muqayi & Manyeruke (2015), study focussed more on deterrence and a motivating environment from a broader perspective. The research does not state whether OSBP as a strategy in controlling smuggling is effective. It does not also delve into the specifics of

control, but rather states that infrastructure shared would be effective in flagging out concealments. The research does not establish whether structures at the OSBP indeed detected concealments. There is evidence that smuggling is a favorite activity among organized criminals as per (Aghazadeh, Ardebili, Ashouri & Mahdavisabet, 2017; Reuter & O'Regan, 2017). However, literature on smuggling has not focussed much on effectiveness of customs strategies in controlling of smuggling.

## **2.6 Summary of Literature**

Smuggling is widely understood as the illegal importation or exportation of goods. The causes of the practice are many. However, many scholars agree that it is primarily fuelled by the desire to avoid taxes. The tactics used by smugglers include mis-declaration and falsification through presentation of false documents. There are no specific theories on customs strategies. The models and theories are derived from other subjects such as criminology and technology.

## **2.7 Research Gaps**

Although smuggling has been extensively studied, the effectiveness of strategies used to control the practice has not attracted the much-needed research. For example, apart from the study by Ross et al. (2015), there is no other current study that has explored the impact of border patrols, one-stop border post or customs cooperation with other agencies on smuggling of goods in Kenya. The gist of argument here is that no current quantitative study has explored the effectiveness of physical border patrol, customs cooperation with other agencies and one-stop border post on smuggling of goods in Kenya. Consequently, this study is intended to fill this research gap, by studying the independent variables

quantitatively, and their effects in controlling smuggling of goods. The study will add value to other literature, and will also provide future empirical evidence on the effectiveness of customs strategies in controlling smuggling of goods in Kenya.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter discusses research design and methodology used to carry out the study. In the words of Dawson (2013), research methodology “is the philosophy or general principle which guides the research”. It also states the target population, data collection, sampling frame, sample and sampling technique, the sample size, data instruments, data collection procedures, pilot testing, validity and reliability of the instrument as well as the data analysis and, finally data presentation (White, 2015).

#### **3.1 Introduction**

Research methodology enables researchers to produce a more refined study, by providing step-to-step way of analyzing data elements with more rigor and relevance in the subject under study (Hedge, 2015). This also gives a researcher a framework for analyzing and presenting the various aspects of research being investigated (Ahmed et al, 2016), while enabling a researcher to conduct the research.

#### **3.2 Research Design**

Research design refers to a framework used to address a research under study (Ang, 2014). According to Gorard (2013), research design assists a researcher to organize a programme from start to end, in a visible manner able to bring about results. In this study, descriptive research will be used, where measurements will be presented in statistical form. Richards (2015), says that such relies on numerical data or constructs that are deduced to numbers, hence depicts the situation as pertains controlling regarding to strategies implemented aimed at controlling smuggling of goods.

### **3.3 Target Population**

Daniel (2012) defines population as the individuals or subjects to which a researcher wishes to generalize the research findings. Accordingly, the research finding was generalized to Kenya Revenue Authority. However, the targeted subjects of study are the customs officers in the various departments directly implementing the strategies in controlling smuggling of goods. The target population for this study was 460 customs officers selected from the customs and border control department. This target population was chosen as they have accurate information pertaining the strategies, and the response rate will highly be acceptable.

### **3.4 Sampling Technique and Sample Size**

Sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire population (Tiberious, 2016). A sample is a small group of objects, elements or individuals selected or drawn from a total population in such a manner that its characteristics represent population characteristics (Hastie, Tibshirani & Friedman, 2018). Stratified random sampling method was used to select relevant respondents from 460 customs officers'. Bryman & Bell (2015) defines stratified random sampling as a random selection of a number of objects from each population sub-group". In this case, stratification was based on customs officers. All the subjects have adequate information on how the research variables affect performance. A sample size of 214 employees was selected from the target population of 460. Ochieng (2014) asserted that, a sample size should be a representative of the general population. To determine the sample size,

Slovene's formula was used to calculate the sample size (at 95% confidence level and  $\alpha = 0.05$ ) as indicated below;

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size

N = Target population

e = margin of error

$$= 460/1+460(0.05)^2 = 214$$

$$n = 214$$

### **3.5 Data Collection Instrument**

This section outlines the method that was used to collect primary and secondary data using questionnaire. Beamish (2012) defined a questionnaire as a data gathering instrument comprising of a set of ordered questions that respondents are expected to answer. This tool was preferred to its ease to use, less costly and easier to administer.

#### **3.5.1 Primary Data**

A semi-structured questionnaire was used to collect primary data for the study (McIntosh, 2015). The items in the questionnaire were arranged in sequential form with items that elicit similar responses being grouped together. The questionnaire was a closed-ended questionnaire since it is easier to analyse as they are in an immediate usable form and, are easier to administer as well as economical to use in terms of time and money (Cooper and Schinder, 2013).

### **3.5.2 Secondary Data**

Secondary data was collected through a review of published literature related to study such as journals, articles, and textbooks (Bolderston, 2008). This was also preferred because it gives insight in the search for more information.

### **3.6 Data Collection Procedures**

The questionnaire was self-administered to the various customs officers to collect primary data from respondents. The filled questionnaires were collected after three days (nap.edu, 2013). Secondary data was sourced from school library, journals, periodicals publications and books relevant to the study (cornell.edu, 2018).

