

**Bureaucratic Inertia and the Knowledge Economy Bottlenecks:  
The Hidden Costs of Parcel Clearance in Sri Lanka**

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**Abstract**

This study provides a critical case-based examination of Sri Lanka's outdated parcel clearance procedures, highlighting the persistence of bureaucratic inefficiencies in the face of global digital transformation. Through a first-hand account of the time-consuming process required to collect a non-commercial academic journal, the paper illustrates how manual systems, redundant verification layers, and excessive internal checks continue to burden professionals, particularly academics. These outdated procedures represent not merely operational inefficiencies but a structural resistance to reform, undermining Sri Lanka's ambitions to become a knowledge-based economy. Drawing on comparative international best practices and using a flexible, iterative research model, the paper argues for the urgent need to adopt digital customs clearance systems and shift toward risk-based facilitation models. The findings contribute to the discourse on public sector reform, e-governance, and institutional modernization, calling for systemic transformation to enhance national competitiveness and service delivery.

**Keywords:** Bureaucratic Red Tape, Parcel Clearance, Public Sector Reform, Knowledge Economy, Customs Procedures, E-Governance, Administrative Inefficiency, Digital Transformation, Sri Lanka

**JEL Codes:** H83, L87, O33, D73, O57

## **Bureaucratic Inertia and the Knowledge Economy Bottlenecks:**

### **The Hidden Costs of Parcel Clearance in Sri Lanka**

#### **Introduction**

Efficient public service delivery is a cornerstone of good governance and national competitiveness (World Bank, 2016). However, in many developing countries, including Sri Lanka, citizens are routinely subjected to outdated and inefficient administrative procedures, particularly in sectors involving regulatory clearance and service coordination, such as customs and postal operations. The release of overseas parcels — even for academic or non-commercial items — often entails multiple layers of redundant form-filling, long wait times, and physical visits to poorly coordinated counters, all of which collectively contribute to what Bozeman (2000) terms as "red tape." These inefficiencies disproportionately burden knowledge workers such as academics, who rely on timely access to international journals and scholarly materials for research dissemination and global engagement.

The problem becomes especially pronounced when routine deliveries of academic publications, including journals or books authored by local scholars, are subjected to the same lengthy and fragmented clearance procedures as commercial freight. This not only reflects an absence of service differentiation but also reveals a disconnect between government rhetoric on promoting a knowledge economy and its on-ground administrative practices (Ministry of Higher Education, 2020). In my own recent experience receiving a journal carrying a peer-reviewed research article, the clearance process took over an hour at the customs-postal complex, involving four separate counters and multiple form-filling steps — all of which could have been replaced by a centralized digital portal or automated verification system.

These outdated systems are not only inefficient but also stem from a time when the primary method of ensuring process integrity was through elaborate internal control systems, particularly internal checks — mechanisms whereby one individual's work is automatically cross-verified by another to detect fraud or error (Millichamp & Taylor, 2016). This strategy, while essential in the pre-digital era, often meant employing large numbers of staff to maintain audit trails and supervision, inadvertently trading off efficiency for perceived security.

However, with the advent of modern information technology and automation tools — including QR codes, biometric authentication (e.g., iris and fingerprint recognition), electronic signatures, and enterprise resource planning (ERP) systems — advanced economies have significantly streamlined their control environments while enhancing both accountability and productivity (Moeller, 2013; OECD, 2020). These tools serve as digital enablers of internal check functions, minimizing opportunities for collusion and error without requiring physical human oversight at each procedural step. For instance, Singapore's TradeNet or South Korea's uTradeHub offer case studies of integrated platforms where parcel clearance is achieved in minutes rather than hours (UNESCAP, 2022).

Despite these global advancements, Sri Lanka continues to rely on manual, fragmented, and human-dependent processes. The opportunity cost — measured in travel, labor hours, and productivity loss — remains unaddressed in public administration. This study aims to critically examine the existing parcel clearance procedure using a case-based empirical approach, analyzing it through the lens of control systems and proposing digital transformation pathways aligned with international best practices.

## **Methods**

The paper seeks to provide a nuanced understanding of the challenges associated with trade-off between efficiency and effectiveness, copying already developed systems offering insights into the broader reconfiguration of the global developments in this area.

Employing the 10Ps iterative research model (Saliya, 2023), the study adopts a flexible, non-linear approach, allowing for continual revisitation and refinement of research tasks to optimize the integration of these themes. This paper is developed using a flexible integrated research method (Saliya, 2023a; 2023b; 2023c; 2022).

This study employs a case study methodology to examine the waste of resources due to obsolete systems and procedures, drawing on real-world examples to provide a nuanced understanding of the transformative potential of systemic adoption and the limitations of existing obsolete systems. The case study approach is justified for the following reasons (Saliya, 2021; 2023; exploratory nature of the research; context-specific insights; richness of data-Case studies provides rich, qualitative data that allow researchers to investigate not just the outcomes but also the processes and mechanisms behind innovation and reinvention. Also, case study research allows us to conduct comparative analysis, especially relevant to policy and practice.

