

Public service delivery in the Democratic Republic of the Congo

A case Study Approach

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ABSTRACT

This article examines the salient variables impacting on Public Service Delivery in the Democratic Republic of the Congo. It utilizes a case-study approach as the basis of the analytic framework. The study is normative in nature but attempts to assess the effectiveness of the Congolese Customs and Excises Office (OFIDA) in the administration of customs services in the DRC with particular reference to the Head Office of OFIDA located in the metropolitan area of Gombe in Kinshasa. To attain the objectives of this paper, the paper has adopted a triangulation methodology using qualitative, quantitative and other methods of propagation in addressing critical issues.

INTRODUCTION

In the earliest years of development, with virtually no domestic production, barring subsistence agriculture and output of extractive industries for export, customs duties constituted the only suitable form of indirect taxation. Few countries in the world remain in this situation today, but some have experienced so little development that duties appropriately remain the major means of indirect tax. As domestic production develops, customs duties (but, initially, not necessarily collection of taxes at the time of importation) lose their advantages and their acceptability as the primary source of revenue. Import substitution reduces the revenue from the duties and their equity. At the same time duties artificially encourage import substitution beyond that desired for development. A failure to supplement or partly replace duties by domestic indirect taxes will not only sacrifice tax revenue but cause a serious decline in the efficiency of the use of resources, with inefficient small-scale enterprises developing in fields in which the country has

a severe competitive disadvantage (Due, 1970:181-182). For instance, customs administrations are expected to raise substantial revenue, provide domestic producers with protection, provide supply chain security, prevent the importation of prohibited or unsafe imports (for example, illegal weapons or expired medicines), and combat the trade of narcotics through the implementation of laws and regulations that are in line with WTO (World Trade Organization) commitments. Customs administrations are expected to accomplish these objectives, both effectively (by achieving them) and efficiently (at the lowest possible cost to the budget and to the trading community) without compromising trade facilitation (De Wulf & Sokol, 2005:5). However, Nzongola-Ntalaja (1986:182) states that in most countries of the world, the administrative experience of the last decades has produced substantial evidence that government agencies engaged in the process of delivering services have not always been successful. This is because governments do not always have an adequate capacity to deliver services. To become more effective, improved delivery of services can be obtained by conscious decision, policies, and organizations aimed at altering the situation. Nevertheless, Maas and Fox (1997:4-5) argue that an entrepreneurial institution is an innovative organization. This is especially necessary in the public sector because the public service, as a whole, is bound to encounter greater competition and will face new challenges. It is, in this instance, that there is an apparent need for OFIDA to thrive in providing services that are accurate and also operate in an efficacious way. This can only be achieved if OFIDA establishes adequate organizational structures and dispose of a strong leadership that will put in place good management systems and acquaint the organization to new ways of doing things. To render excellent services, OFIDA will also need to adopt new technologies and procedures or revise the existent, and also dispose of proficient personnel.

CRITICAL ELEMENTS IN PUBLIC SERVICE DELIVERY

In order for a public institution such as OFIDA to become effective and even more effective in the provision of services it needs to be transformed and reformed looking at the global trends but focusing on their local context. This will require a consideration of the following elements: leadership, governance and strategic planning which enhance the organizational ability to innovate, find creative and new ways of doing things.

Leadership plays a significant role in any organization and this role is consistently needed particularly in the context of public organizations. For instance, De Wulf and Sokol (2005:74) state that a firm commitment at the highest political level to maintaining a high standard of integrity throughout customs is particularly important in societies where corruption is a widespread or systemic problem. Effective integrity programmes therefore require a high level of management support and leadership. Hence, it is important to set up clearly defined supervisory and decision-making structures and obligations. However, Gold-Smith in Hope (2002:87-96) states that good leadership and good governance are imperatives in Africa because they would provide the means and represent the realm through which good policies can be implemented in the national interest. It should be quite well understood that a well-functioning bureaucracy can help to improve the efficiency with which resources are allocated and promote growth and poverty reduction by providing sound policy input and delivering critical public goods and services in a cost-effective manner (Gardner, 1990:1). In addressing the delivery of end services at the Congolese Customs and Excises Office 'OFIDA', sound leadership is needed.