### **3.7 Pilot Testing**

McMillan (2013) says that pilot testing is a small-scale test of an instrument in order to reveal issues that may affect its administration, and their correction. According to Mark (2015), pilot test is used to gauge any varying element, which may occur in an actual research, and to check whether research elements produced is what was expected. He states that pilot study not only checks on completeness and probable accuracy of a questionnaire, in terms of time, but also helps fine tune it to reflect and produce desirable output. Accordingly, it is used to correct ambiguities before the actual study, in order to produce the best results. The questionnaires were randomly distributed to customs officers in Sameer business park to ensure proper data gathering and analysis.

### **3.7.1 Reliability Test**

Reliability is the degree to which the same result would be obtained if a study is repeated. It is a component of high quality research, and is the extent to which an instrument yields same result when conducted severally (Damon, 2011). Damon also notes that where results vary considerably, in different trials, the test may not be reliable. The researcher ensured that the questions were related to the subject. In other words, they have content validity. On reliability, the researcher computed Cronbach's coefficient. The Cronbach's coefficient of 0.72 and above were accepted as reliable.

### **3.7.2 Validity Test**

Validity refers to the accuracy of data, in terms of the extent of errors in a particular measurement (Rubin & Babbie, 2016). It tests the reality under study, and is used for confirming whether data will match the expected results. The researcher understands validity as the extent to which what is intended to be measured is actually measured. Bruno et al (2014), observes that validity is more than acceptability of results. He states that validity emphasizes on the evaluative judgment to which the empirical evidence and rationales underpinned theoretically support given test scores. Accordingly, he further states that validity is not about a measure, test or instrument, rather inferences or decisions a researcher makes based on the scores.

### 3.8 Data Analysis and Presentation

Zikmund, Babin, Carr & Griffin (2017), refers to data analysis as “application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation”. The qualitative method was used to analyse the research variables (Leung, 2015). A Likert scale adopted to provide a measure for qualitative data. Multiple linear regression analysis applied to explore the relationship between “physical border patrol, customs co-operation with other agencies and one stop border post as the independent variables and “controlling smuggling as the dependent variable” (Boston University SPH, 2013). The strength of between the variables was determined by correlation coefficients. Analysis of variance (ANOVA) used to test the significance of the model while  $R^2$  used to measure the extent of goodness of fit of the regression model (Jim, 2017). The multiple linear equation was applied to estimate the coefficients as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \text{ Where:}$$

$Y$  = Controlling Smuggling, a dependent variable

$\beta_0$  = y-intercept of regression line, a constant term

$\beta_1, \beta_2, \beta_3$  = Partial regression coefficients of the independent variables

$X_1$  = Physical Border Patrol, an independent variable

$X_2$  = Customs Co-operation with other agencies, an independent variable

$X_3$  = One Stop Border Post, an independent variable

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This chapter presents the analysis and findings of the study as well as researcher's interpretation of the results. The main purpose of the study was to evaluate the effectiveness of customs strategies in controlling smuggling of goods in Kenya. The study sampled 214 customs officers and analysed the collected primary data.

#### 4.2 Response Rate

Response rate refers to the percentage of participation from the available respondents (Aparasu, 2011). The study sampled 214 customs officers to take part in the research. 214 questionnaires were issued to the respondents. However, 186 out of 214 questionnaires were completed and returned giving a response rate of 87%. Taylor (2017) argues that a response rate of 60% and above is adequate and acceptable.

**Table 4.1: Response Rate**

<b>Frequency</b>	<b>Frequency</b>	<b>Percentage</b>
Responses	186	87%
Non-responses	28	13%
<b>Total</b>	<b>214</b>	<b>100%</b>

#### 4.3 Results of Pilot Study

The reliability of the study instrument was assessed using Cronbach's Alpha which measures how well items or variables measures latent constructs (Andrew, Pedersen & McEvoy, 2015). In other words, it measures internal consistency of the instrument. The

data collected from the pilot test involving 21 customs officials were used to compute the alpha coefficients for the three main variables namely; Physical border patrol, Customs cooperation with state agencies, and One stop border post. All the items achieved acceptable Cronbach's alpha of above 0.72. Table 1 below summarises the results.

**Table 4.2: Reliability Coefficients**

<b>Variables</b>	<b>Cronbach' Alpha NO/Items</b>	<b>Comments</b>
Physical Border Control	0.764	Reliable
Customs Cooperation with other Agencies	0.785	Reliable
One Stop Border Post	0.831	Reliable
Controlling Smuggling	0.754	Reliable

#### **4.4 Demographic Information**

The study sought the demographic information of the respondents in order to find out if such characteristics may have effects on the data collected concerning the effectiveness of customs strategies in controlling smuggling of goods in Kenya. The demographic information collected were gender, age, education, length of service and designation.

##### **4.4.1 Gender of the Respondents**

The study sought to determine the gender of the respondents. As shown in figure 2 below, majority of the respondents' were male representing 54.3% while 45.7% of the respondents were female. This represented gender balance that would reduce ambiguities where certain areas in enforcement would be predominantly occupied by one gender, thus reducing chances of a balanced response.

