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## **THE DEVELOPMENTAL PROFESSIONALLY FOCUSED EDUCATIONAL ENVIRONMENT AS A STRATEGIC COMPONENT OF TRAINING MANAGERS OF ORGANIZATIONS**

The paper considers the most effective methods of developing Customs managers' competencies within the professionally focused educational environment in view of the strategical aim to train Customs administration staff in accordance with the global tendency of trade facilitation and demand for greater compliance with Customs rules by stakeholders. Certain knowledge in a legislative framework, risk-based and client-oriented approaches as well as skills in making pre-arrival screening and clearance, post clearance audit, enforcement and recognition, appropriate decision-making are pointed out as the key factors to improve Customs managers' professional training as well as increase their competence in global trade facilitation and security.

*Key words: the developmental professionally focused education environment, strategic component, professional training, Customs managers, global trade facilitation, competence, risk-based and client-oriented approaches.*

**P**roblem statement. In view of current challenges and tasks related to, on the one hand, high level of intervention by Customs, thus hindering international flow of goods, and high level of non-compliance by importers (exporters), on the other hand, there is a demand for a revised approach to training Customs staff to deal with abovementioned issues. Taking into account the tendency of trade facilitation, any professional training of Customs officers should involve risk-based and client-oriented approach.

Another important aspect in training Customs personnel is studying the legislation base, which is crucial in any regulatory compliance management approach as it will enable Customs officers to choose objectives to meet and give the power to carry out necessary tasks to meet the chosen objectives. It also includes looking into the risk-based compliance management that reflects the risk management strategy taken by the administration as well as practicing risk management techniques, which rely on the provision of accurate and timely information in order not to impede the flow of legitimate trade or travel [3].

**Analysis of recent researches and publications.** Different kinds of research have been done to analyze the contemporary stage of Customs staff professional training worldwide. The leading role belongs to the World Customs Organization, which experts and scientists have been developing the most effective training instruments and ways of their uniform implementation into different curricula. At the European level research work is aimed at the development of the methodology for determining the learning outcomes in the context of international, national and institutional guidelines.

The Ukrainian and foreign scientists studied the issues of developing the academic training of Customs officers (A. Gubin [5], D. Widdowson [15]), the ways of international instruments of trade facilitation implementation in the continuous vocational training of Customs personnel (O. Pavlenko [9]), the application of education indicators into the system of Customs staff training (J. Johnstone [7]), the use of innovative methods and models for the professionally directed training of Customs officers (S. Jeannard [6], A. Poro [10]), the methods of Customs management training in accordance with the international Professional Standards of Customs officers (O. Triakina [13]). The abovementioned researches emphasized key priorities of Customs staff training: competence in global trade facilitation and security, European harmonized system of Customs processes and procedures, client-oriented approach, high level of moral and ethical conduct, dignity, responsible fulfillment of Customs assignments. They also underlined the existing contradiction between the high demand of stakeholders for smooth flow of goods and lack of proper knowledge and skills of Customs officers to promote trade facilitation.

**Purpose of the article.** Taking into account the increasing demand for trade facilitation while fewer violations of Customs regulations, which is clearly reflected in relevant requirements from the Ukrainian government, it is reasonable to study the key factors to develop a professionally focused educational environment as a strategic component of training managers of organizations, in particular, Customs managers.

**Main material.** Our research has revealed that the most effective method to learn trade facilitation is studying an existing legislative framework and ways to amend it. The main approach here is to review Customs laws and develop a provision on the facilitation of trade through risk management that will determine the manner, documentation requirements and timing regarding to inspection and clearance of imported goods and provide for flexibility on goods declaration procedures as well as give the administration possibility to move from its current compliance management approach to the risk-based one. As Ch. Seng stated [11], under such a revised law the administration will have reporting methods setup to cater for complier and non-complier and will be provided with principles for risk-based operating procedures, administrative procedures and inter-agency arrangements.

In addition, such a method helps to improve a communication competency, as the new laws have to be developed in consultation with all import and export related ministries and agencies together with private sector such as the Chamber of Commerce, the Association of Entrepreneurs and the Association of Forwarders as well as leadership competence, as their development involves strategy issues, particularly the trade facilitation and improving investment climate objectives [3].

