



## MILLENNIUM CHALLENGE CORPORATION (MCC) CUSTOMS PROGRAM

# Final Public Perception Survey

## JORDAN CUSTOMS ADMINISTRATION MODERNIZATION PROGRAM

*Submitted to:*

**USAID/Jordan**

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Report prepared by Interdisciplinary Research Consultants (*IdRC*), sub-contractor to ARD, Inc.

## 1.0 PROJECT BACKGROUND

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The objective of the Jordan Customs Administration Modernization Program (CAMP) is to assist the Government of Jordan (GOJ) to achieve its trade facilitation goals by improving the efficiency and effectiveness of the Customs system over the two years of the Program. It will also assist Jordan to improve its Millennium Challenge Corporation (MCC) Trade Policy score, thereby helping the country achieve MCC Compact Status. The main counterparts for the Program are the Jordan Customs Department (JC) and the Aqaba Special Economic Zone Authority (ASEZA) Customs. The Program is funded by the MCC, administered by the U.S. Agency for International Development (USAID), and closely monitored by The Ministry of Planning and International Cooperation (MOPIC).

The Customs Administration Modernization Program has four main components. These are:

- 1) Implementation of the Border Management Task Force (BMTF) Recommendation #2 – establishment of a single window system for the border clearance of imports and exports;
- 2) Upgrading and integration of Customs information and communications technology (ICT) infrastructure, including support for the implementation of ASYCUDA World;
- 3) Capacity strengthening and training of Customs officials;
- 4) Improvement of Customs' external communication and relations with the trade and ability to meet the private sector's legitimate need for Customs information.

The fourth component of the program, as described above, entailed the development and implementation of a communication strategy with the private sector and the various service recipients. This is to enable Jordan Customs to better understand the needs of such service recipients, and to modify the scope and nature of its services accordingly. To develop such a plan, CAMP undertook a public perception survey to understand how the service recipients currently perceive the level and nature of the services that are currently offered, and the importance of the role that Customs plays in trade facilitation and cross-border trading<sup>1</sup>.

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<sup>1</sup> Results of the survey are documented in the Report entitled Public Perception Survey prepared by the Interdisciplinary Research Consultants in November 2007.

## **2.0 STUDY OBJECTIVE**

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The overall objective of this activity was to conduct a an end-of-Program Public Perception Survey. This survey was designed to measure and quantify any changes in how such Customs' service recipients perceive the role that Customs plays in trade facilitation. The changes were to be quantified through comparison of the results of the survey with those of the survey conducted in 2007, which was used to design the framework for the communications plan developed and implemented in 2008. Both the previous survey and the survey at hand touch upon a number of duties/responsibilities of the Customs Department.

The specific objectives of the study were as follows:

1. To define final public perception regarding Jordan Customs in light of its corporate goals and objectives for trade facilitation;
2. To identify major issues and trends private sector entities face when engaged in trade-related activities; these may include long delays at the border, inefficient procedures, excessive documentation requirements, or other bureaucratic hurdles;
3. To demonstrate improvements, if any, in the public perception of Jordan Customs compared to the baseline survey, and to identify what types of public outreach activities have been effective in positively shaping perceptions.

### 3.0 METHODOLOGY

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To achieve the objective of this study, a similar methodology to the one used in the baseline survey was applied. The following sub-sections summarize the general methodology that was followed.

#### 3.1 Identification of Target Population

The target population was defined as all categories of private sector entities that deal with Customs. The main categories of service recipients were identified as follows:

- Customs brokerage firms that represent importers/exporters;
- Traders including importers and exporters;
- Industries (especially Qualified Industrial Zones); and
- Transportation companies that are involved as part of the clearance process.

It should be mentioned that due to the highest levels of direct interaction with Customs, the brokers' category was considered to be the most relevant category, thus the sample focused on this type of service recipients. They were followed by importers/exporters, industrialists, and transportation entities.