**Table 4.3: Gender**

	<b>Frequency</b>	<b>Percentage</b>
Valid Female	85	45.7%
Male	101	54.3%
<b>Total</b>	<b>186</b>	<b>100%</b>

#### 4.4.2 Age Bracket of Respondents

The study sought to determine the age bracket of the respondents. More than a half of the respondents were aged over 35years. Implying that, most respondents were mature and had worked for the organization for long time. Therefore, they were able to give balanced views on effectiveness of customs strategies in controlling smuggling of goods in Kenya.

The findings are as shown in Table 2 below.

**Table 4.4: Age Bracket**

	<b>Frequency</b>	<b>Percentage</b>
Valid 18 – 24	8	4.3%
25 – 34	53	28.5%
35 – 44	55	29.6%
45 – 54	51	27.4%
Above 55	19	10.2%
<b>Total</b>	<b>186</b>	<b>100%</b>

#### 4.4.3 Highest Level of Education

The study was interested in establishing the level of education of the respondents. Study findings showed that majority of the respondents 58.6% had attained a bachelor’s degree, 26.3% had attained master’s degree, 10.2% had diploma certificate, and 3.2% had

doctorate degree. This represents a good distribution of education across all levels. This reveals that majority of the respondents had enough knowledge effectiveness of customs strategies in controlling smuggling of goods in Kenya.

**Table 4.5: Level of Education**

		<b>Frequency</b>	<b>Percentage</b>
Valid	Master’s degree	49	26.3%
	Bachelor’s Degree	109	58.6%
	Diploma	19	10.2%
	Certificate	3	1.6%
	Doctorate	6	3.2%
	<b>Total</b>	<b>186</b>	<b>100%</b>

#### **4.4.4 Length of Service of the Respondents.**

The study sought to find out how long the respondents had been working for KRA. Majority of the respondents (over 65%) had worked for KRA more than 10 years. About one-quarter or 30% of the respondents had worked for less than 9 years. This showed that majority of the respondent’s has enough experience on the effectiveness of customs strategies in controlling smuggling of goods in Kenya.

**Table 4.6: Work Experience**

		<b>Frequency</b>	<b>Percentage</b>
Valid	Less than 5 Years	24	12.9%
	5-9 Years	33	17.7%
	10-15 Years	62	33.3%

More than 15 Years	67	36%
<b>Total</b>	<b>186</b>	<b>100%</b>

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#### 4.4.5 Control of Smuggling of Goods

In trying to determine effectiveness of customs strategies in control of smuggling of goods at customs border posts. Respondents were asked to give their opinion to what extent the control has been effective. Results findings were as indicated in Table 4.7 below

**Table 4.7: Control Smuggling of goods**

	<b>Frequency</b>	<b>Percentage</b>
Valid Very great extent	72	38.7%
Great extent	70	37.6%
Moderate	33	17.7%
Low extent	11	5.9%
<b>Total</b>	<b>186</b>	<b>100%</b>

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The results findings indicated that 38.7% of the respondents agreed that customs strategy in controlling smuggling of goods at the border has been very effective, 37.6% indicated that it had been effective to a great extent, 17.7% moderate and 5.9%, low extent.

#### 4.4.6 Training

Training is viewed as an integral part of the process of total quality management (Sabir, 2014), hence it was essential for the study investigate the level and relevance of training

on the effectiveness of customs strategies in controlling smuggling of goods in Kenya.

Results findings were as show in Table 4.8 below.

**Table4.8:Training**

		<b>Frequency</b>	<b>Percentage</b>
Valid	Yes	155	83.3%
	No	31	16.7%
<b>Total</b>		<b>186</b>	<b>100%</b>

Referring to Table 4.8, 83.3% of the respondents indicated that they had had training on customs strategies, while 16.7% had not had training on customs strategies. This could be an indicator as to why there is improvement on successful implementation of customs strategies.

## **4.5 Descriptive Analysis**

### **4.5.1 Physical Border Patrol**

The study sought to establish the effectiveness of physical border patrol in controlling smuggling of goods. The respondents were asked to indicate to what extent customs strategy had been effective in control of smuggling of goods across the borders. The first statement was that KRA has seized more smuggled goods because of sharing of intelligence between the agency and other customs authorities. The second statement was that KRA has seized more smuggled goods because of integrated management of one-border posts. The third statement was that KRA has reduced smuggling of goods because of detection of smuggling of goods, and the fourth statement was that Physical border

patrols have been effective in controlling smuggling of goods in Kenya. The results were summarized as shown in Table 4.9 below.

**Table 4.9: Physical Border Patrol**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
KRA has seized more smuggled goods because of sharing of intelligence with other agencies and customs authorities.	186	4.75	.526
KRA has seized more smuggled goods because of integrated management of one-border posts.	186	4.53	.722
KRA has reduced smuggling of goods because of detection of smuggling of goods.	186	4.66	.550
Physical border patrols have been effective in controlling smuggling of goods in Kenya.	186	4.59	.593

From the findings shown in Table 4.9 above, majority of respondents with a (mean of 4.75 and standard deviation of 0.526) strongly agreed that KRA had seized more smuggled goods because of sharing of intelligence between the agency and other customs authorities. On whether KRA had seized more smuggled goods because of integrated management of one-border posts, the respondents strongly agreed as indicated with a (mean of 4.53 and standard deviation of 0.772). With a (mean of 4.66 and standard deviation of 0.550), respondents agreed that KRA has reduced smuggling of goods because of detection of smuggling of goods. Finally, with a (mean of 4.59 and standard

deviation of .593), it was strongly agreed that physical border patrols have been effective in controlling smuggling of goods in Kenya.

