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"Combatting Corruption in Kosovo Customs: Observations and Recommendations"

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Abstract

Institutional corruption in Kosovo Customs poses a serious threat to the integrity of the agency and undermines the financial viability of the Republic of Kosovo. This research was conducted in order to gain a better understanding of the root causes of corruption in Kosovo Customs and to make suggestions as to how these causes may be addressed. While acknowledging that corruption is a complicated issue that likely has many root causes, it is hypothesized that relatively low salaries and poor working conditions are among the chief reasons why corruption has persisted in Kosovo Customs, despite the best efforts of law makers and good governance experts. Researchers travelled to Kosovo in July 2013 and conducted a series of field interviews with Kosovo Customs officers while touring three Kosovo Customs Stations. As a result of the interviews, and observations, a series of issues were identified and solutions to these issues offered. Our interviews confirmed that low salaries and poor working conditions were in fact issues that concerned the officers. Additionally, we found that the general public does not have a very positive image of Kosovo Customs, and that the practice of utilizing Customs Agents as intermediaries between the general public and Kosovo Customs officers may play a role in perpetuating this negative image.

Introduction

On February 17, 2008, the Assembly of Kosovo unilaterally declared independence from Serbia, and in doing so, created the newly independent Republic of Kosovo. Once the euphoria surrounding this historic day settled, those charged with shaping Kosovo's future faced the daunting task of moving past the ethnic division and widespread corruption that marked the past, and towards a unified and more prosperous future. As an emerging democracy, The Republic of Kosovo must develop a stable economy in order to survive. Kosovo is one of the poorest countries in Europe, with roughly 34.5% of the population living in poverty, a Gross National Income (GNI) of just €2,721 per capita, and an unemployment rate of 35.1%.¹ As such, Kosovo

¹Social Statistics Department, Labour Market Sector. (2013). *Results of the kosovo 2012 labour force survey*. Pristina, Kosovo: Kosovo Agency of Statistics. Retrieved from Republic of Kosovo website: <http://ask.rks->

is heavily dependent on the revenue generated by the collection of taxes by Kosovo Customs (KC). KC accounted for nearly 63% of the total revenues collected by Kosovo in 2012.² Given the fact that such a large portion of the state's revenue comes from this single source, ensuring KC is as free from corruption as possible should be a top concern of the Kosovar government.

Kosovo has taken numerous measures to combat corruption over the past few years, including the creation of an Ombudsperson³, an Anti-Corruption Agency⁴, drafting an Anti-Corruption plan for Kosovo Customs,⁵ and passing a number of laws designed to limit the prevalence and scope of corruption.⁶ Despite the fact that some of the most respected legal experts and non-governmental organizations have worked closely with the Kosovar government to aid in the fight against corruption, the effectiveness of these anticorruption measures is frequently called into question. According to Transparency International's 2013 Corruption Perceptions Index (CPI), which measures the perceived levels of public sector corruption in over 177 countries and territories, Kosovo ranks as one of the most corrupt countries in Europe, with only Albania, Belarus, Russia and Ukraine faring worse.⁷ The 2013 Global Corruption Barometer (GCB), also produced by Transparency International, would seem to indicate that the people of Kosovo firmly believe that corruption is still a major issue, and that government efforts to fight corruption have been largely ineffective. Responses to selected GCB survey questions are noted below:

1. "Over the past two years how has the level of corruption in this country/territory changed?"⁸

Increased a lot	48%
Increased a little	17%
Stayed the same	26%
Decreased a little	7%
Decreased a lot	1%

2. "To what extent do you think corruption is a problem in the public sector in this country/territory?"⁹

A serious problem	67%
A problem	17%

gov.net/ENG/labour-market/publications/doc_view/1108-results-of-the-kosovo-2012-labour-force-survey?tmpl=component&format=raw

² Republic of Kosovo, Law No.04/L-128. For Amending and Supplementing Law No. 04/L-079 on Budget of the Republic of Kosovo for Year 2012. For the year 2012, the total revenues for the Republic of Kosovo were approximately €1,384,000,000, while the revenue collected by Kosovo Customs in the form of "Border taxes" was €875,000,000.

³ Republic of Kosovo, Law No. 03/L-195. Law on ombudsperson.

⁴ Republic of Kosovo, Law No. 03/L-159. Law on anti-corruption agency.