#### 3.2 Sample Definition and Sampling

As with any survey, time constraints usually prohibit the investigation of an entire population (in this case all the customs transactions identified above). For the purposes of this survey, the *sample unit* (i.e., the entity that represents one data point) was taken as one service recipient.

The *study sample size* was defined as the minimum required number of sampling units that are needed to build sound statistical conclusions and inferences.

This was determined by Jordan Customs' desired level of statistical confidence and tolerance for statistical error. The minimum sample size required to draw reliable inferences on the population was calculated using the following formula:

$$SS = \frac{Z^2 \times (p) \times (1 - p)}{c^2}$$

where:

SS = sample size

Z = Z-value (e.g. 1.96 for 95% confidence level)

p = percentage picking a choice, expressed as decimal (0.5 used for sample size needed)

c = confidence interval, expressed as decimal (e.g., .07 = ±7)

The sample size would be further corrected to account for the Finite Population using the following formula

$$\text{New SS} = \frac{SS}{1 + \frac{SS - 1}{\text{Population}}}$$

Applying the above formulae to the population identified above using a 95% level of confidence with a ±5% confidence interval results in a minimum sample size requirement of 300. A sample of 315 was used that was further stratified according to two main criteria: (1) category of service recipient, and (2) geographic location. The following summarizes the main characteristics of the sample that was selected for the survey. This was mainly done on the relative size of each category of service

recipients identified above, and the geographic distribution of Customs Centers and Customs transactions as identified in a previous study conducted by the consultant.<sup>2</sup>

### **3.3 Survey Tool Design**

To enable the conduct of “Before and After Comparisons” the same survey tool that was used in the baseline survey was used in the survey at hand. Very few minor modifications were made. As with the previous survey, five main categories relevant to the nature of the services of Customs were identified. Those were:

- Border Security;
- Trading Across Borders and Trade Facilitation;
- Training and Work Environment;
- Customer Services; and
- Communication Channels and Messages.

For each category, a number of questions was asked that measure the service recipients’ perception and level of satisfaction on the various components related to the main category investigated. Those were simple questions where the respondent was asked to give an opinion on a certain scale. Recipients were also asked to give a justification on why they chose a particular response.

### **3.4 Data Collection**

Using the developed study sample, and the Customs Centers contact information provided by Jordan Customs, the lists of brokerage firms provided by the Brokers Association, and previous information collected on Qualified Industrial Zones, four two-person IdRC enumerator crews commenced with the data collection process. The crews were rotated among the various locations to minimize data collection bias.

The data collection in the field targeted brokers’ agents who were selected at random and depending on their availability (e.g., brokers in the middle of a transaction were avoided in order to guarantee full attention to the questions asked). Traders were also selected in the field, but a proportion of the sample was selected from lists of traders provided by the Ministry of Industry and Trade.

### **3.5 Collation of Data**

A data manager was responsible for reviewing and collating data as completed surveys arrived daily. The data manager built and produced a database of all the collected surveys in a manner that allowed easy manipulation for analyses. The Data Manager collated and screened the data upon arrival. In addition, the Data Manager met with the enumerators on a daily basis prior to leaving for the field to provide them with instructions on how to improve the process in a manner that controlled the quality and facilitated data entry. All data were computerized using MS Excel.

### **3.6 Data Analyses and Inferences**

The IdRC team analyzed the collated data mainly via the conduct of frequency analyses of the various responses given for the various questions. The results of the analyses are presented in the following section.

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<sup>2</sup> See Time Release Study Report

## 4.0 RESULTS AND FINDINGS

This section presents the main findings of the survey. Each part is presented in a separate section, comparing the results of the frequency analysis from the baseline survey to those from the survey at hand. The detailed frequency analyses are presented in the Annex.

### 4.1 Border Security

This part of the survey tool addressed the following issues:

- Relevance of Customs procedures to national economic and socioeconomic conditions and the impact of simplifying Customs procedures on such conditions;
- Levels of complication, comprehensiveness, and integration of Customs procedures and their efforts in fighting smuggling;
- The capacity and qualification of Jordan Customs in preserving border security; and
- The possession of the tools and equipment needed for ensuring border security.