#### **4.5.2 Customs cooperation with other agencies**

The study sought to establish the effectiveness of customs cooperation with other agencies in controlling smuggling of goods. The respondents were asked to indicate the extent to which they agree with the following statements. The first statement was that Information sharing between agencies and customs authority helps in the reduction of illegal trade. The second statement was that customs cooperation with other agencies is effective in controlling smuggling of goods in Kenya. The third statement was that increase in smuggling of goods at border point is due to uncoordinated goods inspection processes by border agencies. The fourth statement was that KRA has reduced smuggling of goods by apprehending smugglers. The results are summarised in table 4.10 below.

**Table 4.10: Customs Cooperation with other agencies**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Information sharing between agencies and Customs authority helps in the reduction of illegal trade.	186	4.92	.273
Customs cooperation with other agencies is effective in controlling smuggling of goods in Kenya.	186	4.12	.430
Increase in smuggling of goods at border point is due to uncoordinated goods inspection processes by border agencies.	186	4.68	.511
KRA has reduced smuggling of goods by apprehending smugglers.	186	4.81	.392

The findings in Table 4.10 above shows that majority of the respondents strongly agreed as indicated with a (mean=4.92 and standard deviation of 0.273) that sharing of information between agencies and customs authority helps in the reduction of illegal trade. On whether customs cooperation with other agencies had been effective in controlling smuggling of goods in Kenya, with a(mean = 4.12, standard deviation = 0.430). Similarly, all respondents agreed with a (mean= 4.68 and standard deviation of 0.511) that increase in smuggling of goods at border posts is due to uncoordinated goods inspection processes by border agencies. Finally, majority of the respondents strongly agreed that KRA has reduced smuggling of goods by apprehending smugglers with a (mean= 4.81 and standard deviation of 0.392).

### 4.5.3 One Stop Border Post

The study sought to establish the effectiveness of one stop border post in controlling smuggling of goods. The respondents were asked to indicate the level of agreement or disagreement with four statements. The first statement was that introduction of One Stop Border Post (OSBP) has reduced clearance time at border point. The second statement was that One Stop Border Post (OSBP) has been effective in controlling smuggling of goods in Kenya. The third statement was that border delays are due to lack of infrastructures. The fourth statement was that multiple steps involved in the clearance of goods across borders impede the region's ability to trade competitively in the international. Table 4.11 below shows the results.

**Table 4.11: One Stop Border Post (OSBP)**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Introduction of one stop border post (OSBP) has reduced clearance time at border point.	186	4.06	.608
One stop border post (OSBP) has been effective in controlling smuggling of goods in Kenya.	186	4.52	.659
Border delays are due to lack of infrastructures.	186	4.69	.560
Multiple steps involved in the clearance of goods across borders impede the region's ability to trade competitively in the international market.	186	4.80	.400

From the findings shown in table 4.11 above, majority of the respondents agreed that introduction of One Stop Border Post (OSBP) has reduced clearance time at the border post as indicated with a (mean=4.06 and standard deviation of .608). Also, majority of the respondents agreed that One Stop Border Post (OSBP) has been effective in controlling smuggling of goods in Kenya as indicated with a (mean= .4.52 and standard deviation of 0.659). Similarly, all respondents agreed with a (mean = 4.69, standard deviation = 0.560) that border delays are due to lack of infrastructures which contributes to smuggling of goods across the border).Finally, majority of the respondents agreed with a (mean=4.80 and standard deviation of 0.400) that multiple steps involved in the clearance of goods across borders impedes the regions ability to trade competitively in the international trade.

#### **4.5.4 Control Smuggling of Goods**

The study sought to establish how the control of smuggling of goods has been effective. The respondents were asked to indicate the level of agreement or disagreement with four statements. The first statement was that KRA has reduced the level of smuggling because of simplified customs clearance. The second statement was that high cost trade transaction at border post is due to bureaucracies in documentation of trade. The third statement was that the government was experiencing some revenue losses due to unnecessary border delays. The fourth statement was that One Stop Border Posts (OSBPs) has helped the country to deal with smuggling activities at the border posts.

#### **Table 4.12: Controlling Smuggling of Goods**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
KRA has reduced the level of smuggling because of simplified customs clearance.	186	4.74	.507
High cost trade transaction at border point is due to bureaucracies in documentation of trade.	186	4.09	.582
The government was experiencing some revenue losses due to unnecessary border delays.	186	4.46	.531
One Stop Border Posts (OSBPs) has helped the country to deal with smuggling activities at the border post.	186	4.87	.336

From the findings shown in table 4.12 above, majority of the respondents agreed that KRA has reduced the level of smuggling because of simplified customs clearance as indicated with a (mean=4.74 and standard deviation of .507). Also, majority of agreed as indicated with a (mean= .4.09 and standard deviation of 0.582) that high cost trade transaction at border post is due to bureaucracies in documentation. Similarly, with a (mean = 4.46, standard deviation = 0.531) all respondents agreed that the government was experiencing some revenue losses due to unnecessary border delays. Finally, majority of the respondents agreed that One Stop Border Posts (OSBPs) has helped the country to deal with smuggling activities at the border posts.