⁵ Ministry of Finance, (n.d.). *Customs anticorruption plan*. Retrieved from Republic of Kosovo website: http://dogana.rks-gov.net/Uploads/Documents/Anti_korrupcioni_plani.eng.pdf

⁶ Relevant laws include: Law No. 2004/34. The suppression of corruption law; Law No. 04/L-051, On prevention of conflict of interest in discharge of public functions; Law No. 04/L-043 On protection of informants.

⁷ Transparency International, (2013). *Corruption perceptions index 2013*. Retrieved from Transparency International website: <http://cpi.transparency.org/cpi2013/> Kosovo ranked 111 out of 177 countries and territories surveyed, while Albania ranked 116, Belarus 123, Russia 127, and Ukraine 144.

⁸ Transparency International, (2013). *Global corruption barometer 2013*. Retrieved from Transparency International website: <http://www.transparency.org/gcb2013>

⁹ Global corruption barometer 2013.

A slight problem	13%
Not really a problem	2%
Not a problem at all	1%

3. “How effective do you think your government’s actions are in the fight against corruption?”¹⁰

Very ineffective	46%
Ineffective	27%
Neither effective nor ineffective	16%
Effective	9%
Very effective	1%

4. “Percentage of respondents who felt these institutions were corrupt/extremely corrupt in this country/territory”¹¹

Judiciary	80%
Political parties	75%
Medical and health care	70%
Parliament / legislature	66%
Business	52%
Education system	47%
Public officials and civil servants	44%
Police	39%
Media	34%
NGOs	20%
Religious bodies	17%
Military	8%

Despite the fact that such tremendous resources have been invested in fighting corruption in Kosovo, the data presented by Amnesty International would seem to paint a picture of a country that is still plagued with corruption, and whose citizens have little faith in the effectiveness of the government’s efforts to combat corruption. While there are clearly changes needed at nearly all levels of government and within all institutions that are part of the public sector, we chose to focus our efforts on Kosovo Customs.

Kosovo Customs serves as a gatekeeper and plays a major role in expediting the flow of commercial goods both in and out of Kosovo. KC officers are charged with monitoring and assessing tariffs on goods that are valued in the billions, and that generated 875 million euros in taxes for the budget of Kosovo in 2012.¹² Despite the huge contribution to the budget made by KC officers, the lowest ranking officers earn just 5,400 euros a year.¹³ While the wages paid to KC officers are generally much higher than the Kosovar per capita GNI, it is still far less than

¹⁰ Global corruption barometer 2013.

¹¹ Global corruption barometer 2013.

¹² Republic of Kosovo, Law No.04/L-128. For amending and supplementing law no. 04/L-079 on budget of the republic of kosovo for year 2012. For the year 2012, revenue collected by Kosovo Customs in the form of “Border taxes” was €875,000,000.

¹³ Krivača, E. (2013). Kosovo customs pay scale [Electronic mail].

these employees could earn if they were to leave Kosovo and work abroad. Kosovo is in a unique position, as many families are heavily reliant on remittances sent back from members of the diaspora.¹⁴ According to a Forum for Democratic Initiatives report (2009), there may be as many as 800,000 members of the Kosovar Albanian diaspora, with approximately 300,000 Kosovar Albanians residing in Germany and 155,000 in Switzerland.¹⁵ According to the World Bank (2013), the per capita GNI for Switzerland is \$80,970, for Germany is \$44,260, and for Kosovo is \$3,600.¹⁶ Clearly there are opportunities to earn more income abroad, and as emigrating is common for Kosovar Albanians, this should be taken into consideration when evaluating the adequacy of KC salaries.

In order for Kosovo to reach its true potential, a professional and trustworthy customs agency *must* be established. This can only be done by identifying and addressing the root causes of corruption in Kosovo Customs. While there are likely many causes of corruption in KC, including a legacy of corruption handed down from the former Socialist Federal Republic of Yugoslavia era, low public sector salaries, and a lack of political will to enforce regulations designed to stamp out corruption, we believe that the answer to the question can best be discovered by interviewing those who are often the subject of allegations of corruption, the KC officers themselves. Through field interviews, we hope to gain some insight into officers' level of job satisfaction, perceptions of the effectiveness of anti-corruption efforts to date, as well as what additional measures, if any, they believe might help reduce levels of corruption in KC.

