

THE ROLE OF PRIVATE SECTOR IN CUSTOMS AND BORDER MANAGEMENT REFORM: A COMPARATIVE STUDY.

Caroline Schneider (IC), Cristiano Morini (PQ).

Abstract

This paper aims to gather information on the role played by private sector in partnership with Customs (the government body which control borders and flow of goods). A literature review on Public-Private Partnerships was conducted in order to analyze this different approach in delivering public services and to map the main characteristics of it. Then a comparative study between the border management in Brazil and in the UK was made to find the main differences between them and thus detect the weaknesses of the Brazilian management, since UK is considered as a benchmark in these aspects.

Key words: Public-Private Partnership, Customs, Border Management Reform.

Introduction

Customs compliance programs and border controls are considered bottlenecks in international logistics operations. The performance on border management has a direct impact on the business community in terms of competitiveness in global markets. In order to improve customs and border controls, members of the WTO are focused on the implementation of trade facilitation measures in accordance with international best practices, standards and regulations. Effective implementation of these trade facilitation measures necessitates a shift in customs control and enforcement practice, moving away from adversarial "arms-length" type relationship with the private sector to more cooperative type relationships. Supporting institutional mechanisms between the public and the private sector, for example, in the form of a national trade facilitation body, need to be created or maintained.

Results and Discussion

Governments, all over the world, have entered into partnerships with private firms in order to provide infrastructure that is less expensive and attains higher performance than the traditional government approach. Public-private partnership can be described as an innovative method for delivering more and better public infrastructure (Cheung & Chan, 2011). It is an agreement between a host government and a private entity in which the private sector supplies infrastructure assets and services that are traditionally provided by the government (Rebeiz, 2012). The function of PPPs is to lower the risks of projects during its life cycle while still achieving the best value, and it also provides the opportunity for innovation (Yuan et al, 2010).

Table 1. Authors researched that deals with PPP in the service context.

Authors:	Deals with PPP in the service context
Anderson, W. P. (2012)	PPP in the development of Vehicle and Cargo Inspection System (VACIS) which uses gamma rays to scan truck trailers, containers and vehicles radio frequency identification. An RFID chip embedded in a passport or attached to a shipment allows the inspector to extract information much faster than would be possible via questioning or checking paperwork.
Den Butter, F. A. G.; Liu, J.; Tan Y. (2011)	Using IT to deploy trust-based regulation in the government-to-business (G2B) relationship, with the Authorized Economic Operator (AEO) certification in the Netherlands between the Tax and Customs administrations and the businesses.
Forman, M. M. (2006)	Partnerships between the public and private sectors as one of the strongest means to detect, deter, disrupt and deny terrorist and other criminal organizations illicit profits and material support required to fuel their evil acts.
McCarter, M. W.; Kamal, D. F. (2013)	PPPs as part of a supply chain (a set of three or more entities directly involved in the upstream and downstream flows of products, services, finances, and/or information from a source to a customer).

Source: Own elaboration.

Conclusions

The relationship between Customs and business is shifting from a traditional bureaucratic model to a new governance model. It is time to examine the concept of Customs Business Partnership using the roots of PPPs to learn and adopt the best practices.

In Brazil, a partnership between the private sector and the Government/Customs is crucial to improve Brazilian international trade performance, and also to make the country more competitive in this aspect. This partnership must be further strengthened to meet the challenges of the quickly changing international trade environment.

Acknowledgement

I would like to thank my mentor Cristiano Morini for the opportunity and for this incredible learning experience. I would also like to thank my friends who supported my through the research.

¹ Cheung, E.; Chan, A. (2011). *Risk Factors of Public-Private Partnership Projects in China: Comparison between the Water, Power, and Transportation Sectors*. Journal of Urban Planning and Development. pp. 409-415.

² Rebeiz, K. (2012) *Public-Private Partnership Risk Factors in Emerging Countries: BOOT Illustrative Case Study*. Journal of Management in Engineering. Vol. 28, Iss 4, pp. 421-428.

³ Yuan, J.; Skibniewski, M. J.; Li, Q.; Zheng, L. (April 2010). *Performance Objectives Selection Model in Public-Private Partnership Projects Based on the Perspective of Stakeholders*. Journal of Management in Engineering, Vol. 23, No. 2, pp. 89-104.