

Final Draft Report

Ethiopia Second Corruption Perception Survey

Commissioned by:

**Federal Ethics & Anti-Corruption Commission (FEACC)
Federal Democratic Republic of Ethiopia**



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ACRONYMS

ACBF	African Capacity Building Foundation
AIDS	Acquired Immuno-Deficiency Syndrome
AIMDG	African Institute of Management, Development and Governance
APRM	African Peer Review Mechanism
CPI	Corruption Perception Index
CSO	Civic Society Organisation
CSRP	Civil Service Reform Programme
DHS	Demographic and Health Survey
DLDP	District-Level Decentralisation Programme
ECA	Economic Commission for Africa
EPRDF	Ethiopian People's Revolutionary Democratic Front
ERTA	Ethiopian Radio and Television Agency
FEACC	Federal Ethics and Anti-Corruption Commission
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GTP	Growth and Transformation Plan
HIV	Human Immuno-deficiency Virus
ICT	Information and Communication Technology
IER	Institute of Educational Research, Addis Ababa University
MDG	Millennium Development Goal
MoFED	Ministry of Finance and Economic Development
NAC	National Anti-Corruption Coalition
NER	Net Enrolment Rate
NGO	Non-Governmental Organisation
NHO	Confederation of Norwegian Business and Industry
OFAG	Office of the Federal Auditor-General
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PSCAP	Public Sector Capacity Building Programme
SDPRP	Sustainable Development and Poverty Reduction Programme
SNNPR	Southern Nations, Nationalities and Peoples Region
TE	Transparency Ethiopia
TGE	Transitional Government of Ethiopia
TI	Transparency International
TOR	Terms of Reference
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UN	United Nations
USAID	United States Agency for International Development
WEF	World Economic Forum

PREFACE

The second Ethiopia Corruption Perception Survey was conducted during the course of 2011 on behalf of the Federal Ethics and Anti-Corruption Commission (FEACC) by Kilimanjaro International, a development consultancy firm based in Dar es Salaam, Tanzania. The survey was led by a multi-disciplinary team of consultants from Ethiopia and Zimbabwe as follows

- Dr. Wossenu Yimam Amedie of the Institute of Educational Research, Addis Ababa University, who was the Team Leader,
- Professor Lovemore M. Zinyama from Zimbabwe, who served as quality assurance controller, and
- Dr. Fenta Mandefro Abate of the Department of Management and Public Administration, Addis Ababa University.

The fieldwork for the pilot survey was carried out in two sample regional states and Addis Ababa City Administration by a team of nine enumerators working under the supervision of three field supervisors. The main survey, which covered all nine regional states and the two city administrations, was carried out by a team of 109 enumerators who were supervised by 17 field supervisors.

Questionnaire coding and data capture into SPSS for the pilot survey was done by a team of data capture assistants under the direction of Ato Ezana Amdework from Department of Sociology, Addis Ababa University.

Questionnaire coding and data capture for the main survey was conducted by two teams of data capture assistants under the direction of

- Ato Mesfin Tadesse, a free lance consultant, and
- Ato Tamirie Andualem of the Institute of Psychology, Addis Ababa University.

Administrative support for the survey was provided by Ms Lilian Msuya and Ato Gebrehiwot Mekonnen of Kilimanjaro International, Addis Ababa office.

Overall progress of the survey was monitored by the Federal Ethics and Anti-Corruption Commission through the steering committee established for that purpose.

EXECUTIVE SUMMARY

CHAPTER 1: INTRODUCTION

1.1 Background to the Second Corruption Perception Survey

In May 2003, the Government of the Federal Democratic Republic of Ethiopia launched the third phase of its state transformation agenda in the form of the Public Sector Capacity Building Programme (PSCAP). The overall objective of PSCAP is

to improve the scale, efficiency and responsiveness of public service delivery at the federal, regional, local levels; empower citizens to participate more effectively in shaping their own development; and promote good governance and accountability (PSCAP Draft Project Implementation Plan, 2004, p.1).

This objective is to be achieved by scaling up Ethiopia's on-going capacity building and institutional transformation efforts in six priority areas or sub-programmes under PSCAP:

- (i) Civil Service Reform Programme (CSRP);
- (ii) District-Level Decentralisation Programme (DLDP);
- (iii) Urban Management Capacity Building;
- (iv) Tax Systems Reform;
- (v) Justice System Reform; and
- (vi) Information and Communication Technology.

The six sub-programmes are expected to result in several outcomes, these being the key indicators of the performance of PSCAP. Of particular interest here is the Civil Service Reform Programme. The CSRP has seven components or outcomes against which its success will be measured. One of the seven components of CSRP is the Improving Accountability and Transparency, or Ethics, sub-programme.

As part of ATP, the second national corruption perception survey was commissioned by the Federal Ethics and Anti-Corruption Commission (FEACC) of the Federal Democratic Republic of Ethiopia. The aim of the second survey was to support the ongoing anti-corruption endeavour of the federal and regional governments by identifying and analysing the changes and new incidences revealed since the first survey in 2001 and to recommend directions for the government to pursue in combating corruption. The second survey also aimed to assist in measuring the intensity and areas of corrupt practices and assist the federal and regional anti-corruption institutions in updating and improving their anti-corruption strategies.

1.2 Objectives of the Survey

The overall objective of the corruption survey was to accelerate the on-going struggle against corruption by identifying the types, level, extent, areas, and sources of corruption at national level. The specific objectives of the survey were:

- to identify the trend and status of corruption since the first survey was conducted ten years ago,
- to identify sectors and institutions most affected by corruption,
- to examine the state of transparency and accountability of public institutions and officials in carrying out their activities; and
- to assess the level of community participation in combating corruption.

The full Terms of Reference for the survey are attached in Volume 2 (Annexures) accompanying this report.

1.3 Scope of Work

The survey was undertaken in two phases, with work commencing in January 2011. The two phases comprised:

- (i) the pilot survey, during which the main task was defining and elaborating on the methodology for the survey, and
- (ii) the main survey, which was conducted using a nation-wide sample.

1.4 Limitation of the Survey

This survey is primarily about people's perceptions and, only where appropriate, actual experiences of corruption. It is obvious that people will generally not want to incriminate themselves if they had, at some point in the past, engaged in corrupt activities. However, the questions for the survey were framed in such a way that it was possible to draw on their actual experiences as far as possible. Every effort has been made to preserve the identity of the respondents.

1.5 Structure of the Report

Following this brief introduction, the remainder of the report is in six chapters. The second chapter is a review of the literature in which the contextual framework for this survey of corruption in public institutions in Ethiopia is set. The chapter examines the different definitions and types of corruption, the consequences of corruption on development and poverty eradication, the state of corruption in Africa, and strategies for combating corruption. The chapter also provides a review of past corruption trends in Ethiopia and the legal and administrative framework for combating it.

The third chapter discusses the methodology that was used for conducting this second corruption perception survey. The chapter explains the development of the data collection tools, the fieldwork and data analysis and reporting for both the pilot phase and the main survey. The fourth chapter is an analysis of the demographic and socio-economic characteristics of the 6,518 respondents that were interviewed during the course of data collection for the survey. The main attributes of each of the six sample groups are briefly discussed.

The fifth chapter examines the respondents' assessment of the major socio-economic problems faced by households in the country and the standards of service delivery in selected public institutions. The discussion is premised on the argument that poor service delivery promotes corruption. Chapter 6 examines the respondents' perceptions and experiences of corruption by officials and employees in public institutions, their assessment of the effectiveness of the government's anti-corruption strategies and issues pertaining to community participation in combating corruption. The seventh and final chapter summarises the key findings of the survey and makes key recommendations for consideration by the Federal Ethics and Anti-Corruption Commission and other relevant authorities involved with development and review of strategies for combating corruption.