In general, although the majority of the respondents (nearly 70%) in the baseline survey indicated that Customs procedures are either extremely relevant or relevant to national economic and socioeconomic conditions, this proportion rose in the survey at hand. This was also reflected by a reduction in the previously worrisome average of 30% indicating that they were slightly relevant or irrelevant. This result indicates that despite the cumbersome Customs procedures, the overall perception that this is necessary for national economic and socio-economic security has increased.

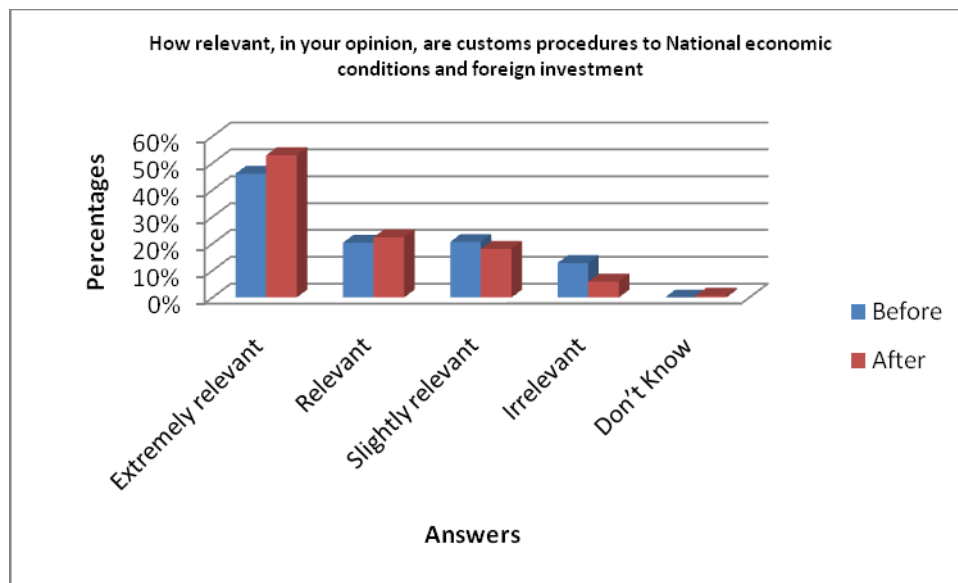
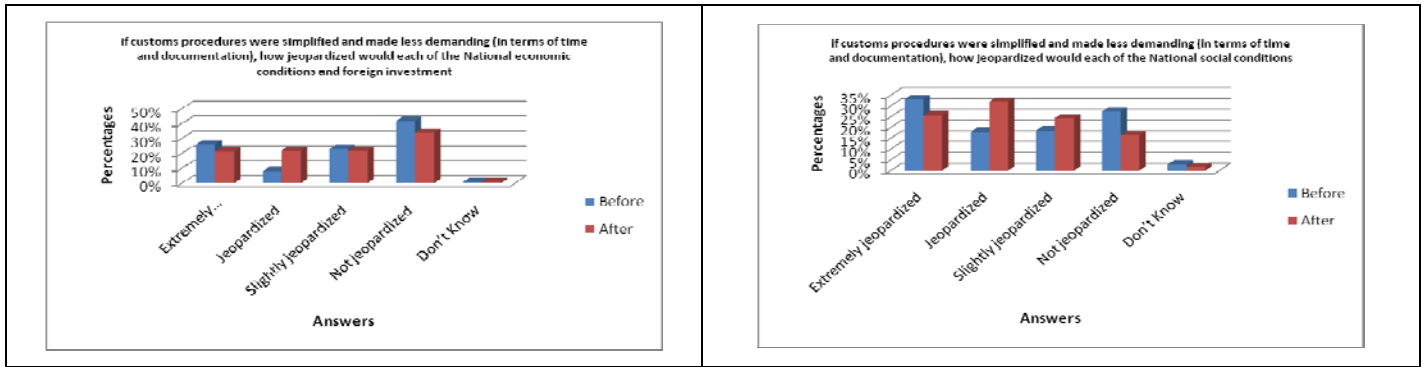