Methodology

The authors traveled to Kosovo in July of 2013, to conduct a series of field interviews with KC officers and to tour selected KC facilities. The project was officially sanctioned by Kosovo Customs and approved by both the Director of Human Resources, and Director General.¹⁷

When interviewed, KC officers were asked a series of questions designed to gauge their level of job satisfaction, as well as their perception of the effectiveness of current anticorruption efforts in KC. In addition, some biographical data was compiled, specifically, length of time employed by KC, current grade (rank), and highest level of education completed. The responses to these questions, coupled with the observations made during the visits to the various KC Customs stations helped to shape the recommendations.¹⁸

¹⁴ Haxhikardrija, A. Forum for Democratic Initiatives, (2009). *Diaspora as a driving force for development in kosovo: Myth or reality?*. Approximately 29% of Kosovar households benefit from remittances from the diaspora. While remittance amounts vary markedly, 15% of households that receive remittances report receiving more than 5,000 euros annually, while 20% report receiving less than 500 euros annually.

¹⁵ Haxhikardrija.

¹⁶ World Bank, (2013). *Gross national income per capita 2012, atlas method and ppp*. Retrieved from website: <http://databank.worldbank.org/data/download/GNIPC.pdf>

¹⁷ KC Legal Advisor Enver Krivaça also played a key role in arranging the visit, and has continued to provide both expert legal advice and access to administrative documents that have been crucial to gaining a better understanding of how KC operates on an organizational level.

¹⁸ Kosovo Customs Stations visited: Podujeva, Hani e Elezit, and Dheu I Bardhë. Thirty (30) Kosovo Customs officers, and two (2) Customs Agents were interviewed in total. Customs Agents are independent contractors who help facilitate the import and export of goods. The agent serves as a liaison between the importer, exporter and customs officials. The survey responses of the two Customs Agents interviewed will not be included in the results section, as they are not directly employed by Kosovo Customs. It should be noted that the Kosovo Customs Stations

Officers were interviewed individually. KC officers were provided with a consent form explaining the purpose of the research that was written in English, and translated into both Albanian and Serbian. Officers who spoke English were interviewed in English. Officers who did not speak English communicated through a third-party translator, privately retained by the research team. All responses were manually recorded. No video or audio recordings were made of the interviews.

Survey Results

Rank/Grade:

Kosovo Customs is organized hierarchically as noted below.¹⁹ Of the 30 officers interviewed, the distribution according to rank/grade is as follows:

Title	Grade	f
Director General	G20	0 ²⁰
Director	G10	1
Head of Department	G9	0
Head of Unit	G8	2
Shift Leader	G7	9
High Customs Officer	G6	13
Customs Officer	G5	5
N	-	30

Length of Employment:

Of the 30 officers interviewed, the distribution according to length of employment is as follows:

Length of Employment (Months)	F	Length of Employment (Months)	f
144	2	64	1
132	3	60	4
120	6	48	2
108	3	36	1
104	1	30	2
96	2	6	1
84	2	n	30

Mean: 100
Median: 89.8
Mode: 120
Range: 138

visited were selected by our KC hosts, and as such there could be questions relating to the reliability of the data gathered.

¹⁹ EULEX Programme Office, Office of the Head of Mission EULEX Kosovo. (2009). *Eulex programme report*. Retrieved from website: <http://www.eulex-kosovo.eu/docs/Accountability/EULEX-PROGRAMME-REPORT-July-2009-new.pdf>

²⁰ Kosovo Customs Director General Naim Huruglica was interviewed, but was not asked the same questions as the other officers. Thus, he is not included in the data reported.

Education:

Of the 30 officers interviewed, the distribution according to highest level of education completed is as follows:

Highest Level Completed	f
High School or Equivalent	3
Bachelor's Degree	15
Master's Degree	8
Doctoral Degree (PhD)	0
Professional Degree (Lawyer)	4
N	30

Salary:

All officers were asked the following question:

Are you happy with your current salary?

Response	f
Yes	7
Yes*	12
No	7
No*	4
N	30

Responses marked with an * indicate that the respondent provided additional information to qualify their answer. If multiple officers raised the same point, the number who did so is noted in parenthesis. Additional comments included: "salary is ok for Kosovo" (8), "could be better" (3), "partially happy" (2), "needs to improve" (1), "better than some others" (1), "no, because I did not receive reward money owed" (1).

Position:

All officers were asked the following question:

Are you happy with your current position at Kosovo Customs?