CHAPTER 2: REVIEW OF THE LITERATURE

2.1 Politico-administrative Profile of Ethiopia

Ethiopia has existed, apart from brief occupation by Fascist Italy (1936-41), as an independent nation for over three thousand years, which makes it unique among African countries (Fenta, 2007; Paulos, 2007). In spite of this long history of independence, it was not able to establish modern constitutional government until 1931. Throughout, centrifugal forces nurtured by, among others, ethnicity, geography and religion posed a serious challenge to the emergence of a unified modern state. Since the adoption of the first constitution by the Imperial Government in 1931, Ethiopia has experienced three different regimes: the Imperial (1930-74), the *Derg* (or military) regime (1974-1991) and the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) (from 1991). The Imperial and the *Derg* regimes were characterized by highly centralized political and administrative systems (Transparency Ethiopia, 2011; Fenta et al. 2011). Both the original (1931) and the revised (1955) constitutions of the Imperial regime established an absolute monarchy and provided for a legal framework that virtually excluded regional nobles and local chiefs from any political position not directly derived from the throne. Sovereignty and authority were vested in the emperor. He had absolute power regarding the creation of administrative organs and structures, promulgation of administrative ordinances and regulations, the appointment and dismissal of ministers, provincial and local governors. Such systematic control and increasing economic exploitation through taxes and other dues resulted in popular resistances that ultimately led to the overthrow of the Imperial regime in 1974 (Fenta, 2007).

Although the 1974 revolution involved all sectors of the society, it was soon hijacked by the military that immediately established what it called a 'Provisional Military Administrative Committee' or '*Derg*'. The *Derg* had promised that each nationality would have regional autonomy to decide on matters concerning its internal affairs. The promise, however, never materialized, as the *Derg* opted for continued centralization in its attempt to control and eliminate all political opponents. As a result, a number of ethnic-based armed struggles commenced in several parts of the country, notably in Eritrea (then a part of Ethiopia), Tigray, Oromia, Somali, and Afar. The *Derg* reacted with military force rather than negotiating and introducing the promised regional self-administration. In September 1987, it introduced a new Constitution modelled on a Marxist-Leninist state ideology that further consolidated the centralization process (Economic Commission for Africa, 2004). The *Derg's* political power and collective leadership effectively transformed into a one-man dictatorship under Colonel Mengistu Haile Mariam. This monopoly of power and repressive measures further intensified civilian and armed resistance (mostly ethnic-based) across the country that ultimately resulted in the overthrow of the regime in May 1991 (Fenta et al. 2011; Fenta, 2007; Meheret, 1997 and 2002; Daniel, 1994).

On May 28, 1991, the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) took over power from the Mengistu regime. The EPRDF established a Transitional Government of Ethiopia (TGE) on July 22, 1991. Under Proclamation No. 7/1992, the TGE established 13 ethnically defined self-governing regions and one urban administration for Addis Ababa. The establishment of self-governing regional and local governments with the necessary government machineries, including elected

councils, a judiciary and executive committees, marked the end of the century-old and highly centralized unitary governance structure and system in Ethiopia.

A new constitution was drafted and approved in 1994 by a Constitutional Assembly (Fenta, 2007). The new constitution, which came into effect in August 1995, introduced a federal system of government consisting of the Federal Government, nine ethnic-based regional states and two¹ city administrations (Figure 1).



Figure 1: Ethiopia – political/administrative divisions

Source: African Institute of Management, Development and Governance (2008: xxxvii)

Both the federal government and the regional states have their own legislatures, judiciary and executive branches. The federal government is responsible for national policy formulation and establishing basic standards for public service delivery. It is also responsible for, and administers, federally funded institutions that provide services to two or more States². Based on the federal and regional constitutions, the regional states have established four tiers of government: the regional, zonal, *woreda*, and *kebele* levels (Fenta et al, 2011:22):

- A regional state that is fully responsible for social, economic and political developments within its jurisdiction.

¹ Addis Ababa and Dire Dawa; Addis Ababa is expressly identified by the constitution but not Dire Dawa

² Proclamation No. 1/1995: A Proclamation to Pronounce the Coming into Effect of the Constitution of the Federal Democratic Republic of Ethiopia, Article 51(9 &13).

- A zonal administration³ which is an intermediary administrative structure between the regional and *woreda* governments. It is responsible for the planning and implementation of service development and other socio-economic developments within its jurisdiction.
- A *woreda*/district administration, the lowest unit of government to which budgets are allocated and disbursed. It has an elected council that oversees the cabinet, i.e. a body responsible for executive functions. It has also a judiciary system responsible for ensuring the rule of law within its jurisdiction.
- A *kebele* administration which is a grassroots local government structure led by an elected council and an executive body/cabinet elected from among members of the *kebele* council.

Since the establishment of the TGE, Ethiopia has opened its doors to multi-party democracy, which is provided for in the FDRE constitution. A number of legally recognized political parties have been established and a series of periodic elections have also been conducted that involved different political parties⁴. In spite of the constitutional and legal framework, there remain practical bottlenecks for effective multi-party political exercise. Though much has improved, the withdrawal of opposition political parties from the electoral process in the 1990s and disputes over election results have been common due to the opposition's complaint over the ruling party's dominance have affected the pace of development of a truly democratic political landscape (Pausewang et al., 2002). Furthermore, opposition parties are characterized by, among other things, fragmentation, weak organizational capacity, and a lack of funding. Pluralist and effective political competition is one of the instruments for fighting corruption; hence, both the ruling and opposition parties are responsible for the development of a stable, moderate and socially rooted political party system that can articulate and aggregate social interests.

2.2 Socio-economic Profile

Agriculture is the predominant economic activity, employing the majority (about 80%) of the labour force. Although showing a downward trend, agriculture still contributes the second largest share to the GDP, following the service sector. In 2009/10, for example, agriculture accounted for 42% of the real GDP while the service sector accounted for 45%. The Ethiopian Government's economic development strategy and periodic plans assume a structural change in the economy in which the industrial sector will gradually take up the declining share of the agricultural sector.

In terms of the principal economic actors, the Ethiopian economy lacks a strong private sector. Private sector development is a recent phenomenon. It was the Imperial regime that for the first time recognized the role of the private sector in the economy (PSD Hub/ACCSA, 2009a). Whatever gains made were lost under the *Derg* regime whose goal was to dismantle the private sector through its nationalization policy, suppression of operating private firms and also discouraged new development through restrictive investment and other policies that denied

³ In the case of SNNPRS and three Nationality Zones of the Amhara National Regional State, each zonal administration has an elected council.

⁴ Interim elections in 1992, constituent assembly election in 1994, national and regional elections in 1995, 2000, 2005 and 2010; and local government elections in 2001, 2006 and 2008

access to credit and imported inputs (Brixiova⁵; Fenta 2011; Transparency Ethiopia, 2011; Fenta et al., 2011).

Since 1991, the government has implemented a series of economic reforms that have substantial implications for the development of the private sector. Privatisation of state-owned enterprises and liberalization of the financial services sector for domestic investors are important policy measures that have significantly improved the landscape for the development of the private sector⁶. The government's consecutive development plans (SDPRP, PASDEP and the GTP)), the Industrial Development Strategy, the Privatisation Programme, and the Micro and Small Enterprises (MSEs) Development Strategy have provided clear strategic framework for the development and engagement of the private sector.

After almost two decades of privatisation and promotion of a market-driven economy, however, the size and share of the private sector remain insignificant. Public sector dominance of the economy remains strong, with the government controlling more than 50% of the total value of production of medium and large scale enterprises and 70% of the value of modern economic activities. Studies have indicated that the size of the contestable market in Ethiopia is very small, with only 46% of the total value of production subject to meaningful competition (PSD Hub/AACCSA, 2009a; Fenta, 2011).

In terms of the overall development agenda, eradicating poverty and ensuring human development have been the primary objectives of the post-1991 Ethiopian Government⁷. Its policies and strategies are informed by and aligned with the MDGs. The government has invested in both physical and human capital formation, which has significant impacts on poverty reduction and on the growth of the overall economy. The allocation and spending of more than 60 percent of its total expenditure on poverty oriented sectors, such as agriculture, education, health, water and road development during the last seven years are clear testimony of the government's commitment to pro-poor development (Fenta, 2011, MoFED, 2010b).