## **4.6 Correlation Analysis**

In order to establish relationship between dependent variable and independent variables, the study carried out correlation analysis that consisted of coefficient of determination and coefficient correlation.

### **4.6.1 Coefficient of Correlation**

To determine coefficient correlation, the study used Pearson Bivariate correlation. The independent variables namely; Physical Border Patrol, Customs Cooperation with other agencies and One Stop Border Post and dependent variable Control Smuggling of Goods. According to Kothari & Gang (2014), computation of correlation coefficient helps in establishing the strength of the relationship between dependent and independent variables. Sekaran (2015) adds that correlation is supposed to take a form of linear trajectory with coefficient ranging from -1.0 (perfect negative correlation) to +1.0 (perfect positive correlation). Table 4.13 shows bivariate relationship between the study variables. The findings of the correlation analysis indicated that there is a significant strong positive Pearson correlation ( $r=0.896$ ,  $p\text{-value}=0.000$ ) between Physical Border Patrol and control of smuggling of goods at Kenya's border post. Regarding Customs Cooperation with other agencies, Pearson's correlation coefficient was also positive ( $r=0.946$ ,  $p\text{-value}=0.000$ ). Finally, the study also revealed that there is a significant positive relationship between One Stop Border Post and controlling of smuggling of goods with Pearson correlation( $r=0.954$ ,  $p\text{-value}=0.000$ ). This further, implies that the variables could be selected for statistical analysis like regression analysis.

**Table 4.13:Correlations**

	<b>C</b> Smuggling	<b>PB</b> Patrol	<b>C_Corp</b>	<b>OSBP</b>
C	1			
Sig. (2-tailed)				
PB	.896**	1		
Sig. (2-tailed)	.000			
C_Corp	.946**	.932**	1	
Sig. (2-tailed)	.000	.000	.000	
OSBP	.954**	.951**	.959**	1
Sig. (2-tailed)	.000	.000	.000	

\*\* Correlation is significant at the 0.01 level (2-tailed).

PB

Patrol= Physical Border Patrol, C\_Corp= Customs Cooperation with other agencies, OSBP= One Stop Border Post

#### 4.6.2 Regression Analysis

Multiple regression analysis was carried out using control of smuggling of goods as the dependent variable, and the three investigations factors to establish; effectiveness of physical border patrol, effectiveness of customs cooperation with other agencies, and to establish the effectiveness of one stop border post in controlling smuggling of goods in Kenya. Table 4.14 shows results finding with R<sup>2</sup> of 0.926 indicating that Physical Border Patrol, Customs Cooperation with other agencies and One Stop Border Post have a significant effect on controlling of smuggling of goods at Kenya's.

**Table 4.14: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.962a	.926	.925	.446

a Predictors: (Constant), One Stop Border Post, Physical Border Patrol, Customs Cooperation

From the ANOVA table 4.15, it is clear that the overall standard multiple regressions model (the model involving constant, Physical Border Patrol, Customs Cooperation with other agencies and One Stop Border Post). The regression model achieves a degree of fit as reflected by an  $R^2$  of 0.926 (F 757.064;  $p = 0.000 < 0.05$ ).

**Table 4.15: ANOVA**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square F</b>	<b>Sig.</b>	
1	Regression	452.239	3	150.746	757.064	.000b
	Residual	36.240	182	.199		
	Total	488.478	185			

a Dependent Variable: Controlling Smuggling

b Predictors: (Constant), OSBPS, Physical Border Patrol, Customs Cooperation

The p-value of 0.000 indicates that the regression relationship was significant in establishing how Physical Border Patrol, Customs Cooperation with other agencies and One Stop Border Post affects control of smuggling of goods at Kenya border posts. The F calculated at 5 percent level of significance was 757.064. Since F calculated is greater than the F critical (Value = 2.2899), the overall model was considered significant

**Table 4.16: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients.			
		B	Std. Error	Beta	t	Sig.	
1	(Constant)	7.272	.736		9.369	.001	
	PBPatrol	.147	.048	.206	3.074	.002	
	C_Cooperation		.562	.092	.448	6.122	.000
	OSBPS	.595	.071	.720	8.386	.000	

a Dependent Variable: Controlling Smuggling

#### 4.6.3 Regression Coefficient

Table 4.15 presents the regression results on how Physical Border Patrol, Customs Cooperation with other agencies and One Stop Border Post affect control of smuggling of goods at Kenya border posts. The multiple regression model equation:  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$ , hence multiple regression equation become;

$$Y = 7.272 + 0.147X_1 + 0.562X_2 + 0.595X_3.$$

As depicted, in the above equation, there was a positive and significant effect of Physical Border Patrol ( $\beta_1 = 0.147$ ;  $t = 3.074$ ;  $p < 0.05$ ). There was positive and significant effect of Customs Cooperation with other agencies ( $\beta_2 = 0.562$ ;  $t = 6.122$ ;  $p < 0.05$ ), and there was a positive and significant effect One Stop Border Post ( $\beta_3 = 0.595$ ;  $t = 8.386$ ;  $p < 0.05$ ). The regression equation established that taking (Physical Border Patrol, Customs Cooperation with other agencies and One Stop Border Post) constant, control of smuggling goods at Kenya border posts will be 7.272. The results finding also indicates that taking all other independent variables at zero, a unit increase in Physical Border

Patrol would lead to a 0.147 change in control of smuggling of goods at Kenya border post. A study also found out that a unit increase in Customs Cooperation with other agencies would lead to a 0.562 change in controlling of smuggling of goods at Kenya border posts. It was also found that a unit increase in the One Stop Border Post would lead to a 0.595 change in control of smuggling of goods at Kenya border posts.