Response	f
Yes	9
Yes*	11
No	7
No*	3
n	30

Responses marked with an * indicate that the respondent provided additional information to qualify their answer. If multiple officers raised the same point, the number who did so is noted in parenthesis. Additional comments included: "would like to advance" (8), "partially" (3), "Was transferred against wishes" (1), "make less than police" (1), "work too much" (1).

Anticorruption Efforts:

All officers were asked the following question:

Do you believe that the current efforts to combat corruption in Kosovo Customs have been effective? If yes, why? If no, why not?

Response	f
Yes	9
Yes*	10
No	4
No*	6
No Answer	1
N	30

Responses marked with an * indicate that the respondent provided additional information to qualify their answer. If multiple officers raised the same point, the number who did so is noted in parenthesis. Additional comments included: “minimally” (2), “laws don’t work in practice” (2), “problems with implementation” (2), “hotlines, complaint boxes don’t work” (1), “constantly changing, evolving” (1), “still issues in Mitrovica” (1), “must inform public of efforts” (1), “need to do more” (1), “public is unaware of complaint procedures” (1), “management is unwilling to change” (1), “must enhance cooperation with other agencies” (1), “inefficiency of the courts is a problem” (1), “Same corrupt officers in key positions” (1).

All officers were asked the following question:

In your opinion, what steps or measures could be taken to help reduce corruption in Kosovo Customs?

Many officers offered multiple solutions to the issue of reducing corruption in Kosovo Customs. If multiple officers raised the same point, the number who did so is noted in parenthesis. Additional comments included: “Raise salaries” (12), “improve work conditions” (9), “rewards” (2), “more training” (2), “don’t know” (2), “inspection teams working all shifts” (1), “increase cooperation with other agencies” (1), “stop amnesty laws” (1), “there is no corruption in Kosovo Customs” (1), “government will” (1), “need to implement laws, not just on paper, but in practice” (1), “must change public opinion” (1).

Issues Raised

While the officers’ responses to our survey questions allowed us to gain a better understanding of the issues that are most important to them, we will focus on two major issues that seem to be most pressing: wages, and work conditions. In addition to the information gathered via interviewing KC officers, the research team was able to learn a great deal about the manner in which KC operates by observing officers in the field. As a result of these observations, we were able to identify another issue that is potentially a cause for concern, that is, the relationship between KC officers and independent contractors known as customs agents. Finally, we will address the damage caused to the reputation of Kosovo Customs by widespread and continual allegations of corruption.

Increase Wages

There has been much debate as to whether increasing the salary of public sector employees actually leads to a reduction in corruption. Attempts to accurately measure the relationship between corruption and higher public sector wages have produced mixed results. Rauch and Evans (2000),²¹ and Treisman²² (2000), assert that there is no direct correlation

²¹ Rauch, J., & Evans, P. (2000). Bureaucratic Structure and Bureaucratic Performance in Less Developed Countries. *Journal of Public Economics*, 75(1), 49-71.

between higher public sector salaries and a reduction in corruption, while van Rijckegem and Weder (2001)²³ would suggest that higher public sector wages do lead to decreases in levels of corruption. Svensson (2005) suggests that raising salaries alone is not sufficient to reduce corruption and that, “the effectiveness of anticorruption wage policies hinges on the existence of an honest third party that can monitor the agent.”²⁴

We tend to agree that pay raises alone are not the answer to ending corruption in KC. Rather, we align ourselves with Svensson, and assert that pay raises *may* lead to lower levels of public corruption, but only if coupled with effective third party oversight. Assuming Svensson is correct, the next question we must answer is, “Does Kosovo have an honest third party that could be relied upon to monitor KC, if wages were to be raised?” While Kosovo Customs falls directly under the control of the Ministry of Finance (MoF)²⁵, some may argue that the oversight provided by the MoF is not sufficient or effective, as there are still many questions as to the integrity of many government offices. Next, the Kosovo Anti-Corruption Agency (ACA) would seem to be a natural fit to serve in this oversight capacity, as they already serve in an oversight role, and are actively engaged in anticorruption efforts throughout many of Kosovo’s public institutions.²⁶ Alternately, it would seem plausible that one of the many foreign nongovernmental organizations working in Kosovo, could serve as independent observers and monitor levels of corruption. EULEX is already involved with many Kosovar institutions²⁷, including KC, and would seem to have both the personnel and expertise to serve in such a role if needed. As such, it would appear as though adequate resources are available, if the Kosovar government were to pursue a course of action that granted pay raises conditioned on the presence of effective third party oversight.