The performance of the economy shows that it has shifted to a higher growth trajectory since 2003/04. In the period 2005/06-2009/10, overall GDP grew rapidly at an average of 11% per annum while agriculture, industry and services registered average annual growth rates of 8%, 10% and 14% respectively (MoFED, 2010a). Commendable achievements have been registered towards poverty reduction and human development. The 2010 UNDP Human Development Report indicated that Ethiopia ranked eleventh in progress over time in improving human development index. The country is on track to achieve universal primary education by 2015. In 2009/10 the Gross Enrolment Rate (GER) and Net Enrolment Rate (NER) for primary school (grades 1-8) reached 96% and 89% respectively. The Gender Parity Index for primary education (grades 1-8) has also improved from 0.87 in 2004/05 to

⁵ Brixiova, Z. (undated) *On the Determinants of SME start ups in Ethiopia: A theoretical Explanation*. http://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/Ethiopia_Labor_ZB_Nov15.pdf

⁶ EthiopiaInvestor (undated) 'Introducing Corporate Governance in Ethiopia' http://www.ethiopiainvestor.com/index.php?option=com_content&task=view&id=1164&Itemid=

⁷ The government formulated the Interim Poverty Reduction Strategy Paper (I-PRSP) in 2000, the Sustainable Development and Poverty Reduction Program that covered the period 2002/03-2004/05, the Plan for Accelerated and Sustained Development to End Poverty for the period 2005/06-2009/10 and the Growth and Transformation Plan for 2010/11-2014/15.

0.93 in 2009/10. Significant progress has also been achieved in reducing under-five child mortality rate. Preliminary results from the 2011 Demographic and Health Survey (DHS) showed that under-five mortality rate has decreased to 88 per 1,000 births, while infant mortality has decreased to 59 deaths per 1,000 live births (CSA, 2011). Improvements in access to and quality of health facilities and professionals have served to improve maternal health services.

Considerable progress has also been made in expanding economic infrastructure such as irrigation, marketing and financial services, which have direct impacts on poverty (African Institute of Management, Development and Governance, 2008). For example, the proportion of people living on US\$1 per day decreased from 45% in 1996 to 37% in 2006 and again to about 33% in 2007 (Bertelsmann Stiftung, 2009⁸). MoFED indicated that, at the end of the year 2009/10, the poverty head count ratio and the food poverty ratio had declined to 29% and 28% respectively. The five-year Growth and Transformation Plan (2010/11-2014/15) aims to halve poverty by 2015 (MoFED, 2010a). A more recent report by MoFED indicates per capita of \$392, a significant increase compared to UNICEF's figure of \$160 for 2007 (PSD Hub/AACCSA, 2009b).

In spite of some sustained improvements, poverty is still widespread and deep-rooted. Ethiopia remains to be one of the world's poorest countries. The 2010 UNDP Human Development Index report revealed that Ethiopia stands at 157 out of 169 countries (UNDP, 2010). A report by UNICEF in 2007 showed that income per capita in Ethiopia was one of the lowest in the world at around \$160 (PSD Hub/AACCSA, 2009a). In terms of infrastructure, a lot more remains to be done to reach a critical minimum level so as to transform the dominant rural economy. Road networks and ICT infrastructure are still at a low level (African Institute of Management, Development and Governance (2008). Generally, Ethiopia is still striving to meet the basic necessities of life for its citizens affected by widespread and deep-rooted poverty. Thus, all actors in society should exert efforts to fight corruption so that every dollar will be spent on projects that have positive impacts on the poor.

2.3 Understanding Corruption

Corruption has existed and constituted a serious problem since ancient civilizations. It is experienced by all societies, in both developed and developing countries. In the latter countries, however, it is endemic due to the absence of essential checks and balances between the different centres of power (Egbue, 2006). Corruption is hard to define in a succinct manner due to its multifaceted nature. It is a subjective concept whose meaning may not always be the same to all groups and societies at all levels. For example, one person's bribe is another person's gift; a political leader or public official who aids friends, family members, and supporters may seem praiseworthy in some societies and corrupt in others (Fitzsimon⁹; World Bank, n.d.¹⁰; NHO, n.d.¹¹).

⁸ Bertelsmann Stiftung (2009) *BTI 2010: Ethiopia Country Report*. http://www.bertelsmann-transformation-index.de/fileadmin/pdf/Gutachten_BTI2010/ESA/Ethiopia.pdf

⁹ Fitzsimon, V. (n.d.) *The institutional structure of corruption: firm competition and the choice of institutional strategy*. http://www.google.com.et/#hl=en&site=&q=The+institutional+structure+of+corruption:+firm+competition+and+the+choice+of+institutional+strategy&oq=The+institutional+structure+of+corruption:+firm+competition+and+the+choice+of+institutional+strategy&aq=f&aql=&aql=&q_s_sm=e&q_s_upl=2615126151014019111101010101200120012-11110&bav=on.2.or.r_gc.r_pw..cf.osb&fp=29b29b4a92415dfd&biw=1280&bih=885

Corruption in any given context usually has both legal and socio-cultural definitions, which are not always in agreement.

An interesting observation is that while definitions of corruption may vary, most authors focus primarily upon those ethical problems that include monopoly of power, unfettered discretion, evasion of accountability, and lying (Management Systems International & Schwenke, 2002). According to the Confederation of Norwegian Business and Industry (NHO, n.d.), despite different societies having their own notions of corruption, there are four key questions that everyone should answer. These questions serve as common denominators in determining what is right or wrong:

Transparency:	Do I mind if others know or the press reports on what I do?
Accountability:	Do I report my actions to others? Do they hold me to standards?
Reciprocity:	Would I feel hurt if others did the same thing?
Generalization:	Would it harm society if everybody did the same thing?

Corruption symbolizes a breakdown of ethical and moral values, of systems and institutions of governance and of societal traditions and personal behaviours (African Development Bank Group, 2003). USAID (2006) defined corruption as the misuse of entrusted authority for private gain. It occurs any time that public officials or employees misuse the trust placed in them as public servants for either monetary or non-monetary gain that accrues to them, their friends and relatives or for their personal or political interests. According to the Centre for Democracy and Governance (1999), corruption encompasses unilateral abuses by government officials such as embezzlement and nepotism, as well as abuses linking public and private actors such as bribery, extortion, influence peddling, and fraud. Corruption also involves the sale or use by officials (both political and bureaucratic) of government property for personal gain and particularly where they charge personally for goods that the state officially owns. Corruption, while particularly tied to bribery, also serves to cover all “misuse of authority” for the purpose of obtaining personal gains in whatever form.

According to Egbue (2006), corruption:

- consists of deliberate subordination of public interest to personal ones;
- has the tendency of secrecy of execution except where powerful individuals or their agents can be open about it;
- requires interaction in a reciprocal framework between those who require certain decisions and those who can influence such decisions;
- involves processes of covering up unlawful acts under the cloak of lawful justification;
- involves contradictory dual functions - correct official functions and incorrect corrupt ones.