Figure 1. Perceptions on Relevance of Customs Procedures on National Economic Conditions

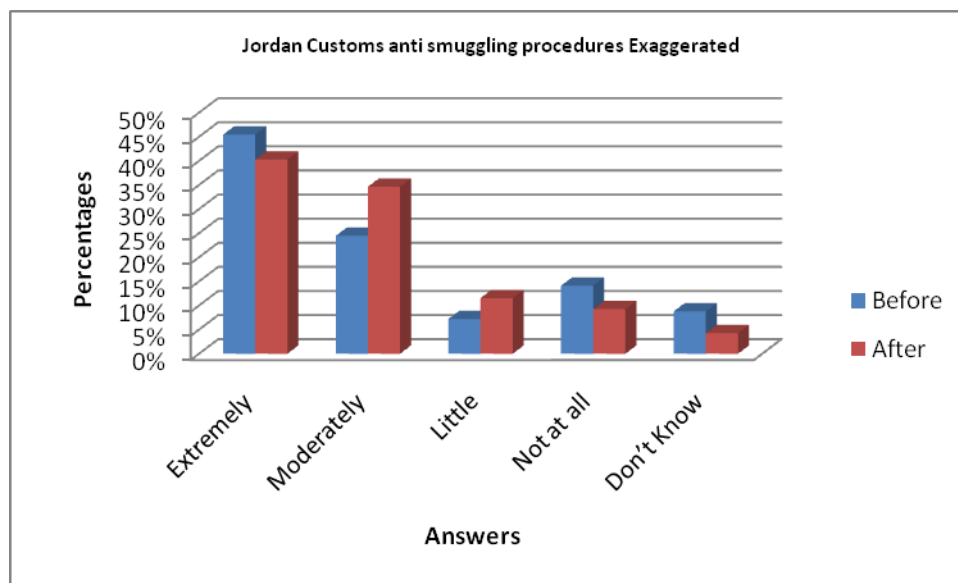
In terms of the responses given on how jeopardized national economic and socio-economic conditions would be if Customs procedures were simplified, where nearly 40% of the respondents in the baseline survey indicated that they would be slightly jeopardized or not jeopardized at all as shown in Figure 2 below, the survey at hand revealed that such proportion has generally increased. This is also indicative of an improvement in the attitude that the Customs requirements are vital for national economic and social security.



**Figure 2. Perception on the Effect of Simplifying Customs Procedures on Economic Security**

In other words, it is evident that the service recipients have become more aware of the significance of the role played by any customs department on such economic and socio-economic security issues.

The before and after perceptions on the degrees of complexity, comprehensiveness, and integration of Customs procedures in fighting smuggling are summarized in Figure 3 below. As can be seen, and although not significant, there was a drop in the proportion of respondents that perceived the anti-smuggling procedures to be extremely exaggerated. There was an increase in the proportion of respondents that indicated the procedures were moderately exaggerated, and those who indicated that they are a little exaggerated. In general, the attitude towards the need for stringent anti smuggling procedures has improved.