This is critical because of leaders' aptitude to come up with informed decisions, to provide guidance and direction, to enlarge the institution's mission, vision, and values; to communicate these to all members of the organization; and to organize the behaviour of all organizational components and systems which will bring about effectiveness in the way the organization operates and thus, enhance the provision of services for the betterment of all.

However, strategic decisions are essentially concerned with: the long-term direction of the organization, as opposed to day-to-day management issues, defining the scope of the organization's activities in terms of what it will and will not do, matching the activities of the organization to the environment in which it operates, so that it optimizes opportunities and minimizes threats, and matching the organization's activities to its resource capacity, be it finance, manpower, technology or skill levels. In this context, strategic management can play a meaningful role within OFIDA and will assist the organization to adapt and cope with changes that occur in the today's ever changing environment. To this end, it is the responsibility of decision makers and particularly the management of OFIDA to exercise their utmost discretion in transforming this institution so that it can become entrepreneurial in nature and cherish excellence in the provision of customs services. To achieve this, it is essential for OFIDA to dispose of a strong and effective leadership which will abide to the principles of governance and apply a reliable strategic management.

CUSTOMS SERVICES AND THE CONGOLESE ECONOMY

In the Democratic Republic of the Congo, OFIDA was established, not only, for the purpose of collecting customs duties, but it was also mandated to ensure that trades and exchanges take place within the framework of established policies, rules and regulations, and that goods pass rapidly through customs to their destinations. OFIDA also plays a significant role in the maintenance of primary trade statistics, the administration of customs tariffs and laws which have key implications in the administration of other taxes and the whole economy. Nevertheless, the missions of OFIDA can be grouped into two categories, namely: fiscal missions and economic missions. In sum, the missions of OFIDA consist of: collecting duties and taxes on imports and exports; collecting excises duties; controlling borders; investigating offences pertaining to customs, excises and other related policies; training personnel in line with modern techniques of management; protecting the national economic space; and producing customs and excises statistics.

However, the magnitude of customs revenue in the economy of a developing country such as the Democratic Republic of the Congo is no longer able to demonstrate that it can function. This is because of the extravagant nature of its economy. For example, between 1989 and 1990, customs revenues have contributed for more than 30 per cent of the overall income of the Congolese government income. This was estimated to approximately 400 million US dollars each year (Thambwe-Mwamba, 1996:20). On the other hand, between 1995 and 1997, customs revenue alone contributed for 38.1%, in 1995; 33.3% in 1996; and 36.5% in 1997. In terms of public budgetary income, this represents approximately the half of the contribution of all the other sectors of the economy together. With an average of 35% each year from 1995 to 1997, customs revenue contributed significantly to the government revenue (Central Bank of the Congo, 2005). This sustains the belief that customs revenue can provide the necessary

funds to finance economic development and growth in the country. Customs revenue can transform the determinants of economic development and thus provide resources for the support of governmental actions. But although customs revenue contributes substantially to the budgetary income, it is essential to note that OFIDA is not yet realizing its full potential. As soon as OFIDA will be able to function up to its full potential, it will grant the government the opportunity to go away from its reliance on aids and loans from international donors and therefore concentrate above all on its local sources before even thinking of begging for external financial assistance. This will help the country to become more independent financially and then create an environment that attracts investments, revitalizes the economy and enhances the welfare conditions of its citizens. In this context, it is imperative for the government to revitalize customs services and allow OFIDA to develop and improve its activities so that it can play a more consistent role in the Congolese economy, and then uphold the means to effectively support the reconstruction programmes that are supposed to be taking place in the country.