2.3.1 Types, features, causes and actors/stakeholders of corruption

In any detailed discussion of corruption, it is useful to differentiate between its various types. For most people, bribery immediately comes to mind first when they

¹⁰ World Bank (n.d) *Module III Introduction to Corruption*.

http://img.modernghana.com/images/content/report_content/youthforgoodgovernance.pdf

¹¹ Confederation of Norwegian Business and Industry (NHO) (n.d.) *Stand point Corruption*.
http://www.nho.no/files/Standpoint_Corruption2_1.pdf.

hear of corruption. But it also includes other common types of unsavoury activities such as extortion, influence peddling, nepotism, fraud and embezzlement (USAID, 2006; NHO, n.d.; World Bank, n.d.). Gifts fall into a special category of corruption, which can pose problems of definition. In some countries, though the limit to what is acceptable varies, it is expected that one takes along small gifts to business associates when visiting them. In other countries, such acts constitute corruption. Thus, the dividing line between exchanges of gifts as a normal form of social interaction on the one hand, and gift-giving as graft and corruption on the other, can vary over time and between cultures. In practice, there will be a grey area calling for discussion and the exercise of good sense (NHO, n.d.). Corruption may also be broadly classified as being either of a secretive and isolated nature, or of the open and pervasive type which permeates the entire social fabric. While the first category is found almost everywhere in the world, the latter is predominant in developing countries. This second category distorts and debilitates administrative procedures. It also lowers morale and frustrates those who are not involved in corruption and who would rather perform their duties with integrity (Egbue, 2006).

A distinction is made between grand (or gross) corruption and petty (minor) corruption. Grand corruption refers to corruption that involves substantial amounts of money and usually high-level officials. Grand corruption typically includes, for example, kickbacks to win large public procurement contracts, embezzlement of large sums of public funds, irregularities in public finances and in political party and campaign financing, and political patronage and clientelism. Grand corruption can extend to the extent of state capture that occurs when economic elites develop relationships with political officials and they exert undue influence over them and over public policy for their own personal gain. Petty, or low-level administrative, corruption involves small sums and typically more junior officials. A typical example of petty corruption is handing over a small sum of money or other gift in order to get a junior public servant to actually do his/her job (USAID, 2006; Dike, 2005; World Bank, n.d.; NHO, n.d.). This petty corruption is typically characterized as an everyday low level abuse of power that citizens and businesspeople encounter – for example, requests for small bribes or gifts, “speed money” and influence peddling to turn a blind eye on circumvention of the rules and regulations or to get things done that should have been done for free or as part of expected public service delivery. It is suggested that petty bureaucratic corruption can be diminished through the increased transparency

Herrera and Rodriguez (2003¹²) made a distinction between disorganized corruption and organized networks of corruption. Disorganized corruption refers to government agents who control access to resources and services and act independently and capriciously in an effort to maximize their own bribe revenue and disregard the effects of their efforts on other officials. Organized networks of corruption refer to the chain of government officials (usually in hierarchical order from top to bottom) who act in a coordinated manner in breaking the law from which each official will get a different sum of money depending on the degree of influence he/she has in the process.

¹² BRIBERY AND THE NATURE OF CORRUPTION: Ana María Herrera
www.msu.edu/~herrera20/documents/HR_Jul03.pdf File Format: PDF/Adobe Acrobat - by AM Herrera - 2003

"Individual" versus "systemic" corruption is another, perhaps more robust, distinction provided by Caiden (1977)¹³. Individual corruption has to do with individual misconduct in public office. Systemic corruption occurs whenever the administrative system itself transposes the expected goals and mandate of the organization, forces participants to follow what otherwise would be termed unacceptable behaviour, and actually punishes (either covertly or overtly) those who resist. Deviant conduct is so institutionalised that no individual can be personally faulted organizationally (not morally) for participating, and dysfunction is actually protected.¹⁴ Systemic corruption is not confined to poor, developing, or modernizing countries, but can be found in all organizational societies.

The point to be stressed in systemic corruption is that few corrupt practices can be conducted without collusion. Systemic corruption is both complex and dangerous, both for organizations and for society at large. Hence, contemporary public administration is very much concerned with systemic corruption than with individual corruption since the latter is not as serious as the institutionalised subversion of the public interest. In systemic corruption, there is no guarantee that corruption will desist if the most serious offenders are dismissed or if everyone who is guilty is replaced. This is due to the fact that the old patterns of behaviour will continue with new players. Moreover, in the wider society, systemic corruption impedes rather than aids change¹⁵.

Corruption is not only of different types, but also has different features. On the basis of international research and practice, the USAID (2006) identified major features of corruption, which include the following:

- i. **Corruption is multi-sectoral:** This refers to that fact that corruption is both a governance and economic problem, and it is manifested in all development and service delivery sectors. Its onset is facilitated by the absence or limitation of governance and economic controls and its consequences are often manifested in poor governance, economic distortions and stagnation.
- ii. **Corruption is multi-level:** Corruption can be found at all levels of government – from the central to the regional to the local levels and from the most senior to the most junior officials. Preventive and control programmes at the central level may have only limited reach and effectiveness down to the lower levels of government. Hence, programmes are needed at local levels as well to deal with their particular types of corruption. Thus, initiatives are typically required from the top-down and from the bottom-up simultaneously.
- iii. **Corruption is manifested in many ways:** The different types of corruption discussed earlier such as grand versus petty corruption, organized versus disorganized corruption, and systemic versus individual corruption are clear evidence that corruption manifests itself in many ways.

The causes and actors of corruption are as diverse and complex as its types and features are. Economic causes, which include closely linked factors such as increase in wants, constrained supply of public goods and essential services, and inflation

¹³ <http://www.iowatch.org/archive/recentdevelopments/wRcDEV%204.8%20Corrptn%20Chractrtics.pdf>

¹⁴ <http://www.iowatch.org/archive/recentdevelopments/wRcDEV%204.8%20Corrptn%20Chractrtics.pdf>

¹⁵ <http://www.iowatch.org/archive/recentdevelopments/wRcDEV%204.8%20Corrptn%20Chractrtics.pdf>

impairing the quest for maintaining a given standard of living, are most frequently cited causes of corruption. Civil servants and public officials, challenged by these economic problems, usually resort to corruption. Of course, there are officials who engage in grand corruption without any economic pressure. There are some officials who are motivated to participate in corrupt behaviour because of the inherently selfish desire to have an unfair advantage over their peers.

Monopoly of power, lack of transparency and accountability mechanisms, lack of punitive measures, and poor incentive structures are other major causes of corruption. In circumstances where political power is monopolized by a few persons or groups, decisions will always be made that give advantage to those groups or persons who dominate and control the political process. As a result, ordinary citizen rights are lost and public resources are often plundered for the personal gain of the few public officials. A justice system that fails to impose sanctions or take punitive measures to assure transparency, monitoring and accountability motivates people to participate in corrupt behaviour simply because they know that they can get away with it. Bad incentives also motivate corrupt behaviour as people seek to augment their official remuneration through taking bribes. A lack of incentive results not only when people are not paid well for their duties, but also when positions of power are filled through favouritism and nepotism, which induces self-serving rather than public-serving behaviour.

Societal attitudes fostering corruption are also diverse. In many cultures, particularly in the context of poverty or conflict, allegiance to personal loyalties such as one's family or ethnic, religious, or socio-economic identity outweighs allegiance to objective rules. Securing advantage through personal (patronage) systems rather than through formalized channels is quite common. Similarly, low legitimacy of government, dominance of a political party or ruling elite over political and economic processes, or exclusion of marginalized or poorly organized groups from the same, creates incentives for those disadvantaged by the system to operate outside it (Center for Democracy and Governance, 1999).

In terms of the actors and stakeholders of corruption, using game theory, corruption is a three-player game involving a briber (the principal), a bribee (the agent, typically assumed to be some public official), and a third party (possibly society) that is damaged or disadvantaged by the bribe. Stripped to its essence, corruption is a principal-agent game with an important twist: the externality or welfare reduction imposed on the third party (Dusek *et al.*, 2004). Those who have power to exercise and who enjoy minimal accountability – such as senior public officials, judges, police, political party bosses, trade union leaders – are the commonly cited perpetrators of corruption, preying upon those in need who generally are powerless to resist such approaches. In extreme cases of deeply embedded corruption, entire institutions become the perpetrator – such as corrupt central government ministries, or government controlled marketing boards and parastatal organizations. On the supply side, private sector actors – both domestic and international – can corrupt public officials. For example, international consumers of natural resources may provide a strong stimulus to corruption by choosing to accept local corruption as a cost of doing business. In this respect, some firms may go to the extent of state capture

rather than simple bribing of administrative or judicial officials (Management Systems International & Schwenke, 2002; Fitzsimons, n.d.¹⁶).