It should be noted that Customs officers are to be trained to carry out the risk identification and analysis continuously – pre-arrival, at arrival and post clearance – and make a response in accordance with the level of risk. Resource intensive interventions such as comprehensive audits and cargo searches are to be undertaken in response to identified high risks [4]. The sanctions are to be connected with importers' behavior and motivation that is shown in tables 1 and 2 [2]:

Table 1

**Importer categories (behavior and motivation)**

Low risk	Medium risk	Medium risk	High risk
Self regulation	Assisted self regulation	Directed regulation	Enforced regulation
<ul style="list-style-type: none"> <li>– Informed self assessment</li> <li>– Management is compliance orientated</li> <li>– Includes accredited clients</li> </ul>	<ul style="list-style-type: none"> <li>– Not yet compliant</li> <li>– Attempting compliance</li> <li>– Developing internal control systems</li> </ul>	<ul style="list-style-type: none"> <li>– Resistance to compliance</li> <li>– Lack of compliance</li> <li>– Limited/poor systems</li> </ul>	<ul style="list-style-type: none"> <li>– Deliberate non compliance</li> <li>– Criminal intent</li> <li>– Illegal activity</li> </ul>

Table 2

**Methods of Customs operational response**

<ul style="list-style-type: none"> <li>– Education and training</li> <li>– Maximum pre-arrival/ departure clearance</li> <li>– Minimum real time pre-clearance intervention</li> <li>– Some compliance verification: X-ray; checks of documents and goods</li> <li>– Sanctions may be imposed</li> </ul>	<ul style="list-style-type: none"> <li>– Education and training</li> <li>– Some real time pre-clearance intervention</li> <li>– Some post clearance checking</li> <li>– Some compliance verification: X-ray; checks of documents and goods</li> <li>– Sanctions may be imposed</li> </ul>	<ul style="list-style-type: none"> <li>– Pre and post clearance intervention</li> <li>– Post clearance comprehensive audit</li> <li>– Pre-clearance major examination</li> <li>– Sanctions may be imposed</li> </ul>	<ul style="list-style-type: none"> <li>– Pre and post clearance intervention</li> <li>– Comprehensive audit</li> <li>– Cargo searches (may be covert)</li> <li>– Surveillance</li> <li>– Investigations by multi disciplined teams</li> <li>– Sanctions imposed</li> </ul>
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It is seen from tables 1 and 2 that Customs officers should be taught which operational instrument is to be applied in a particular professional situation, in particular, the high-risk cargoes require the strictest measures.

We believe that the next important element of studying risk-based approach is skills in making compliance assessment that involves assessing the levels of compliance of the members of the business community with selected methods. When developing strategies to assess compliance, it is important to consider a key principle of the revised Kyoto Convention—that Customs control should be limited to what is necessary to ensure compliance with the Customs law [9]. According to this principle, administrative regimes should be as simple as practicable, and should provide the trading community with cost-efficient ways of demonstrating compliance with the law [12].

The choice of assessing methods depends on the level of risk of a certain member. In A. Murray’s opinion [8, p. 48], if an entity «is judged to represent a relatively low risk, the level of regulatory scrutiny may be reduced, with greater reliance being placed on a company’s self-assessment». On the other hand, a high risk entity may be subject to strict control and scrutiny.

What is more, the following order of methods should be applied: the documentary check is the first step followed by physical inspection carried out based on senior customs officer’s suspicion of discrepancy with the declaration [4]. Pre-arrival screening and clearance and post clearance audit methods are to be used as the main methods of risk-based approach.

Hence, in accordance with views of some scientists [8] we consider the pre-arrival screening and clearance for air and sea express consignments with the help of automated systems to be the most efficient operational instruments to enhance compliance. They include automated documentary assessment, selective examination, and the setup of x-ray facilities to address the potential risk of non-compliance. This identifying should be based on intelligence, emerging trends, the previous compliance record of consignees and consignors, and so on [14].

The further element of risk-based compliance management to be included into any Customs officers’ training consists of two aspects: enforcement and recognition. According to risk-based approach toward compliance, enforcement methods utilized by the Customs administration should vary depending on risk levels. Thus the administration should thoroughly determine the reasons for non-compliance if it is a result of control problem of the company under investigation, ambiguity of administration and regulation requirements or intentional attempt to break the law. The enforcement methods to these situations should be varied beginning from running awareness seminars to more strict measures [1].

They are vividly shown in a pyramid approach toward enforcement provided by I. Ayres and J. Braithwaite [2] that includes such measures as the strictest ones on the peak of the pyramid – license revocation, license suspension and criminal and administration penalty. At the bottom of the pyramid less strict measures such as warning letters and persuasion are depicted. Therefore, we consider the usage of all the enforcement methods from a pyramid approach depending on the level of non-compliance to be rather useful in improving the level of importers’ compliance. In our opinion, training Customs managers to respond appropriately will help unintentional non-compliers correct their irregularities by themselves without applying sanctions thus upholding the level of confidence and collaboration between customs and business partners as well as raising the level of compliance on the whole.