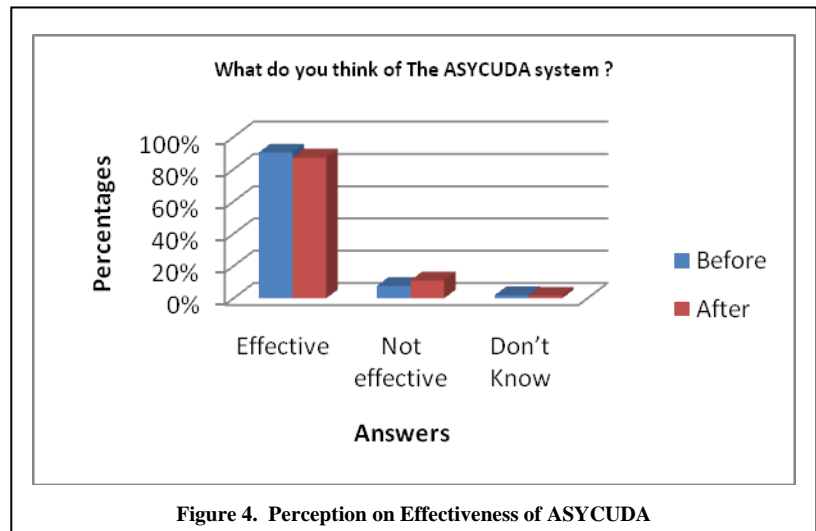


**Figure 3 Before and After Perceptions On The Degrees Of Complexity Of Customs Procedures In Fighting Smuggling**

The vast majority (61%) in the baseline survey indicated that the Customs staff is moderately capable and qualified, which indicated that there is potential in this area to change the perceived image of customs' personnel. The corresponding proportion in the survey at hand dropped to 59%; however, the proportion of respondents that thought that the Customs' staff is highly capable and qualified increased from 17% to 28%. (I think that the 59% should be 39%.)

In the baseline survey, nearly one third of the sample indicated that Customs staff does not possess the tools and equipment needed to perform their duties. Therefore, it was recommended that any future communications plan familiarize service recipients with newly introduced systems and tools, if any. The proportion in the survey at hand dropped 20% indicating that more service recipients think that Customs' staff are well equipped.

Finally, the overall impression on the improvement resulting from the introduction of the new internet-based version of the ASYCUDA clearance system – ASUCUDAWorld - and its effectiveness was remarkably high among the surveyed sample as can be seen in Figure 4, but has slightly dropped from the previous proportion.



#### 4.2 Trading Across Borders and Trade Facilitation

The following components were addressed in this part of the survey:

- Rating of Customs procedures in terms of time requirements, document requirements, signatures, cost, and effort for both entering and exiting goods;
- Levels of coordination with other governmental entities involved in the clearance process;
- Effect of trade agreements;
- Effect of Golden List Program; and
- Impacts on ASYCUDA on the various stages of the declaration.

The changes in responses on the various types of requirements in the customs clearance processes for entering and exiting goods are summarized in the table below. As can be seen, the proportions of the respondents indicating excessive (“extreme”) or moderately extreme procedures have generally decreased for most of the six indicators. This indicates that service recipients have become more accepting of the customs procedures.

Factor	Goods Entering				Goods Exiting			
	Extremely	Moderately	Little	Don't know	Extremely	Moderately	Little	Don't know
Time required	3%	-5%	-4%	7%	12%	-14%	0%	3%
Documents required	-2%	-3%	-2%	7%	5%	-13%	6%	3%
Signatures required	-1%	-5%	-1%	6%	13%	-15%	-1%	3%
Cost associated	4%	-11%	1%	7%	11%	-21%	7%	3%
Effort	7%	-8%	-6%	7%	14%	-15%	-2%	3%
Services	14%	-11%	-9%	7%	18%	-11%	-12%	5%

In terms of coordination with the various governmental entities involved in the Customs processes, the general impression was that such activities are extremely or moderately coordinated. This applied to all relevant entities (Ministry of Agriculture, Ministry of Health, the Jordanian Institution for Standards and Metrology, Food and Drug Administration). It should be noted that the results indicated that there was room for improvement. The current survey showed a significant increase (nearly 20% increase) in the proportions of respondents that thought such efforts are highly coordinated, and a slight change in the proportion of respondents that thought such efforts are moderately coordinated. In other words, the room for improvement identified in the baseline survey seems to have been achieved to a large extent.