Generally, consumers are often willing to pay bribes for the sake of “convenience” (avoiding burdensome and lengthy bureaucratic steps, for instance) – a willingness that stimulates a supply-side pressure to perpetuate associated forms of corruption. In some cases, both parties to the corrupt act appear to gain, at the expense of the general public (and specifically the poor). In other cases, there is a vulnerable victim and someone who exploits that victim – a loser and a winner. The multiple permutations of corruption reflect the complexity of human and institutional interactions, making the analysis of distinct stakeholders and role-players a challenging undertaking. In some cases the stakeholder group may not even yet exist – for example, in the environment and energy sectors future generations cannot argue their claims for the judicious current use of non-renewable resources (Management Systems International & Schwenke, 2002).

On top of the above actors/stakeholders, there are two groups of role-players in the problem of – and solution to – corruption that many studies have largely overlooked, namely civil society and the donor community. Civil society has played a positive role in limiting corruption by its activities in education, oversight and facilitating access to public services, yet not all NGOs perform satisfactorily in this regard. Some NGOs are motivated more “by the money than in development”. Hence, they join the perpetrators’ “club”. Donors and development agencies have often chosen to ignore corruption when formulating and implementing their programmes and projects. They tend to stress their strategic self-interest and ignore corruption problems. This form of selective vision warrants re-evaluation, as it provides a potent example of an intentional and strategic tolerance for corruption that almost certainly has significant negative impacts in the longer term (Management Systems International & Schwenke, 2002).

2.3.2 Corruption vulnerable countries and sectors

Corruption is an important concern in virtually all countries, regardless of economic development, political system, religion or ethnicity. This does not, however, mean that the vulnerability and magnitude of corruption is equal in every society; some countries are more prone to corruption than others. Countries manifest differing corruption tendencies and vulnerabilities due to different patterns and levels of economic development, political systems and structures. There is evidence that low economic development and a short history of experience with democracy all favour corruption (Dusek et al., 2004; USAID, 2006).

Corruption in the public sector finds root and can easily become embedded in less developed and transitional economies where political leaders fail to display concern for the public interest or fail to set examples of integrity; where social and political institutions are relatively weak; where civil servants – often underpaid and held in low public esteem – have personal incentives to engage in corrupt alternatives to formal

¹⁶ Fitzsimon, V. (n.d) *The institutional structure of corruption: firm competition and the choice of institutional strategy*.
http://www.google.com.et/#hl=en&site=&q=The+institutional+structure+of+corruption:+firm+competition+and+the+choice+of+institutional+strategy&aq=The+institutional+structure+of+corruption:+firm+competition+and+the+choice+of+institutional+strategy&q=f&aql=&aql=&gs_sm=e&gs_upl=26151261510140191110101010120012-11110&bav=on.2.or.r qc.r pw..cf.osb&fp=29b29b4a92415dfd&biw=1280&bih=885

rules and procedures. Adherence to the formal rules of society's institutions may lack motivational weight if those entrusted with authority perceive these rules to be weak, unfair, inappropriate, or where the distinction between public and private good is blurred (Management Systems International & Schwenke, 2002).

Broadly speaking, countries that are characterized by weak democratic and governance systems, low political stability, low freedom of the press, and low infrastructure development are more prone to corruption. Overly complex procedures for obtaining public services; lack of internal systems to assure relative transparency, monitoring and accountability in the design and execution of public policies; lack of social control mechanisms aimed at preventing grand corruption schemes; lack of employee participation in and knowledge of the public institutions' decision making criteria; absence of results based management in public service delivery; and an ineffective judicial sector (police, prosecutors, judges) are common features of such countries (Clarke and Xu, 2002).

Evidence also shows that there is more corruption in countries where there is less competition in service delivery. In many developing countries where utilities are under public monopoly, corruption tends to be higher. The experience has been that when utilities are under state monopoly, employees have discretion over who gets connected or has broken down connections repaired, and they are able to demand side payments in return for reduced waiting periods. On the other hand, private owners of utility companies have a greater incentive than public managers to impose stiff penalties upon employees taking bribes. Inflation is another factor that aggravates the vulnerability of countries to corruption. In countries where inflation or pay freezes have eroded salaries in the civil service and public utilities, threats to fire corrupt employees will be less effective (Clarke and Xu, 2002).

According to Myint (2000:39-40), countries that allow the following conditions to prevail are more prone to the emergence of a corrupt system:

- (i) There is a large number of laws, rules, regulations and administrative orders to restrict business and economic activities and thereby creates opportunities for generating economic rent, and especially if these restrictive measures are complex and opaque and applied in a selective, secretive, inconsistent and non-transparent way;
- (ii) Administrators have wide discretionary powers with respect to interpreting and applying the rules, to whom and in what manner the rules are to be applied, are vested with powers to amend, alter, and rescind the rules, and even to supplement the rules by invoking new restrictive administrative measures and procedures; and
- (iii) There are no effective mechanisms and institutional arrangements to hold administrators accountable for their actions.

The presence and character of public sector corruption varies significantly from sector to sector. There are many differences between sectors in terms of how corruption is manifested, points of vulnerability, enabling environments, and the actors/stakeholders involved. Some sectors have traditionally been more exposed to corruption than others, among them being the defence industry, infrastructure development and public procurement. This is not entirely surprising. Typical high-risk

situations readily arise where only a few persons are authorized to make decisions and the contracts involve large sums of money.

In developing and transitional economies, the education, health and justice sectors are prone to petty corruption. It is common to find school teachers, health care providers and the police charging extras for services, seeking small favours, or using public facilities and materials for their own marginal personal gains. Such activities are often tolerated by the public as a needed corrective to systems that fail to provide a living wage. The impact may be less benign, however, as these activities set examples that make it difficult to draw clear boundaries between right and wrong. There is also a sharp contrast between corruption in these sectors and others. Corruption in the energy and environment sectors, in the private sector, and in some situations in the judiciary and within political parties is often large in scale, hidden from view, and controlled by the few most powerful. Corruption in these sectors can cause enormous distortions in the economy to the benefit of the few, and at the cost of many. The corruption is often based on major infrastructure projects seeking special market advantage, or to secure access to powerful positions. Major infrastructure projects are common within the energy and transport sectors. Significant public infrastructure investments also occur in health, education and agriculture and in the private sector, all of which are highly susceptible to corruption. The public finance sector is vulnerable in a similar manner, in that this sector provides the institutional mechanisms for monetary transactions associated with public infrastructure (Management Systems International & Schwenke, 2002; NHO, n.d¹⁷).

2.3.3 Corruption, poverty and economic development

Corruption is a problem that impacts on both economic development as well as political institutions. In the political realm, corruption subverts formal processes. Subverting formal processes erodes democratic values and the institutional capacity of government as procedures are disregarded, resources are siphoned off, and officials are hired or promoted without regard to performance. This ultimately undermines the legitimacy of government, which in turn poses a serious challenge for the development of democracy and good governance.