Case studies provide tangible examples that can inform policymakers, business leaders, and other stakeholders. By focusing on real-world scenarios, the findings are directly applicable to decision-making processes and can guide the adoption of proactive, transparent, and future-focused approaches to innovation (Saliya, 2022).

## **The case**

On receiving a registered letter last week containing several forms, I was officially informed that an overseas parcel addressed to me had arrived and was being held at the Central Mail Exchange in Colombo, pending clearance by the Department of Customs. The parcel in question was an international academic journal featuring one of my recently published research articles.

Having previously endured an unnecessarily cumbersome experience collecting a parcel (then, author copies of a book I had written), I made a series of attempts to negotiate a release without appearing in person. These efforts included contacting customs officials, explaining the nature of the parcel, and highlighting the inefficiency and cost involved in travel and time. Nonetheless, none of these appeals proved successful. I was compelled to travel physically

from Malabe, accompanied by an official vehicle and a driver from my academic institution — a scenario that illustrates the hidden economic cost and bureaucratic rigidity that scholars across the country frequently endure.

Though the clearance process on this occasion took roughly an hour — considerably less than the previous instance — the inefficiency remains significant. One can only imagine the burden placed on scholars and professionals based in geographically distant regions such as Universities of Jaffna, Rajarata, or the Eastern Province. The direct and opportunity costs, not to mention the mental and logistical stress associated with such a journey, are deeply problematic.

#### *Institutional inefficiencies and legacy bureaucracy*

The process, as it stands, involves multiple redundant stages: three separate counters where forms are filled or re-filled (form submission, inspection, cashier), followed by a fourth for parcel release. Despite the presence of several staff members behind the counters, only a few are actively engaged in service delivery while others are either idle or visibly disengaged — a classic symptom of what scholars have termed "bureaucratic slack" (Downs, 1967; Niskanen, 1971). Such inefficiencies are not merely procedural inconveniences; they reflect systemic flaws in the public sector delivery mechanisms and a disregard for user-centric service models.

#### *Digital lag in the age of e-government*

In an era where e-governance is considered a benchmark of public sector reform (Heeks, 2001; World Bank, 2016), the continued insistence on in-person appearances and physical paperwork for academic parcel clearance appears both outdated and unnecessary. Numerous countries, including India, Singapore, and Malaysia, have implemented digital customs clearance platforms that minimize human contact and optimize delivery times (UNESCAP, 2022). Sri Lanka, despite articulating a commitment to digital transformation through initiatives like the Digital Economy Strategy (2018–2022), has made minimal progress in actual execution within the postal and customs systems.

#### *Policy and reform implications*

This experience underscores the urgent need for reforms focused on:

- Digitizing parcel notification and clearance through mobile or email-based alerts.
- Allowing remote verification of documents for low-risk items such as academic books or journals.
- Improving staff productivity through task-specific deployment and performance management.
- Decentralizing clearance centers to ease the burden on institutions located outside the Western Province.

Moreover, the policy inertia seen in this sector contradicts the goals laid out in Sri Lanka's Public Service Delivery Reform Agenda (Ministry of Public Administration, 2021), which emphasizes efficiency, accessibility, and responsiveness.

## **Literature Review and discussion**

### *Public service delivery and bureaucratic inefficiency*

The concept of bureaucratic inefficiency has long been critiqued in public administration literature. Downs (1967) describes bureaucracies as inherently self-preserving and resistant to change, leading to redundancy in operations and inflated administrative structures. Niskanen's (1971) economic theory of bureaucracy further argues that public managers are incentivized to maximize budget and personnel, often at the cost of efficiency and service quality. These models help explain the persistence of outdated and labor-intensive procedures in public sector institutions, such as those found in Sri Lanka's postal and customs services.

### *Internal control system*

The evolution of internal control systems in public administration has paralleled advancements in technology and global governance reforms. Historically, internal control mechanisms were manual, often relying on human oversight and rigid bureaucratic procedures to prevent fraud, ensure compliance, and enhance accountability. A key element in these frameworks was the concept of "internal check," which ensured that no single individual had complete control over a transaction, thereby fostering mutual cross-verification (Millichamp & Taylor, 2016). While effective in theory, these systems demanded considerable manpower and often introduced operational inefficiencies.

With the advent of digital governance and process automation, the global shift toward integrated systems has drastically transformed the landscape of internal controls. According to Moeller (2013), modern internal control frameworks are increasingly embedded within enterprise systems that leverage information technology to automate verification, logging, and escalation processes. Tools such as QR codes, biometric recognition, and digital signatures not only enhance the reliability of verification processes but also serve as automated checkpoints that mimic traditional internal checks without the labor burden.

Digital platforms such as Singapore's TradeNet and South Korea's uTradeHub illustrate how customs and logistics can be revolutionized through automation and integration. These systems drastically reduce processing times while increasing transparency and security (UNESCAP, 2022). They serve as benchmark models for developing nations seeking to modernize inefficient manual procedures and reduce transaction costs.

Moreover, digital governance facilitates real-time audit trails, an essential component of modern internal control. As noted by the OECD (2020), automation reduces human discretion and, by extension, the risk of error and collusion. This transition from labor-

intensive to technology-enabled controls aligns with broader e-governance frameworks that emphasize efficiency, transparency, and citizen-centric service delivery (World Bank, 2016).