Perceptions on the processes related to goods arriving from countries with Trade Agreements are summarized in Figure 5 below. As can be seen in the Figure, there is a noticeable improvement in the perception for goods arriving from Arab countries, but not as much for those arriving from elsewhere.

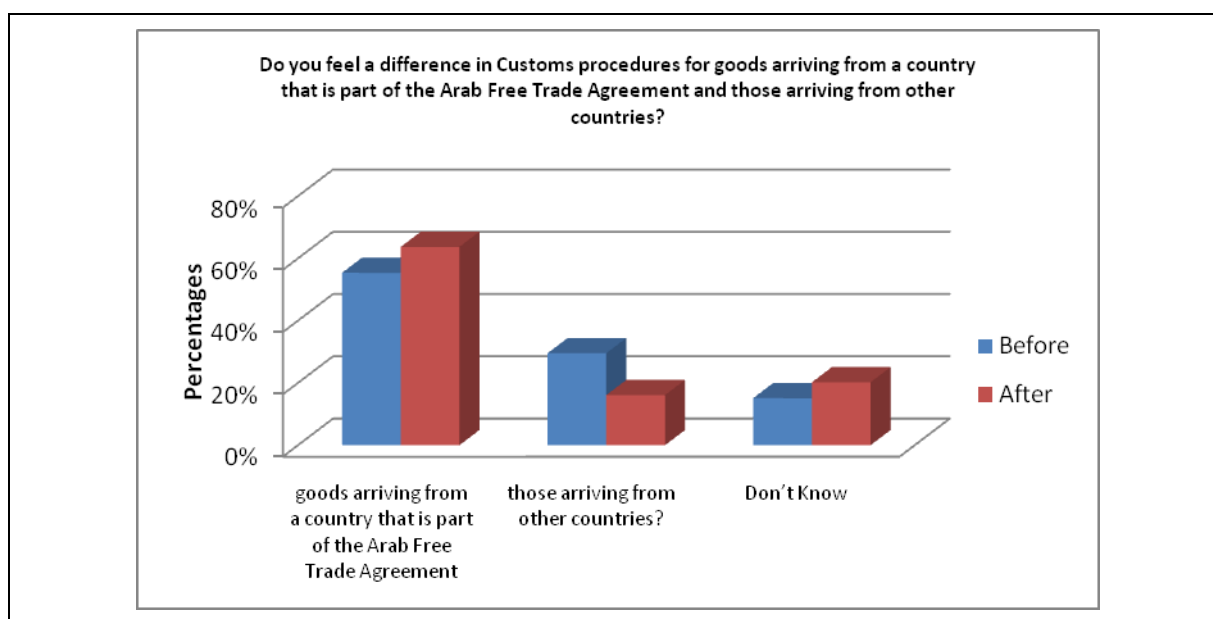


Figure 5. Perception on Processes from Countries with Trade Agreements

There was an unnoticeable change in the perception on differences regarding goods arriving through the Golden List Program.

Table 2 below summarizes the changes in the perception of the benefits achieved by the ASYCUDA system on the various stages of a Customs declaration.

Degree of Difference	Declaration		Acceptance of Declaration		Goods inspection		Fees and release of goods	
	Before	After	Before	After	Before	After	Before	After
Extremely Different	62%	47%	60%	55%	40%	35%	59%	49%
Moderately Different	19%	34%	22%	33%	31%	41%	21%	35%
Little Different	7%	10%	6%	7%	12%	16%	6%	8%
Not at all	5%	6%	5%	3%	11%	5%	7%	5%
Don't Know	7%	3%	6%	2%	6%	2%	7%	3%

As can be seen in the Table, an average of over 70% in the baseline survey indicated that the differences due to the implementation of the ASYCUDAWorld system were extreme or moderate. This is indicative that the perceived impact of the ASYCUDA system is rather high. There has been no significant change in the survey at hand, which suggests that the impact of ASYCUDA has reached its fullest extent.