Corruption also has a detrimental effect on economic development as it generates considerable distortions and inefficiencies (Center for Democracy and Governance, 1999; Uneke, 2010). It impedes the growth and effective utilization of a country's economic potential. It might direct talent to occupations with large opportunities for rent seeking behaviour and might bias bureaucrats towards purchases on which it is easier to collect bribes. It may motivate bureaucrats to intentionally distort public policies in a bid to create opportunities for graft. Public servants adopt a devil-may-care attitude to their work to extract extra-legal income. They do as little work as possible but try to maximize their incomes through corruption, thereby undermining economic development and service delivery. Empirical studies have revealed that corruption hampers growth and reduces investment and incomes, increases inequality, increases the size of the unofficial economy, and is associated with lower levels of human capital formation, urbanization, financial depth and foreign trade. It increases the cost of business through the price of illicit payments themselves, the

¹⁷ Confederation of Norwegian Business and Industry (NHO) (n.d) *Stand point Corruption*.
http://www.nho.no/files/Standpoint_Corruption2_1.pdf

management cost of negotiating with officials, and the risk of breached agreements or detection. In addition to the challenges facing each individual company, corruption is a threat to business and the manner in which the market functions as a whole. It hampers the market's ability to promote fair competition and technological progress using best practices. Establishments and company development do not take place on the basis of competitiveness and quality, but on the ability to pay. A company which succeeds because of corruption has no incentive to strive for improved quality, since neither quality nor price is decisive. Another consequence of corruption on business is that the threshold for managing a company in a legal manner becomes so high that it hinders the establishment of new sound business. Corruption acts as an effective barrier to foreign investments, thus, countries with a culture of corruption stand far back in the queue of those wishing to attract investment (Clarke, and Xu, 2002; Uneke, 2010; Center for Democracy and Governance, 1999; Dusek et al., 2004; World Bank, n.d.).

Corruption not only impedes economic development, but also social development in which the primary victims are often the poorest in society. It deepens poverty and makes it difficult for ordinary citizens to get ahead as the result of their own efforts. There is increasing evidence that the social and economic cost of corruption disproportionately affects the poor, who not only suffer from the lack of services and efficient government, but who are also powerless to resist the demands of corrupt officials. It depletes income and quality of public services. Corruption undermines the expansion and improvement of public services and distorts the way the government uses its money since some individuals and groups enrich themselves by mismanaging public funds. Corrupt public officials approve the purchase of unnecessarily expensive equipment since that is the way to direct most of the money into their private accounts, while other and cheaper machinery would have suited the purpose just as well. Corruption also reduces the amount of money the government has to pay good workers and purchase supplies, such as books and medicines. The result is that schools, health facilities, roads, water and sewer systems, the police, and many other services that governments provide are worse than they would be otherwise. Because of this, infant mortality rates are also about three times higher and literacy rates are about 25% lower in high corruption countries than in countries with low to medium levels of corruption (Clarke, and Xu, 2002; World Bank, n.d.; Management Systems International & Schwenke, 2002; Lawal, 2007).

Management Systems International and Schwenke (2002) concluded that the greatest manifestations of corruption are underdevelopment and the reluctance of states to embrace transparency in their operations. Economies do not flourish, nor does democracy grow strong, in situations where corruption is embedded and pervasive. In such conditions, government legitimacy remains weak, quality of life erodes, opportunities for formal sector employment decline, and underdevelopment becomes persistent.

2.3.4 Corruption and the state in Africa

Africa is particularly vulnerable to corruption. It has a major governance challenge that has seriously impeded the continent's development. The annual cost of corruption on Africa's economies was estimated to be in excess of US\$148 billion in 2002, which represented approximately 25% of the continent's annual GDP and had the effect of increasing the cost of goods by as much as 20% (African Institute of

Management, Development and Governance 2008). Corruption on the continent is a systemic problem promoted by poor and undemocratic governance, few and ineffectual checks and balances with all branches of government (legislative, judiciary, executive) competing against each other in maximising their personal gains from corrupt practices, centralisation and personalisation of political power in an executive that is accountable to no-one.

In response to the endemic nature of corruption in Africa, some governments have taken steps to tackle the problem, sometimes after considerable pressure and lobbying from civil society organisations and international development agencies. Anti-corruption laws have been enacted and anti-corruption bodies established to investigate and prosecute those suspected of corruption. Examples of countries with specific anti-corruption legislation include Nigeria, Ghana, Sierra Leone. Anti-corruption commissions have been established in countries such as Sierra Leone, Zimbabwe, Malawi, Swaziland as well as Ethiopia. Some countries have also enacted specific legislation that requires public officials to declare their income, assets and liabilities when they assume office and when they leave office. Examples include Ghana, Tanzania, and Uganda. But in spite of these measures, corruption continues to flourish since there are still some fundamental problems. Studies reveal that the existence or enactment of legislation *per se* does not reduce the level of corruption.

Embezzlement, fraud, forgery, and money laundering are common among top political executives and senior bureaucrats in many African countries. For example, former presidents of Nigeria, Zambia and Malawi and elsewhere have been accused of grand corruption during the two past decades. Corruption in the executive is not limited to top elected political leaders or public office holders. Other executive organs, including the police services, customs and revenue services and immigration, are routinely corrupted.

Many African parliaments have been rendered ineffective and are rarely able to properly scrutinize the behaviour of ministers and senior civil servants. African parliaments not only lack power and the capacity to effectively carry out oversight functions, but some parliamentarians themselves are just as deeply involved in corruption since many of them come into office through vote-buying, rigging, bribery and violence.

A weak judiciary system to investigate and prosecute corruption is another problem in Africa. Like the legislature, the judiciary in most African countries does not exercise real independence, and hence, its ability to fight corruption is weak. The executive and ruling parties often ensure that key and sensitive judicial positions are held by sympathizers or their political allies. In addition to lack of independence, the courts in Africa are generally poorly equipped, and trials take a long time, making it possible for the executive branch and the police to manipulate the process and to subvert the course of justice in corruption cases. Consequently, most cases of grand corruption usually end up without convictions. Corrupt practices are widely prevalent within the judiciary itself, which further aggravates the problem. Recent surveys have shown that the judiciary is perceived to be very corrupt in most African countries (ECA, 2009; ACBF, 2007).

The civil service in many African countries is widely dominated by the political hierarchy in which political patronage and other factors prevail over merit to ensure tenure in the public sector. As a result, corruption not only demoralizes but also incapacitates the public service and, in the process, the society is worse for it. Furthermore, in many countries, the civil service is characterized by a mafia-like banding together of corrupt officials in symbiotic relationships, thus perpetuating corruption within the system. Corrupt public officials usually carry out their activities under the protection of the political hierarchy whose interests corruption often serves. Although many countries have introduced public sector reforms during the past two decades, service delivery remains poor. Among other components of the reforms, the governments (e.g. in Benin, Burkina Faso, Rwanda, Senegal, Cameroon, Nigeria, Sierra Leone, South Africa, Tanzania, Uganda and Zambia) have established mechanisms for monitoring the performance of civil service agencies, but this has not curbed corrupt practices. Poor reward system is another important factor that aggravates corruption in the civil service. In many African countries, economic conditions and living standards of public servants have seriously deteriorated and thus, corruption has been taken as a viable means for augmenting one's income. Furthermore, several other aspects of African culture such as the obligation to support one's extended family and a high level of community spirit tend to encourage and support corruption (Uneke, 2010; Dike, 2005; ECA, 2009; ACBF, 2007).

Recent studies by Transparency International provide useful indicators of public institutions most vulnerable to corruption in Africa as well as some of the reasons for petty administrative corruption. TI's 2010 East African Bribery Index reported as follows:

- Burundi's Revenue Authority was named the most corrupt institution in East Africa,
- The police in Burundi, Kenya and Tanzania, Kenya's Ministry of Defence, Nairobi City Council, and the judiciary in Kenya and Tanzania were among the top ten most corrupt public and private institutions in the region.

A 2010/2011 survey of six Southern African countries (DRC, Malawi, Mozambique, South Africa, Zambia and Zimbabwe) by TI found the following:

- The survey covered nine key public services (police, judiciary, customs, registry and permit services, land services, medical services, tax revenues, utilities and education) and, in all six countries, the police came out as the most corrupt, with bribery scores ranging between 38% in Zambia and 64% in DRC,
- Other service providers that came out with high bribery scores were registry and permit services in Malawi, South Africa and Zimbabwe, customs in Zambia, education services in Mozambique, and the judiciary in DRC,
- 62% of the 6,000 people surveyed in the six countries believed that corruption had become worse in the previous three years,
- In four out of the six countries, people reported paying bribes to speed up services but in South Africa and the DRC more bribes were paid to avoid problems with the authorities.
- Of the 1,000 Zimbabweans surveyed, 42% said they had paid bribes "to speed things up", 30% had paid "to avoid a problem with the authorities" and 28% "to receive a service they were entitled to" (TI, 2011a).