However, countries like Sri Lanka continue to struggle with implementing these reforms at scale. Administrative systems remain fragmented, with redundant verification layers and manual form-filling that echo legacy models of control. These systems often operate under the assumption that fraud prevention necessitates human intervention at every point of the process. This outdated paradigm fails to capitalize on the transformative potential of digital technologies and imposes significant opportunity costs on service users, especially academics and professionals reliant on international collaboration.

#### *Red tape and transaction costs*

Bozeman (2000) conceptualizes red tape as rules, regulations, and procedures that cause delay without serving a functional purpose. In the context of public service delivery, excessive paperwork and form-filling requirements contribute to increased transaction costs for both users and institutions (de Jong et al., 2016). The current parcel clearance process in Sri Lanka—requiring multiple forms across separate counters—is a textbook example of procedural redundancies that amplify both time and economic costs.

#### *Digital governance and service modernization*

Globally, governments are moving toward digital service platforms to enhance efficiency, transparency, and citizen satisfaction (Heeks, 2001; World Bank, 2016). The implementation of digital customs clearance systems, such as India's ICEGATE or Singapore's TradeNet, has drastically reduced parcel processing times and improved accountability (UNESCAP, 2022). These reforms align with the principles of new public management (NPM), which advocates for adopting private sector practices in public administration (Hood, 1991). However, Sri Lanka's adoption of e-governance remains sporadic and inconsistent, particularly in frontline service delivery functions like customs clearance.

#### *Impact on academic and professional productivity*

Delays in accessing academic materials such as journals and books not only impede research productivity but also contradict the government's stated goals of becoming a knowledge-based economy (Ministry of Higher Education, 2020). According to Altbach and de Wit (2015), timely access to global knowledge flows is a critical condition for academic competitiveness and innovation. Therefore, inefficient customs and postal procedures disproportionately affect scholars, especially those based outside urban centers like Colombo, further entrenching regional inequality in educational access.

#### *Governance and accountability*

Good governance frameworks emphasize responsiveness, efficiency, and accountability in public service delivery (Kaufmann et al., 2010). Yet, Sri Lanka's institutional inertia—exemplified by the reliance on in-person visits for routine administrative tasks—reflects a lack of strategic orientation toward user-centric services. The presence of idle staff, rigid

procedural requirements, and the absence of automation mechanisms represent a failure to align operational practices with policy goals.

## **Conclusion**

This study has provided a detailed and first-hand account of the inefficiencies, redundancies, and hidden costs embedded in Sri Lanka's parcel clearance procedures, particularly as experienced in the clearance of non-commercial, academic shipments. The analysis underscores how legacy bureaucratic systems — grounded in manual oversight and excessive internal checks — continue to dominate the country's public service delivery landscape, despite the global shift toward digitized, user-centric, and efficiency-oriented models.

Through the lens of a real-world case involving the receipt of an academic journal, this paper exposes the disproportionate burden placed on professionals and academics who must navigate these outdated procedures. The requirement to appear in person, endure multiple redundant form-filling stages, and interact with underutilized staff in a fragmented system highlights not just administrative inefficiency, but a deeper institutional inertia that resists modernization. These practices are not benign inconveniences; they represent a substantial drain on national productivity and innovation capacity — key pillars of a thriving knowledge economy.

Drawing from comparative international benchmarks such as Singapore's TradeNet and South Korea's uTradeHub, this paper illustrates how the integration of digital platforms and automation can streamline customs clearance processes without compromising control or accountability. These global examples demonstrate that it is possible to preserve system integrity through technology-enabled internal controls such as electronic signatures, digital audit trails, and biometric authentication, all of which reduce the need for costly, human-intensive oversight.

Sri Lanka's failure to implement similar reforms reflects a critical gap between policy intent and administrative execution. Despite commitments to digital transformation and the advancement of a knowledge-based economy, core public institutions such as the Department of Customs and the national postal service remain trapped in legacy operational frameworks. The result is a system that prioritizes bureaucratic procedure over citizen convenience, hindering professional engagement with global academic networks and undermining public confidence in government services.

To move forward, Sri Lanka must urgently re-engineer its service delivery frameworks through three key policy pathways. First, digitalization must be prioritized, not just as a strategic objective but as a non-negotiable operational standard across all government services. Second, there must be a shift from rule-based compliance to risk-based facilitation, where the nature of the item and the profile of the recipient guide the level of scrutiny required. Third, institutional performance metrics should be aligned with citizen-centric outcomes, including service time, user satisfaction, and accessibility.

Ultimately, the paper makes a compelling case that bureaucratic red tape is not merely an administrative nuisance — it is a structural barrier to national development, innovation, and global integration. The lived experience shared here is symptomatic of a much larger issue that demands immediate and coordinated reform. If Sri Lanka is to realize its vision of a digitally enabled, globally connected, and knowledge-driven society, then it must begin by transforming the very systems that interact with its most valuable human capital. Reforming the parcel clearance process is not just a logistical necessity; it is a litmus test of the state's readiness to embrace 21st-century governance.

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