In overall, One Stop Border Post had the greatest effect on control of smuggling of goods at Kenya border posts followed by Customs Cooperation with other agencies then Physical Border Patrol. All studied variables were significant since their p-value were less than 0.05.

#### **4.7 Discussion and Findings**

The study targeted a sample size of 214 Customs officers out of which 186 filled the questionnaires and returned which translated to response rate of 87% which according to (Pickett *at el* 2018) is satisfactory to make a conclusion for the study. On training, 83.3% of the respondents indicated that they had had training on customs strategies in controlling smuggling of goods in Kenya, with majority of the respondents (over 65%) having worked for than 10 years. This could be an indicator as to why there has been an improvement on successful implementation of customs strategies. In support of this (Sabir, 2014) argues that training improves quality management of the organization. The study also established that organization had good distribution of education across all levels with majority 58.6% having attained a bachelor's degree, and majority 38.7% indicating that customs strategy on controlling smuggling of goods at the border has been very effective, 37.6% indicated that it had been effective to a great extent, 17.7% moderate and 5.9%, low extent. This

reveals that majority of the respondents had enough knowledge effectiveness of customs strategies.

On the first objectives the relationship between physical borders patrols and controlling smuggling of goods in Kenya. The study established that the relationship between physical borders patrols and controlling smuggling of goods is positive and significant ( $r=.896$ ;  $p<.005$ ). This shows that physical borders patrols have direct impact on and controlling smuggling of goods in Kenya. This findings concurs with Varavayi & Shirkes (2014) findings that human factors such as corruption and negligence plays a big role to the deteriorating cases of smuggling across border points. The findings of this study also have several bearings to all state agencies entrusted to control smuggling of goods and collection of revenues, and this can be helpful for them to understand what type of strategies that can be employed to control smuggling of goods across the borders. In line with Ross *et al.* (2015), research findings that cooperation between agencies and joint operations blended well with intelligence gathering techniques can reduce smuggling menace. This is in agreement with respondent's responses that information sharing between agencies and customs authority can be helpful in the reduction of illegal trade.

On the second objective of the study was to establish relationship between inter agency customs cooperation and controlling smuggling of goods. The study found a strong and positive Pearson correlation ( $r=.946$ ,  $p<0.005$ ) between inter agency corporation and controlling smuggling of goods in Kenya. The results findings imply that the corporation of state agencies is a key factor in controlling smuggling of goods across Kenyan borders. Earlier researchers have also concluded that customs cooperation with other state agencies

in respect of coordinating certain intelligence activities could effective to control smuggling of goods as in the case of United Nations Office on Drugs and Crime (UNODC), and Interpol, which has helped intercept, prevent and control flow of dangerous cargo.

On the third objective of the study was to establish relationship between one stop border and controlling smuggling of goods in Kenya. The study found that one stop border has contributed to effectiveness and efficiency of delivery of services at border as indicated a positive Pearson correlation ( $r=.954$ ,  $p<0.005$ ) between one stop border and controlling smuggling of goods. This means that one stop border have direct impact on control of smuggling goods in Kenya. This is in agreement with (Bergqvist *et al*, 2016) who argued that OSBP simplifies the process of importation and exportation of goods in that it eliminates the need of traders to stop twice in terms of border formalities. This is also corroborates with literature in the works of Freund & Nadia, (2010) that showed that OSBP has reduced delays caused by physical examination and time taken to clear cargo. This therefore implies that one stop border must be enhanced to in order to improve movement of goods and services across shared international borders to realize the benefits of less restriction (Kieck, 2010). This will minimize poor trade facilitation, which according to the World Bank (2016), it contributes to 75% of border delay and bureaucracy, which have continued to impact negatively on the competitiveness of African goods on the international markets, (International Charity for Africa (icafrica), 2010).

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the findings as analysed in previous chapter. Additionally, the conclusion is made based on the summary findings relating them with literature received. Further, recommendation is made as per the objectives researched on. Finally, the study gives suggestions on areas for further research in relation with control of smuggling of goods at Kenya border posts.

#### **5.2 Summary of Findings**

The study interrogated the effectiveness of customs strategies in controlling smuggling of goods at Kenya's border post. Descriptive research was adopted. Literature relating to customs border control was reviewed. Routines activity theory, collaborative advantage theory, social impact theory and situational crime prevention theory formed the bases of the study. The study comprised of 186 respondents' representing a response rate of 87%. Majority of the respondents were male. More than 65% of the respondents had attained bachelor's degree and above. 83.3% of the respondents had had training in customs strategies in controlling smuggling of goods at Kenya's border post. For descriptive analysis, the study used mean and standard deviations. Correlation and regression analyses was used to establish relationship among variables. The following are the key findings:

##### **5.2.1 Physical Border Patrol**

The first objective of the study was to establish the effectiveness of physical border patrol in controlling smuggling of goods at Kenya's border post. The study looked at seized

smuggled goods by KRA after sharing of intelligence information with other agency with a mean of 4.75, followed by reduction of smuggling of goods by KRA because of detection of smuggled goods with a mean of 4.66, and effectiveness of physical border patrols in controlling smuggling of goods at Kenya border post with a mean of 4.59 with variable showing that majority of the respondents agreed with statement.