2.4 Combating Corruption

There are strong economic, legal, moral and political reasons for actively combating corruption. Effective anti-corruption endeavours in a country require an understanding of its fundamental causes. The discussion in previous sections has revealed that corruption mainly arises from institutional attributes of the state and socio-cultural/societal attitudes toward formal political processes. This suggests that responses to corruption often call for and include institutional reforms, the most important of which include limiting state authority, strengthening transparency, oversight and sanctions (to improve accountability) and redesigning the terms of employment in the public service (realigning and improving incentives) (Center for Democracy and Governance, 1999).

2.4.1 Limiting state authority

States of many developing countries tend to have unlimited authority over the social, economic and political arenas, thereby creating fertile ground for officials to corrupt. To best serve the public interest, power must be balanced by consistently and rigorously enforced checks and controls (Management Systems International & Schwenke, 2002) and discretionary powers of state officials limited. Economic liberalization, competitive procurement and competition in public service delivery are important means to limit state authority and that of its officials. Liberalization serves to eliminate bottlenecks and fosters market competition. Competitive procurement limits the authority of government officials thereby guarding against corruption. It removes personal discretion from the selection of government suppliers and contractors by prescribing an open bidding process and laying out clear procedures and criteria for selection. Competition in service delivery reduces opportunities for corruption by removing the monopoly power of any one government office. In so doing, it discourages extortion since customers can take their business to a competing office when confronted with irregular demands or poor service (Center for Democracy and Governance, 1999).

2.4.2 Strengthening transparency, oversight and sanctions to improve accountability

Successful action against corruption depends upon transparency and the creation of a culture of openness, improving accountability, as well as better detection and sanctioning of corrupt acts (Center for Democracy and Governance, 1999: NHO, n.d.). Transparency refers to improved access by citizens to public information. In an environment open to public scrutiny, and in which the law and administrative procedures clearly define the obligations of public officials to be accountable for their stewardship of public resources, corruption has little or no opportunity to flourish. When there are not public sector mechanisms that channel social preferences and specific complaints of the population to the agencies involved in those complaints, people of power will not serve their purpose of representing the populace, but have free reign to do as they wish¹⁸ (Management Systems International & Schwenke, 2002; Fitzsimons, n.d.). Public officials and their organizations should be legally responsible for their conduct and such accountability is considered effective only to the extent that they are legally required to answer for their actions.¹⁹ Thus,

¹⁸ <http://www.parliamentarystrengthening.org/corruptionmodule/pdf/corruptionunit2.pdf>

¹⁹ <http://www.iowatch.org/archive/recentdevelopments/wRcDEV%204.8%20Corrptn%20Chractrtics.pdf>

introducing policies that allow for greater transparency and oversight mechanisms with appropriate sanctions is an important step to fight corruption.

Legislation on freedom of information, financial/asset disclosure, an open and consultative budget preparation process, public access to information on decision-making and public participation in these processes and an active, free and professional media are important means of strengthening transparency to ensure effective accountability. Freedom of information, for example, improves accountability by enhancing the transparency of government operations. It counteracts Official Secrets Acts and claims of national security that impede public enquiries into corruption. It also informs citizens of the procedures for government service, thereby thwarting attempts by officials to subvert the system or to demand gratuities for information that legally should be public. Financial/asset disclosure laws on the other hand improve accountability by enhancing the transparency of officials' finances. Such laws require public officials and senior civil servants to declare their assets and income sources and so act as a deterrent to profiting through corruption (Management Systems International & Schwenke, 2002; Center for Democracy and Governance, 1999).

The legislature, audit institutions, ombudspersons and anti-corruption agencies are institutions entrusted with oversight authority. When they are effectively performing their duties, these institutions improve accountability by overseeing government operations, especially where a dominant executive branch might otherwise operate with impunity. Effective legislative oversight however, requires technically competent staff, strong committees, budgetary independence, significant bureaucratic oversight powers, and a constitutional role in approving political appointments. Anti-corruption agencies fight corruption by investigating allegations of mismanagement and reviewing administrative systems to ensure they adhere to anti-corruption procedures. Such agencies should understand that corruption changes its nature and scope and hence, old laws and regulations need to be reviewed and revised periodically (Center for Democracy and Governance, 1999; Management Systems International & Schwenke, 2002; Dusek et al., 2004).

Hot-lines and whistleblower protection are other important means of improving accountability. Hot-lines improve accountability by enlisting co-workers, businesses, and citizens to report corrupt acts promptly. However, in many countries, it is not easy for citizens to serve as whistleblowers since they may risk being fired or punished, subjected to administrative harassment, or even exposed to physical or psychological violence. Thus, anti-corruption efforts need legislation to protect whistleblowers from official sanctions or even offer sufficiently attractive rewards (Center for Democracy and Governance, 1999).

Applying sanctions to corrupt acts is an important step toward establishing accountability. However, effective accountability requires not just establishing sanctions, but enforcing them in an impartial manner. Without enforcement, tough laws have no impact on reducing corruption, and may foster cynicism amongst citizens. The judiciary needs independence from the executive branch as well as institutional capacity to effectively hold public officials accountable for their actions. Strengthening judicial independence involves broad judicial reforms which, among others, include revising procedures for appointing, assigning, remunerating, and

removing judges and prosecutors to insulate them from political assertiveness. In some cases, judicial reforms may involve establishing an independent prosecutor for specific cases, in addition to the public prosecutor (Center for Democracy and Governance, 1999; Fitzsimon, n.d.).

2.4.3 Redesigning terms of employment in public institutions

Incentives to promote ethical behaviour in the public service constitute an important element of institutional reforms to fight corruption. Such incentives entail active human resources management to develop a professional and committed work force. Eliminating unnecessary positions and reducing the number of employees as well as removal of ghost workers from the payroll are important first steps in an anti-corruption reform in this regard. Defining job requirements, establishing and enforcing regulations against nepotism, developing codes of ethics, and training will further enhance the personnel management system. In such a system, compensation must not only provide a living wage, but also ensure sufficient remuneration to attract and retain qualified personnel. Performance-based incentives can bolster morale, professionalism, and productivity. Such regular performance assessments become necessary components of an incentive system (Center for Democracy and Governance, 1999).

The preceding discussion shows the various dimensions of institutional reforms to combat corruption. There will, however, be little hope for meaningful and sustainable change if critical stakeholders are not involved and committed to the reforms. Many have noted that only sincere and committed political leadership can put effective institutional mechanisms in place and create an enabling environment for ending corruption. Political leaders can also set and demonstrate model integrity for other public officials to follow. Civil society, the media and the private sector are also important actors, advocating for reforms and exerting pressure on government. The international community, donors and international financial institutions also bear a special responsibility for moral leadership by example (Myint, 2000; IER, 2001; USAID, 2006).

Addressing societal attitudes includes efforts to raise awareness about the causes, costs and characteristics of corruption. This means convincing the public that corruption is damaging on the country's economic development and for society, and that the collective damage over time outweighs any possible short-term personal benefits. Along with raising awareness, these efforts need to stimulate demand for reform, helping mobilize both citizens and elites to push anti-corruption onto the political agenda. To the extent possible, anti-corruption efforts should also address the underlying structures that create anti-system attitudes, for example, by improving the access of marginalized groups to the political arena. Corruption perception surveys, investigative journalism, civic advocacy and lobbying are important means to raise awareness and foster societal reforms against corruption (Management Systems International & Schwenke, 2002; Center for Democracy and Governance, 1999).