Academics are not alone in the belief that public sector wages play a significant role when addressing the issue of corruption in customs agencies. The Revised Arusha Declaration of the Customs Co-operation Council Concerning Good Governance and Integrity in Customs stresses the importance of “Human Resource Management” in operating a professional and efficient customs agency.²⁸ Chief amongst the issues that are noted is the need for customs officers to be paid a sufficient salary to maintain a decent standard of living.²⁹ Based on the responses to the survey, it would appear that a substantial portion of those questioned are not happy with their current salary, and of those who indicated that they are happy with their current salary, many were eager to see it increase. The pay scale for Kosovo Customs is as follows³⁰:

²² Treisman, D. (2000). The causes of corruption: A cross-national study. *Journal of Public Economics*, 76(3), 399-457.

²³ Van Rijckeghem, C., & Weder, B. (2001). Bureaucratic corruption and the rate of temptation: Do wages in the civil service affect corruption, and by how much?. *Journal of Development Economics*, 65(2), 307-331.

²⁴ Svensson, J. (2005). Eight questions about corruption. *Journal of Economic Perspectives*, 19(3), 19-42.

²⁵ Republic of Kosovo, ministry of finance. (2013) Retrieved from <http://mf.rks-gov.net/en-us/fillimi.aspx>

²⁶ Anti-corruption agency. (2013). Retrieved from <http://www.akk-ks.org/?cid=2,13>

²⁷ EULEX Kosovo. (2013). Retrieved from <http://www.eulex-kosovo.eu/en/strengthening/>

²⁸ World Customs Organization. (2003). The revised arusha declaration: Declaration of the customs co-operation council concerning good governance and integrity in customs. Brussels, Belgium: World Customs Organization.

²⁹ World Customs Organization at 2.

³⁰ Krivača, E. (2013). Kosovo customs pay scale [Electronic mail].

Grade	Monthly salary
G20	€ 1100
G10	€ 880
G9	€ 710
G8	€ 610
G7	€ 525
G6	€ 496
G5	€ 450

A 2004 publication, jointly produced by the Office of the Prime Minister and the UNDP Kosovo, noted that, “*Kosovars believe low wages are the primary cause of the petty corruption they experience in their dealings with low-level bureaucrats in various institutions.*”³¹ The same survey identified Kosovo Customs as the third most perceived corrupt institution in Kosovo³², labeled low-public sector salaries as one of the root causes of corruption in Kosovo, and called for an increase in salaries for employees in public institutions.³³ Ten years on, it would appear as though the salaries of Kosovo Customs officers are still relatively low, and as such this root cause of corruption has not been adequately addressed.

Given the fact that the average length of employment at KC of those questioned was approximately seven and a half years, and that many had university degrees, it is not hard to imagine that KC officers feel relatively undervalued in their current position. A pay raise would help increase not only the morale of KC officers, but hopefully reduce the *need* to engage in corrupt behavior due to economic hardship. Given the volume and value of goods that pass through customs, and the relatively small size of the work force,³⁴ it would appear that even a modest salary increase would likely be recouped over time, due to increased revenues generated as a result in a reduction in the level of corruption.

Work Conditions

While increasing salaries is one way to raise employee morale and reduce corruption, addressing issues relating to work conditions would also seem to be of vital importance. While there are a number of items that could fall under the broad category of “work conditions”, some stand out more than others. As a condition of employment, KC officers are required to periodically rotate their work location, and thus must travel to various customs points throughout Kosovo. While securing passage to work may be challenging for officers who may not have easy access to transportation, travel to, and working at the Kosovo Customs station in Mitrovica presents potentially life-threatening challenges. Despite relative peace in a large majority of Kosovo, ethnic tensions and violence remain a hallmark of the northern Kosovar city of Mitrovica. Recent examples of violence in this ethnically divided area include the murder of an EU police officer in September of 2013,³⁵ the attack on staff and destruction of voting machines

³¹ UNDP Kosovo. (2004). *Combating corruption in kosovo: A citizens' perceptions survey in support of the kosovo anti-corruption strategy*. Pristina, Kosovo: UNDP Kosovo.

³² Combating corruption at 14.

³³ Combating corruption at 24.