What is more, it is important to notice that different decisions will be needed to address honest mistakes, on the one hand, and deliberate attempts to evade duty on the other. For example, industry familiarization seminars and information brochures may be consequences of mistakes that result from a lack of understanding of the relevant regulatory provisions. However, if someone regularly commits a revenue fraud, a rigorous enforcement approach is likely to be required [15].

Consequently, while enforcement should concern with methods used by the administration to ensure compliance with laws and regulations, recognition, on the other hand, should be used by the administration to acknowledge members of the business community that deemed to be relatively trustworthy and relatively low-risk of non-compliance. In opinion of some scientists [12], the rewards should include self-assessment of their liabilities and entitlements, less onerous reporting requirements, periodic payment arrangement and simplified procedures.

The last element of risk-based compliance approach to be taught is an appropriate range of client service strategies, including effective consultation arrangements, clear administrative guidelines and public information. In other words, client services are concerned with keeping the trading community informed about Customs rules and other regulations affecting them. To highlight the importance of client service strategies, we must notice that it is reflected in the Revised Kyoto Convention's General Principles which include the requirement that "the Customs shall institute and maintain formal consultative relationships with the trade to increase co-operation and facilitate participation in establishing the most effective methods of working commensurate with national provisions and international agreements (Revised Kyoto Convention, Standard 1.3) [16].

**Conclusions and further researches directions.** Taking into account the contemporary situation with poor compliance to the statutory Customs provisions including valuation procedures, classification process, rules of origin, Customs regimes rules as well as following the adoption of the WTO Valuation Agreement and Harmonized System and movement towards European integration, the Ukrainian government and Customs authorities must guarantee the unhampered flow of goods at the international market, on the one hand, and make importers comply with the new provisions, on the other hand. In order to meet all the challenges it is necessary to develop a professionally focused educational environment in order to train Customs managers in Customs legislation issues, risk-based compliance management, compliance assessment, pre-arrival screening, clearance and post clearance audit methods, enforcement and recognition appliance mechanisms as well as client service strategies.

The future researches in this area can include looking for the most effective training methods in order to achieve necessary competencies in providing a proper Customs compliance audit, updating intelligence strategies and targeting capabilities as well as improving decision-making processes at a strategic and operational level.

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У статті розглянуто найбільш ефективні засоби розвитку компетенцій митних менеджерів у професійно спрямованому освітньому середовищі з огляду на стратегічні цілі підготовки співробітників митної адміністрації у відповідності до глобальної тенденції спрощення процедур торгівлі та потреби у підвищенні рівня дотримання митних правил суб'єктами зовнішньоекономічної діяльності. певні знання законодавчої бази, методів управління ризиками та клієнт-орієнтованого підходу, а також уміння проводити попередню перевірку та оформлення, пост-аудит, застосовувати санкції та заохочення, приймати відповідні рішення виділено як ключові фактори для удосконалення професійної підготовки митних менеджерів та збільшення їх компетентності в питаннях спрощення та безпеки процедур міжнародної торгівлі.

*Ключові слова: розвивальне професійно спрямоване освітнє середовище, стратегічна складова, професійна підготовка, митні менеджери, спрощення процедур міжнародної торгівлі, компетентність, клієнт-орієнтований та ризик-орієнтований підходи.*

В статье рассмотрены наиболее эффективные способы развития компетенций таможенных менеджеров в профессионально направленной образовательной среде с учетом стратегических целей подготовки сотрудников таможенной администрации в соответствии с глобальной тенденцией упрощения процедур торговли и потребностью в повышении уровня соблюдения таможенных правил субъектами внешнеэкономической деятельности. Определенные знания законодательной базы, методов управления рисками и клиент-ориентированного подхода, а также умение проводить предварительную проверку и оформление, пост-аудит, применять санкции и поощрения, принимать соответствующие решения выделено как ключевые факторы для улучшения профессиональной подготовки таможенных менеджеров и увеличения их компетентности в вопросах упрощения и безопасности процедур международной торговли.

*Ключевые слова: развивающая профессионально направленная образовательная среда, стратегический компонент, профессиональная подготовка, сотрудники таможни, упрощение процедур международной торговли, компетентность, клиент-ориентированный и риск-ориентированный подходы.*

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