When physical border patrol was correlated with dependent variable, there was a significance of a positive correlation of  $r=0.896$  and  $p=.000$ . The regression model as indicated by Table 4.16 also supported these findings as indicated with a positive regression of 0.147 significant enough effect on control of smuggling at Kenya border post. Concluding that physical border patrol has effect on controlling smuggling of goods at Kenya border posts. Thus, adoption of physical border patrol would significantly address smuggling of goods at Kenya border posts.

### **5.2.2 Customs Cooperation with other agencies**

The second objective was to establish the effectiveness of customs cooperation with other agencies in controlling smuggling of goods in Kenya. The study looked at sharing of information between agencies and customs authority to help in the reduction of illegal trade was ranked higher with a mean of 4.92, followed by apprehension of smugglers at 4.81, that KRA has reduced smuggling of goods by apprehending smugglers, then increase in smuggling of goods at border post due to uncoordinated goods inspection processes by border agencies with a mean of 4.68.

When Customs Cooperation with other agencies and control of smuggling of goods at Kenya border posts were correlated, it was found statistically significant with a Pearson's

$r= 0.946$  and p-value of .000. The regression model as indicated by Table 4.16 also supported these findings as indicated by a positive regression of 0.562. Implying that it has a significant effect on controlling smuggling at Kenya border posts. Therefore, adoption of Customs Cooperation with other agencies in controlling smuggling would significantly address the challenges of controlling smuggled goods at Kenya border posts.

### **5.2.3 One Stop Border Post**

The third objective was to establish the effectiveness of one stop border post in controlling smuggling of goods in Kenya. Study did look One Stop Border Post (OSBP) has been effective in controlling smuggling of goods in Kenya as indicated with a mean of 4.52, followed by border delays are due to lack of infrastructures with a mean of 4.69, and, finally multiple steps involved in the clearance of goods across borders with a mean of 4.80.

When One Stop Border Post was correlated with control of smuggling goods, the Pearson yielded  $r=0.954$  with p-value of 0.000. The study found that One Stop Border Post greatly affects control of smuggling goods at Kenya border post. Implying that adoption of One Stop Border Post would greatly address the issues of smuggling goods at Kenya border points.

### **5.3 Conclusion**

On the first objective about Physical Border Patrol. The study concluded that Customs cooperation with other agencies helps to detect and prevent illegal entry of smuggled goods at Kenya border posts. This finding concurs with (Stana,2010; Haddal, 2010) observations that surveillance along the borders, physical patrols and screening of vehicles

and persons helps to detect and prevent illegal entry of people and goods into or exiting a country through a country's border.

On the second objective about Customs Cooperation with other agencies, the study concluded that controlling smuggling at Kenya border posts is greatly affected by Customs Cooperation. Study found that sharing of information between agencies and customs cooperation with other agencies are effective tools in controlling smuggling of goods and reduction of illegal trade at Kenya border posts. This confirms study by Ross *et al.* (2015) who found that coordinated interventions blended well with intelligence gathering techniques by various agencies to reduce smuggling menace. Further, study concluded that increase in smuggling of goods at border posts is due to uncoordinated goods inspection processes by border agencies.

On the third objective about the effectiveness of one stop border post in controlling smuggling of goods in Kenya. The study concluded that introduction of OSBP has helped to reduce clearance time at border post. However, study also found out that border delays is normally caused by lack of infrastructures. In support of this study by Muqayi & Manyeruke (2015), found out that One Stop Border Post has been able to address barriers that constrained the flow of people and goods. Further, study found that OSBP had had a positive impact on controlling smuggling at Kenya border post as it had installed psychological deterrence in the minds of unscrupulous traders on the possibilities of detection.

## **5.4 Recommendation**

The study recommends that all government agencies should adopt an effective physical border patrol monitoring system. The study found that effective monitoring system would help in collecting relevant data and information to help control smuggling of goods. The study recommends that the organization adopt an effective reporting system where multi agencies and informers would report suspicious movements along the borders with other agencies. The reporting system would act as a consolidator that gathers information from agencies, and sends alert to concerned agencies that would then act promptly. Information sent promptly would then help border patrol officers to act effectively within the borders being manned.

It is highly recommended that KRA increases collaboration with other agencies such as Interpol, and further build, enhance capacity of internal investigative agencies to enable them be proactive in handling smuggling cases. This is because Interpol only helps counter smuggling of particular nature, not taking into consideration those from regional areas. Thus having a 24-hour surveillance on smuggling by the internal departments would help deter smuggling before it occurs. Proactivity need to be enhanced and if possible, partner states establish 24 hour smuggling surveillance centers within their territories, a concept similar to regional tracking systems centers. In addition to that, the organization should use WCO Customs Enforcement Network (CEN) model to cascade intelligence information to regional governments. This would help build a local intelligence database that would help retrieve key

information on vessels, and other information that would beef up capacity to reduce smuggling.