In spite of its substantial contribution to the Congolese economy, OFIDA is still faced with numerous challenges. The major ones are those related to the evasion of customs duties and those imposed by the aggression the country is suffering from the neighbouring countries: Rwanda and Uganda. On the one hand, the evasion concerns mainly all the fraudulent practices that weaken the effectiveness of customs administration. In the DRC, customs duties evasion occurs mostly throughout the following practices: misclassification, understating the value of goods, misstatement of country of origin and smuggling. In this context, customs and fiscal frauds are becoming natural activities of business people and customs agents in the country, particularly at the ports of entry. On the other hand, the aggression is impacting negatively on the DRC's prospects of revitalizing its political and socio-economic structures. Furthermore, it is paralyzing government institutions. OFIDA is not an exception. Consequently, peace and political stability need to be restored in the DRC. After peace and stability are reestablished, OFIDA should strive to address the evasion of customs duties. As a result, OFIDA will be able to play its meaningful role in the Congolese economy and sustain the government in creating a business friendly environment.

OFIDA AND THE PROVISION OF CUSTOMS SERVICES

The performance of OFIDA in the provision of customs services can only be measured in line with the institution's ability to achieve its fiscal and economic missions. This article relies therefore on the findings of an interview questionnaire that was conducted in 2005 with the customs agents at the Head Office of OFIDA located in the area of Gombe in Kinshasa, the capital city of the Democratic Republic of the Congo. For the purpose of this interview-questionnaire, staff members were selected from different divisions thus within the General Delegation Department, the Administrative and Financial Department, and in the Technical Department. In total, the following ten divisions were selected: the Legal Division, the Division of Research, the Division of Customs, the Division of Excises, the Division of Information Technology, the Division of Internal Audit, the Division of Revenues, the Division of Personnel, the Division of General Services and the Division of Legal Matters.

The report of the findings reveals that the majority of employees at OFIDA acknowledge that they understand the aim of their organization, although the majority of respondents are of the



view that they were not involved in the process of revising procedures and standards of services. They have also agreed that they know what OFIDA and its customers expect from them.

However, the commitment of OFIDA in improving the provision of customs services is shown in the responses of the majority (84.4%) of employees who believe that management does formally meet, on a regular basis, in order to discuss strategic issues and come up with solutions that will be cascaded to employees for implementation. This demonstrates that the management of the organization is conscious of the changes that are taking place in the realm of international trades and exchanges. But it is critical for officials at this institution to remain innovative and creative by coming up with strategic decisions that will continue enhancing the operations of OFIDA and allow it to align with international standards and norms. Lastly, the majority (87.5%) of respondents believe that OFIDA plays a meaningful role in the expansion of the Congolese economy, and it also supports effectively, governmental activities in the country. On the same note, the majority (84.6%) of respondents were of the opinion that OFIDA provides excellent service to the community. To this end, one can assume that OFIDA achieves its mandate, as all employees have acknowledged its performance in doing so. This favorable view should not be taken for granted. It is essential for OFIDA to continue raising the standard of services in order to become more and more competitive, and then, realize its full potential. It is only then that efforts can be concentrated towards reforming the institution to focus more on its economic role in order to sustain regional integration particularly in the SADC region.

RECOMMENDATIONS

In the current situation, the major issues that need to be looked into for improving and developing customs services delivery are as follow:

Legislation

Masango (2000:63) states that the manner in which public institutions conduct their activities is determined by public policy. In order to ensure that public institutions deliver services efficiently and effectively, relevant legislation should be enacted and enforced. Considering the changes that have taken place in international trade and exchanges, the Decree (Decree of January 29, 1949 which was amended by the Ordinance Number 33/9 of 6 January 1950) which is still in use up to date has become obsolete and therefore does not fit the reality of the DRC. To address customs service delivery, policy makers should revise the Decree and come up with a legislation that responds to the current needs of customs administration in the DRC.