³⁴ Huruglica, N. (2013, July). Interview by TM Kilgallon. Interview with kosovo customs director general naim huruglica. According to Director Huruglica, KC has approximately 600 officers

³⁵ BBC. (2013, September 19). *Eu police officer killed in kosovo*. Retrieved from <http://www.bbc.co.uk/news/world-europe-24158153>

in November of 2013,³⁶ and a grenade attack that left two children injured in February of 2014.³⁷ Given the amount of violence in this area, some officers expressed concern over their safety when working in this region. While there is no doubt that KC takes the security of their officers very seriously, and that precautions are taken to ensure officer safety, KC should consider offering officers required to work in Mitrovica some additional benefits. Reimbursing officers for the expenses incurred in traveling to and from Mitrovica would help to offset losses incurred by officers. In addition the government may want to establish some sort of “hazardous-duty pay” scheme for officers who are working in this potentially hazardous area. This would show that the administration not only recognizes that working conditions in Mitrovica are more dangerous, but that the administration appreciates the sacrifice and dedication of officers, and is properly compensating them for the time they spend in areas where working conditions are generally more dangerous. While “hazardous-duty pay” is most commonly associated with the military, a number of law enforcement agencies provide this type of incentive pay, either to all officers³⁸, or to those engaged in inherently dangerous activity³⁹. As such, it would seem appropriate to extend to KC officers a similar incentive when working in Mitrovica.

Another issue that falls under the umbrella term, “work conditions” is the physical conditions of the facilities in which KC officers work. A number of officers have expressed their concerns regarding the temperatures inside some of the facilities. Maintaining a comfortable temperature in the workplace would seem to be in the best interest not only of the officers, but of the administration. According to Lan et al. (2010), thermal discomfort caused by air temperatures being too high or too low leads to lower worker productivity.⁴⁰ Having visited three KC points, the research team can personally attest to the relative discomfort felt by officers during the summer months. This is especially true for officers who work in the small outbuildings, who are in more direct contact with the elements. As such, measures should be taken to ensure a comfortable temperature is maintained at all times in KC facilities.

Customs Agents

While touring the various Kosovo Custom points provided the research team with great insight into how KC operates on a daily basis, the most interesting, and potentially problematic aspect of our tour occurred when we were introduced to the “customs agents” at one of the facilities. Customs agents serve as intermediaries; facilitating business transactions for both importers and exporters by helping them navigate the complex web of laws and administrative procedures that are generally associated with international commerce. While this position is not

³⁶ BBC. (2013, November 6). *Kosovo violence: Poll re-run is ordered in mitrovica*. Retrieved from <http://www.bbc.co.uk/news/world-europe-24841925>

³⁷ BBC. (2014, February 04). *Kosovo violence: Children injured in mitrovica blast*. Retrieved from <http://www.bbc.co.uk/news/world-europe-21331797>

³⁸ 6 Texas Gov. Code Ann. § 659.301 – 308 (1993), available at <http://www.statutes.legis.state.tx.us/Docs/GV/pdf/GV.659.pdf> Eligible employees receive hazardous duty pay on a monthly basis, and receive \$10 for each 12-month period of lifetime service credit accrued by the employee.

³⁹ 5 DC Code §542.02 (1999), available at <http://dcode.org/simple/sections/5-542.02.html> Washington DC provides additional compensation for helicopter pilot, bomb disposal, or scuba diving duty. Metropolitan Police Department officers performing these duties are paid an additional \$2,710 per annum, while those employed by the United States Park Police annually receive an amount equal to 7% of the officer’s basic compensation rate, plus locality pay adjustments.

⁴⁰ Lan, L., Lian, Z., & Pan, L. (2010). The effects of air temperature on office workers' well-being, workload and productivity-evaluated with subjective ratings. *Applied Ergonomics*, 42(1), 29-36.

unique to Kosovo⁴¹, and there is nothing inherently corrupt about the position, we are concerned with the apparent unfettered access that customs agents have to KC officers. At the facility visited, KC officers and customs agents shared offices in the same wing of the building, and seemed to freely mingle and interact, with little noticeable difference between the two, other than the manner of dress (i.e. uniform vs. civilian clothes). While this personal interaction, in and of itself, is not necessarily cause for alarm, in an agency actively seeking to reduce corruption, and dealing with very serious public image concerns, this type of free association, at best lends itself to public speculation about corruption, and at worst, would seem to be an ideal scenario to engage in corrupt activity.