In ASEZ Customs and Sahab, the impacts of the upgrade from ASYCUDA++ to ASYCUDAWorld were not detected and perceived in the baseline survey. This seems to have significantly improved since then as can be seen in Figure 6 below.

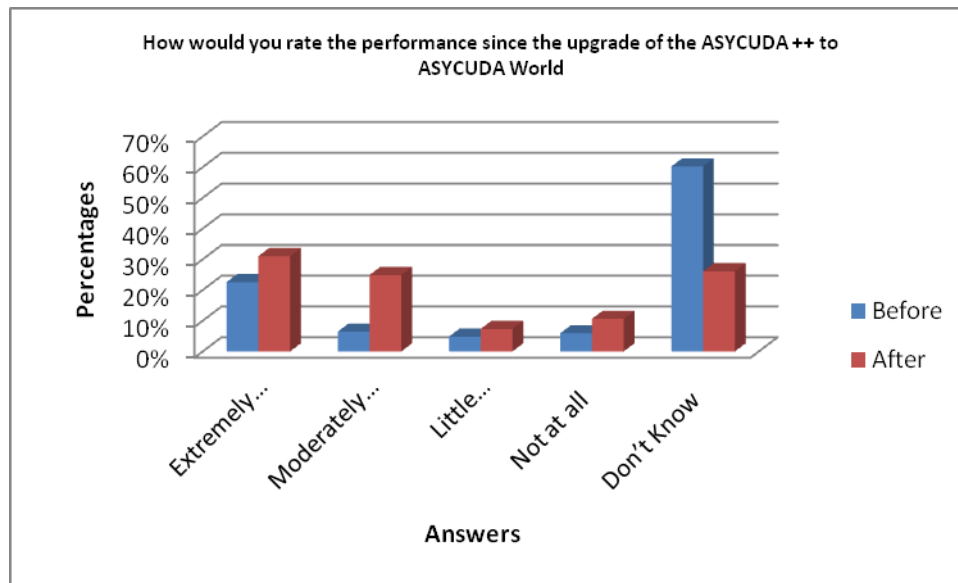


Figure 6. Perceived Impacts of Upgrading to ASYCUDA World

Finally, the perceptions on the Customs Department’s initiatives in terms of applying the regulations of other institutions to prevent certain types of goods from entering seem to barely have improved, with an increase of only 2% perceiving it as effective.

### 4.3 Training and Work Environment

The following issues were addressed in this component of the survey:

- Need of Customs staff to undergo training;
- Customs staff familiarity with trade facilitation policies and their need to undergo training in this area;
- Level of awareness among Customs staff on requirements;
- Trends and improvements among staff; and
- The focus of training and capacity building programs.

Nearly 75% (looks like 65% to me) of the surveyed sample in the baseline survey indicated that Customs staff needs to undergo training and capacity building. This indicates that the majority of the sample perceived the capacity of Customs personnel to be low. This ratio dropped to 67% under the survey at hand indicating a slight improvement in the perception of the capacity of Customs staff. The surveyed sample still emphasized the need for capacity building and training in the area of Trade Facilitation processes as shown in Figure 7, but such perception was lower than in the baseline survey, which is also indicative of an improved perception. This is evident in the finding that there was an

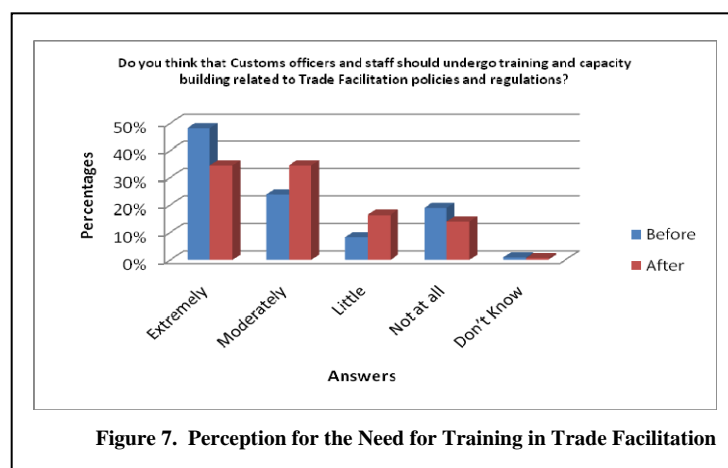


Figure 7. Perception for the Need for Training in Trade Facilitation

increase in the proportion of respondents that indicated that they have felt that the Customs staff has undergone training and capacity building.