Communication and participation in decision-making

Masango (2000:66) argues that it is necessary to involve employees at all stages of the programme. This will contribute towards ensuring that employees perceive the process as fair and democratic; do not become defensive and resist the implementation of the programme; and develop a greater commitment with respect to the fulfillment of their respective roles. Thus, in order to develop and improve the procedures and standards of customs services, it is essential for OFIDA to ensure that employees participate in the policy formulation process.

This will help them to sustain policies in the implementation phase. It is also essential to establish a good communication channel.

Training and inducement

OFIDA should evaluate its staff on a regular basis and train those who require training. This will assist in raising the standard of service and allowing employees to cope with changes that are taking place. Beyond training, customs agents need to be motivated by means of competitive salaries and incentives which will give them satisfaction in their work. In this context, leaders should be concerned with the amelioration of work conditions and also the creation of an enabling environment for the organization to render excellent services.

Decentralization and delegation of responsibility

The DRC is the third largest country on the African continent. The capital city, Kinshasa, is not in the center of the country, this has resulted in the central services being un-centred. In the context of customs services administration this situation makes the liaison between the central and external services complex and it presents many challenges. Under these circumstances, it is critical for the management of OFIDA to decentralize its functions and establish a strong culture of delegation in order to enable regional headquarters to have a fair degree of autonomy and delegated powers so that they can speedily respond to the needs and expectations of their respective communities; they are closer to these communities and therefore can better understand their major concerns.

Logistics: considering the size of the DRC, the lack of adequate logistics as well as the persistence of the war of aggression from neighboring countries in the eastern part of the country has weakened OFIDA's ability to play one of its roles which is to protect and control the country's borders. To address this situation, OFIDA should strengthen its offices around the country by acquiring adequate logistics and equipments that can be used according to the needs of specific locations. This will assist OFIDA to not only prevent fraud and smuggling, but it will also play a key role in fighting customs contraband, trans-national corruption and cross-border crime.

Information technology: compared to other customs administrations on the continent, OFIDA is far behind in terms of the use of information technology. Information technology is a critical tool in the provision of services in the 21st century. It is imperative for every country to take advantage of the use of electronic data processing systems. Information technology will assist OFIDA to first, simplify and harmonize customs procedures and facilitate trade. Secondly, IT will assist in alleviating if not eradicating the opportunities for fraud. OFIDA should emphasize the use of information technology to support operations where IT is cost-effective and efficient for both, customs agents and traders.

CONCLUSION

Public service delivery is a crucial responsibility of government and its institutions. Hence, the role of the government is concerned mainly with carrying out certain activities in order



to address issues within society. In the Democratic Republic of the Congo, OFIDA was established not only for the purpose of collecting customs duties, but it was also mandated to ensure that trades and exchanges take place within the framework of established policies, rules and regulations, and that goods pass rapidly through customs to their destinations. Its role is of double nature: both fiscal and economic. This implies that OFIDA plays an essential and encompassing role in the Congolese economy. The majority of employees who were interviewed asserted that their organization is doing well in achieving its missions and they believe that it renders excellent services to the community. However, the magnitude of customs revenue in the Congolese economy is no longer to demonstrate due to its extraversion nature. For example, between 1989 and 1990, customs revenues have contributed for more than 30 per cent of the overall income of the Congolese government income. This was estimated to approximately 400 million US dollars each year. This can support the assumption that customs revenue can provide the necessary funds to finance economic development and growth in the DRC. In spite of OFIDA's substantial contribution to the economy, it is essential to note the organization is not yet realizing its full potential. This is because it is still faced with a number of challenges which impede its performance. The most important challenge is concerned with the evasion of customs duties. To address this challenge there is a need for a sound leadership which will organize and manage the structures of this organization in a way that promotes efficiency and effectiveness. It is only then that OFIDA will be able to play its meaningful role in the Congolese economy and sustain the government in creating a business friendly environment. This will in turn assist the organization to shift from fiscal role and focus more on its economic mission and then promote economic integration in the continent and even on the international level.

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