Under the current system, customs agents are the primary contact point for those seeking to import or export goods. KC officers have limited contact with the individuals who are actually importing or exporting goods, instead interacting primarily with the customs agents. This arrangement allows for a number of problematic scenarios. As there is a strong public perception that KC is rife with corruption, it is hardly a stretch to reason that many who deal with KC expect to pay bribes, or at least facilitate payments, in order to complete their transaction. This expectation is worrisome for two reasons. First, customs agents may solicit bribes or facilitate payments from clients, under the guise of forwarding these payments to corrupt KC officers, while in reality the agents keep the payments themselves. In this scenario, even though there was no wrongdoing on the part of KC officers, their public image still suffers, as the citizen has no way of really knowing what happens to the illicit monies once handed to the customs agent. Second, if a KC officer *is* engaged in corrupt activity, he could easily use the customs agent as an avenue to solicit bribes for facilitation of payments, while shielding him or herself from liability. As KC officers have very little direct contact with the importer or exporter, even if the citizen were to file a complaint, there would be little evidence to implicate the officer. Thus, the officer *could* be engaged in corrupt activity, but disclaim any involvement, by placing the blame on these independent contractors. With this in mind, we recommend a thorough review of the procedures used to credential customs agents, as well as drafting, and/or reviewing, administrative procedures that regulate the scope and nature of interactions between KC officers and customs agents.

Public Image

An old adage states, “Perception is reality”, and in the case of Kosovo Customs, the overwhelming perception is that the agency is corrupt. While there is certainly some degree of corruption in Kosovo Customs, as is the case with customs agencies everywhere, the actual amount of corruption present is likely far less than that perceived by the public. The concept of disparity between perception and reality, as it relates to corruption in Kosovo, is not new. A 2004 UNDP report noted that, “*Kosovans seem to believe that Kosovo Customs is more corrupt than reported incidents suggest.*”⁴² Furthermore, Knopic (2004) suggests that, “Citizens assume that

⁴¹ For an overview of “Customs Brokers” in the United States, see: U.S. Customs and Border Patrol (2014, February 11). *Becoming a customs broker*. Retrieved from http://www.cbp.gov/xp/cgov/trade/trade_programs/broker/brokers.xml

⁴² Combating corruption at 16.

administrative delays, incompetence, mismanagement, and lack of funding and resources are attributable to corruption despite a lack of evidence⁴³.

Anecdotal evidence would also suggest that the scope of the corruption problem in Kosovo Customs is probably not quite as grand in scale as the public believe, and that public image of KC officers is overwhelmingly negative. Our research team was introduced to the harsh reality of the public perception of Kosovo Customs before we even exited the plane at the Pristina International Airport. During our flight, a number of passengers inquired as to the nature of our visit to Kosovo. Once the scope of our project was explained, we were repeatedly told how wealthy customs officers were, and how corrupt KC was as an institution. When pressed for further details, not one of these individuals could confirm that they have personally witnessed any corrupt behavior on the part of KC officers. The stories related to us generally involved a “friend of a friend” or a relative, but no one was able to provide a first-hand account of any inappropriate behavior on the part of KC officers. While this certainly does not prove that there is no merit to allegations of corruption within KC, it would seem to reinforce the notion that perception is often out of touch with reality. As such, KC must embark on a campaign to repair the damage done to their public image, and to ensure citizens that KC does not conduct business in the same fashion as customs officers did for decades during the era of the Socialist Federal Republic of Yugoslavia.

The Strategic Plan 2013-2015, recognizes that it is necessary to not only improve the public image of KC, but also to inform and educate the public about the role and mission of Kosovo Customs.⁴⁴ To this end, the report offers a number of “required measures” that will help address these shortcomings, including, the continuation of “Customs Week” activities, which include, “a series of promotional, informational and sports activities”, as well as, “active participation in written and electronic media by information campaigns in order to promote Customs activities and achievements”, and “organizing events that are related to legislative changes, services that Customs provides for taxpayers as well as law enforcement.”⁴⁵ While these measures would certainly seem to help improve the public image of Kosovo Customs, there is still much room for improvement.