It is the recommendation of the researcher that teamwork should be enhanced to ensure cohesiveness among state agencies and other stakeholders such as communities living around border posts to gather and share information. Partnerships are key in combating smuggling, where police and customs need to work cohesively and as team to face a single threat of smuggling. Communities living within borders need to be empowered to share information with police or customs, where the same would be cascaded centrally along border enforcement teams to effectively reduce instances of stonewalling.

### **5.5 Areas for further study**

Strategy is a phenomenon that is being applied worldwide to improve organization's performance. Given its wide contents the researcher suggests that more study to be conducted on how culture and corruption contributes to smuggling of goods across the borders. Other governments' parastatals can adopt the same principals and find out how they affect the performance of border enforcement agencies in the delivery of their organizational mandate.

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## **APPENDICE**

### **APPENDIXI: LETTER OF INTRODUCTION**

**Oscar Okoth Odago**

**55668 - 00200**

**Nairobi**

**Customs Research Office**

**Kenya School of Revenue Administration**

**Nairobi.**

Dear Sir/Madam,

#### **RE: PERMISSION TO COLLECT RESEARCH DATA**

Concerning the above, I hereby wish to introduce myself to your organization. I am a student at Kenya Revenue Authority Pursuing Post Graduate Diploma in Customs Administration. My study is titled “**CUSTOMS STRATEGIES IN CONTROLLING SMUGGLING OF GOODS IN KENYA**” as a fulfilment of the requirements for my diploma course program.

My supervisor and I assure you that the information you will provide will be used only for academic purposes. A copy of the final paper will be availed to you upon request. Your cooperation and assistance will be highly appreciated.

Yours sincerely,

**OSCAR OKOTHODAGO**

## APPENDIXIII: QUESTIONNAIRE

### Customs Strategies in Controlling Smuggling of Goods in Kenya

**Instruction: Please tick (√) where appropriate or fill in the spaces provided.**

#### SECTION 1: DEMOGRAPHIC INFORMATION

Q.1. What is your gender?

Female [ ]

Male [ ]

Q.2. In which age bracket do you fall into

18 – 24 [ ]

25 – 34 [ ]

35 – 44 [ ]

45 – 54 [ ]

Above 55 [ ]

Q.3. What is your highest academic qualification?

Master's degree [ ] Bachelor's Degree [ ] Diploma [ ] Certificate [ ]

Doctorate [ ]

Q. 4. How long have you been working for KRA?

Less than 5 Years [ ] 5-9 Years [ ] 10-15 Years [ ] More than 15 Years [ ]

Q. 5. One Stop Border Post (OSBP) has been effective in controlling smuggling of goods in Kenya.

Very great extent [ ]

Great extent [ ]

Moderate [ ]

Low extent         [ ]

Not at all         [ ]

Q. 6. Do you have any training in customs border control managements?

Yes  [ ]                      No  [ ]

**SECTION 2 A: Physical Border Patrol**

On a scale of 5-1 where 5= very great extent, 4= great extent, 3= moderate extent, 2=low extent and 1= Not at all, please indicate by putting a circle on the number to show the extent of your agreement with each statement below.

<b>Physical Border Patrol</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
KRA has seized more smuggled goods because of sharing of information with other agencies and other customs authorities.					
KRA has seized more smuggled goods because of integrated management of one-border posts.					
KRA has reduced smuggling of goods because of detection of smuggling of goods.					
Physical border patrols have been effective in controlling smuggling of goods in Kenya.					

**SECTION 2 B: Customs Cooperation with other agencies**

On a scale of 5-1 where 5= very great extent, 4= great extent, 3= moderate extent, 2=low extent and 1= Not at all, please indicate by putting a circle on the number to show the extent of your agreement with each statement below.

<b>Customs Cooperation with other agencies</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Information sharing between agencies and customs authority helps in the reduction of illegal trade.					
Customs cooperation with other agencies is effective in controlling smuggling of goods in Kenya.					
Increase in smuggling of goods at border point is due to uncoordinated goods inspection processes by border agencies.					
KRA has reduced smuggling of goods by apprehending smugglers.					

### SECTION 2 C: One-Stop Border Post

On a scale of 5-1 where 5= very great extent, 4= great extent, 3= moderate extent, 2=low extent and 1= Not at all, please indicate by putting a circle on the number to show the extent of your agreement with each statement below

<b>One-Stop Border Post</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Introduction of One Stop Border Post (OSBP) has reduced clearance time at border point.					
One Stop Border Post (OSBP) has been effective in controlling smuggling of goods in Kenya.					
Border delays are due to lack of infrastructures.					
Multiple steps involved in the clearance of goods across borders impede the region's ability to trade competitively in the international market.					

## SECTION 2 D: Controlling Smuggling

On a scale of 5-1 where 5= very great extent, 4= great extent, 3= moderate extent, 2=low extent and 1= Not at all, please indicate by putting a circle on the number to show the extent of your agreement with each statement below.

<b>Controlling Smuggling</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
KRA has reduced the level of smuggling because of simplified customs clearance.					
High cost trade transaction at border point is due to bureaucracies in documentation of trade.					
The government was experiencing some revenue losses due unnecessary border delays.					
One Stop Border Posts (OSBPs) has helped the country to deal with smuggling activities at the border post.					