The overall satisfaction on the working conditions seemed to be highly improved since there was an increase in the proportion of respondents that indicated such conditions were acceptable, and there was very little change in the proportion of respondents that indicated that they would recommend pursuing a career in Customs to a friend.

#### 4.4 Customer Services

The main customer service (CS) issues addressed in this part of the survey included the following:

- Overall rating of customer service;
- Adequacy of information provision to customers; and
- Issues related to complaints from customers.

Only 30% of the sample in the baseline survey rated CS culture at Customs as high, while 45% rated it as moderately acceptable. Those proportions increased to 35% and 48%, respectively. Table 3 below summarizes the main findings (changes in perceptions) related to the various aspects of CS at Jordan Customs.

CS Aspect	Extremely		Moderately		Little		Not at all		Don't Know	
	Before	After	Before	After	Before	After	Before	After	Before	After
Meeting all customer needs	21%	20%	53%	54%	17%	23%	8%	3%	1%	0%
Provision of needed information	31%	22%	51%	72%	17%	5%	1%		-	0%
Efforts to simplify procedures	25%	19%	44%	58%	18%	18%	12%	4%	1%	0%
Efforts to reduce release time	24%	17%	43%	56%	19%	20%	13%	6%	1%	0%
Efforts to simplify required documentation	22%	15%	40%	52%	20%	25%	17%	8%	1%	0%
Efforts to promote CS policies	37%	26%	35%	55%	14%	12%	12%	5%	2%	1%

As can be seen in the Table, the perception on most CS aspects has moderately improved. The areas where an improvement has been detected include provision of information, simplifying procedures, reducing release time and documentation, and promoting CS policies. This is indicative that Jordan Customs' CS policies and procedures are improving, but there still is room for additional improvement. Given the importance of CS, Jordan Customs should struggle to improve the proportions of service recipients that have high opinions of its CS policies. Jordan Customs should carefully address this in its future communications plans and provide supportive instruments, tools, and policies that promote CS for its service recipients. The finding that only 50% of the surveyed sample perceive that newcomers to the business are provided with adequate information on what is required of them to go through a Customs declaration process has improved to over 70%.

The 66% of the surveyed sample in the baseline survey that felt there was a need to complain about the quality of the service dropped to 46% in this survey, and of those, the portion that actually complained dropped from 46% to 26%. There were very slight improvements on the effectiveness of the partnerships with the private sector with nearly 32% not sure on how effective it was as opposed to 40% in the baseline survey. Only 40% indicated that partnerships with the private sector would improve the levels of service in the baseline survey. This proportion jumped to 50% in this survey.

#### **4.5 Communication Channels**

This part of the survey mainly addressed the Customs Department branding campaign and previous campaigning efforts undertaken by Jordan Customs.

Nearly 40% of the surveyed sample in the baseline survey indicated that they had not noticed the branding campaign undertaken by Jordan Customs. This ratio dropped to 30% under this survey, thus, suggesting better visibility of the campaigning. The ratio of those that did, and thought that it reflects the actual conditions of the services offered by Customs increased from 50% to 74%, and the perception that it had any effect on people's perception of Customs also increased.

The above indicates that coming branding and communications plans have been effective in achieving a wider reach and have a better impact in reflecting Customs' identity.

**Appendix I: Survey Tool**  
**Appendix II: Detailed Frequency Analysis Results**