As the image of KC appears to be tarnished, a media campaign designed to help soften the image of KC is critical. The Strategic Plan, calls for information campaigns that promote KC activities and achievements. This measure is appropriate, but great care must be taken when designing a comprehensive media campaign. It is critical that the information presented to the public be perceived in a positive manner, and not as self-aggrandizing or propaganda, as the latter may actually further harm the image of KC. To this end, we would recommend consulting with public relations experts. By consulting with professionals in the field of public relations, you can increase the chances that your efforts reach the target audience, and that you present the best image possible to the public.

⁴³ Knopic, J. (2004). *Corruption in kosovo: Perceptions versus experiences; potential investigative techniques*. Unpublished manuscript, Chicago-Kent College of Law, Chicago, IL.

⁴⁴ Shatri, B. Ministry of Finance, Kosovo Customs. (2013). *Strategic plan 2013-2015*. Pristina, Kosovo: Republic of Kosovo.

⁴⁵ Shatri at 24.

Next, the Strategic Plan proposes to continue the tradition of “Customs Week”. Customs Week is a great opportunity to bridge the gap between KC and the community, as this event brings KC officials and members of the general community together to share not only an educational experience, but to interact with each other on a personal level. This being said, KC must make a concerted effort to reach out to the public on a regular basis. The Strategic plan calls for, “organizing events that are related to legislative change, services that Customs provides for taxpayers as well as law enforcement.” What exactly this means would seem to be open to interpretation, but it appears that most interaction between Kosovo Customs and the community would serve the function of updating the public about relevant legislative changes, and informing the public about the services KC provide. While it is important to ensure the public is advised of any legal changes, and aware of the services provided by KC, it is also important to continue to build upon the goodwill created by Customs Week. To this end, we would suggest holding regularly scheduled informal meetings with the public. The informal setting may help soften the image of KC and foster an ongoing dialogue between KC and the citizens. Many police departments have embraced the “Community Oriented Policing” model as a way to bridge the gap between officers and the community, and a similar approach may benefit KC. By reaching out to the community, you can help build trust between Kosovo Customs officers and the citizenry. In addition, by working together with citizens, KC may be able to identify the issues that concern the public the most, and hopefully take measures to address those issues appropriately.⁴⁶

Discussion

While we recognize that our field study is limited in scope, we are convinced that there is merit in seeking the advice of those who are most often implicated by the complicated and contentious issue of corruption. Previous research has focused, almost exclusively, on soliciting the opinions and perceptions of potential bribe “payers”, while largely ignoring the opinions and perceptions of those who would be potential bribe “takers”. By focusing on KC officers, we took a somewhat novel approach to the problem of corruption. We are not so naïve as to expect that officers would willingly volunteer information regarding specific acts of corruption, nor did we think that they would divulge information implicating themselves or their coworkers in corrupt activity. Rather, we were hoping to gain a greater insight into the work related issues that are most important to the men and women who serve in Kosovo Customs, and to solicit their opinions on the effectiveness of current anti-corruption measures. By doing so, we hope to be better informed about the problems that may lead officers to become susceptible to corruption, and to get a better understanding of how reform efforts are perceived by those whose behavior reformers seek to control. Through our field interviews, low pay and less than ideal work conditions were presented as the most pressing issues facing KC officers today. Addressing these issues would likely improve employee morale, and in turn, reduce corruption. In addition, it seems evident that Kosovo Customs has a negative public image. Whether this negative image is rightly deserved or not, is subject to debate, but it is hard to deny that despite extensive reform efforts, the negative image persists. Research would seem to suggest that regardless of how much corruption is actually present in KC, the public is likely to believe that the levels of corruption are much higher than what they are in reality. As such, decisive measures must be taken to

⁴⁶ For more information on external strategies for building community trust, see: U.S. Department of Justice, Office of Community Oriented Policing Services. (2007). *Building trust between the police and the citizens they serve*. Washington, D.C.

rehabilitate the image of Kosovo Customs and to help reestablish the public's faith in one of the most vital agencies in the fledgling Kosovar government. Next, steps must be taken to regulate the credentialing of customs agents, and to ensure that all interactions between customs agents and KC officers are transparent, ethical and legal.

In closing, the vital role Kosovo Customs plays in the financial survival and future advancement of the Republic of Kosovo cannot be overstated. As such, ensuring this agency is as free from corruption as possible should be of the utmost importance to both government of Kosovo and the citizenry. Further research is certainly needed into this complex issue, but the steps outlined above will hopefully have a positive impact not only on anticorruption efforts in Kosovo Customs, but on improving the seemingly tarnished public image of Kosovo Customs.

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