2.5 Corruption in Ethiopia – Past Trends and Counter-Measures

Corruption, mostly of the petty variety, is an age-old practice in Ethiopian society. Giving gifts to public officials in order to win favours and to influence their decision-

making has long been a traditional practice. In the past, bribe and nepotism did not constitute serious corruption offences as the former was considered to be a motivational factor in the giver's favour while the latter was mostly regarded as a positive approach to "help friends and relatives" (FEACC, 2008:5). These traditional "gift-giving" practices had existed from far back, but they gradually changed into an open and glaring exercise during the Imperial times. With the passage of time, it became difficult to carry out even routine business without involving some form of corruption (Shimelis, 2005). Corruption in the form of embezzlement of public funds, misuse of power and failure of duty for personal gain grew more prevalent during the *Derg* regime and has continued in post-*Derg* era, giving rise to the attitude among public officials and civil servants where corruption is viewed as a "normal", albeit, unofficial source of income (Atkilt, 2005). In general, corruption in Ethiopia is rooted in the country's social, cultural, political, and bureaucratic traditions (Shimelis, 2005).

2.5.1 Scale and trends of corruption in Ethiopia

There are two opposing views regarding the scale and incidence of corruption in Ethiopia today. One view is that corruption has become endemic and systemic while a contrasting view holds that, despite the growing trend, corruption has not yet become deep rooted and systemic (AIMDG, 2008). The differences are observed even within different government reports. Differences regarding the extent and incidence of corruption may lie in, first, the interpretation of what constitutes an act of "corruption", and second, a deliberate amplification or underestimation of the magnitude of the problem. The following paragraphs briefly discuss the two contrasting views regarding the scale and trend in corruption in the country.

Some government institutions, regional and international organizations, as well as individual experts have reported that the state of corruption in Ethiopia is still at a lower level or even declining. The Ethiopian Investment Agency (2007), for example, states that Ethiopia is free from the type of corruption that afflicts many other developing nations. The view of minimal corruption in Ethiopia was reinforced by a 2008 World Bank study which, though limited to the construction sector, suggested that corruption in this sector was not high due to relatively strong controls in place. The report further asserted that outright corruption appears to be less prevalent in Ethiopia than in most developing countries; nor are corrupt practices endemic (AIMDG, 2008). Similarly, a Country Profile report by the UN (2004:12) on Ethiopia found "... no evidence of a systemic and widespread corruption in the Government sectors". It went on to say, "... a number of studies have alluded to the disciplined culture of the Ethiopian society, which does not encourage corruption". Some local analysts also support this view. According to Kibur (2007), although the corruption is becoming increasingly widespread, it has not yet become systemic.

Contrary to the above, other studies by international and regional organizations, research institutions, government organizations such as OFAG and FEACC, the media (both private and government), as well as individual researchers, suggest that corruption has become a serious problem in Ethiopia. The first comprehensive corruption survey carried out in 2001 by the Institute of Educational Research (IER) of Addis Ababa University on behalf of the FEACC, revealed that corruption was not only prevalent, but had also become a severe socio-economic problem that was hampering the development of the country. According to the survey report, staff in a number of the government agencies were engaged in corrupt activities and the list of

culprits and suspects included bureau heads, general managers, treasurers, tax collectors, employees and officials of public enterprises and other top decision makers. Shimelis (2005) stated that in spite of the ever tightening legal and institutional mechanisms put in place, corruption was present in all sectors of government to varying degrees. Pathak *et al.* (2008) noted that the incidence of corruption in the public service was pervasive and was showing an increasing trend. Kibur (2007) described the situation as follows: "...going through without paying any bribe in Ethiopia is seen as an achievement by peers; corruption has, therefore, acquired a certain 'performance feature' with its own reward or penalty (financial and/or otherwise)". He went on to say that corruption had become an accepted and necessary cost of doing business in the private sector. A diagnostic baseline survey conducted by Transparency Ethiopia (2008:15) showed that corruption was the third most serious problem in Ethiopia.

A number of corruption perception assessments have also been carried out by regional and international organizations and their results corroborate the view that corruption is widespread and is growing rapidly in Ethiopia. Opinion surveys of experts and other stakeholders conducted by the Economic Commission for Africa (1996) and AIMDG (2008) reported that corruption was perceived by the respondents as a growing and gnawing problem within the Ethiopian public service and that it was growing at an alarming rate. The Global Integrity report considered corruption a 'fact of the Ethiopian social fabric'.

According to Transparency International (TI), corruption in Ethiopia has become a serious problem over the past few years. For example, in the period 2004-2008, based on its annual Corruption Perception Index, TI placed Ethiopia at the higher end of the scale in terms of the incidence and magnitude of corruption. The World Bank's 2005 survey showed that 40% of the businesses surveyed cited corruption as one of the three major challenges to running a business in the small and micro-enterprises sub-sector. In its 2007-2008 annual report, the World Economic Forum's (WEF) Global Competitiveness Report also identified corruption as the fourth most problematic factor when doing business in Ethiopia. In its 2008-2009 report, the WEF again identified corruption as the number one most problematic factor among the 15 indices used to assess the climate for doing business in that year. The state of corruption was also said to have worsened when compared to the previous year (AIMDG, 2008:139-40). According to the UN's Corruption Perception Index (CPI), which measures the respondents' perceptions of the scale of corruption, in 2003, Ethiopia had a CPI of 2.5 on a scale ranging from 10 (= highly clean) to 0 (= highly corrupt) (UN, 2004: 14-15). Similarly, the 2010 Corruption Perception Index (CPI) Report by TI showed that Ethiopia's score was 2.7. Ethiopia was ranked 116 in terms of the degree of cleanness from corruption out of a total of 178 countries covered in the report (TI, 2011b:80).

2.5.2 Types/forms of corruption

According to the 2001 IER corruption survey, fraud, trickery, embezzlement, extortion, nepotism and theft were the principal features by which corruption manifested itself in Ethiopia. The report indicated that both petty and grand corruption were on the increase (IER, 2001). Another survey by AIMDG in 2008 produced similar results to the 2001 survey, notably that both petty and grand corruption were taking place in the country. The more common type, however, was

petty corruption whereby a junior public servant, (e.g., a customs officer, a police officer, a judge or prosecutor, or a municipal clerk) attempts to derive illegitimate benefits by subverting the law or established procedure (AIMDG, 2008).

Although such cases are still small, Shimelis (2005) and AIMDG (2008) provide information about the existence of grand corruption in Ethiopia, usually in the form of abuse of political power for private gain (AIMDG, 2008:257-58). Cyber theft, i.e. theft that is conducted by hacking into the computer systems of banks, was also said to be a growing concern in the country. There were fears that the problem could increase in magnitude and sophistication as the banking industry expands.

2.5.3 Corruption-prone sectors and agencies

Various sources, including the FEACC, have identified different sectors and agencies that are vulnerable to corruption. government agencies, particularly those providing essential services, are most at risk of corruption (Shimelis, 2005). Citing the corruption survey of 2001, the FEACC (2008:6) identified sectors it believed corruption was rampant as those where high financial resources are transferred from the private to the public sector and vice-versa. It further indicated that corruption was believed to be widespread in sectors and agencies which were engaged in the allocation of land and government housing, the provision of telephone services and electricity, granting of loans, licensing and issuance of permits, collection of taxes and procurement of consumable and fixed assets. Customs and excise offices were also believed to be highly affected by corrupt practices. Other sectors in which corruption was suspected to be widespread were the judiciary, the police, banks, as well as the *woreda* and *kebele* administrations (IER, 2001).

Other studies have shown similar results regarding sectors most prone to corruption. For example, the results of a survey conducted by AIMDG in 2008 for the African Peer Review Mechanism (APRM) revealed that household respondents identified municipalities (95%), tax collection agencies (89%), the courts (81%), and *kebele* administrations (80%) as the most vulnerable to corruption. Next were the police (79%) and *woreda* administrations (76%). Educational institutions (29%) and parliament (22%) were found to be the least corrupt.

Petty corruption was said to be rampant in areas such as traffic police, utilities, *kebele* administration, and among file clerks in government registries. Sectors prone to grand corruption included banks (e.g. in respect of funds transfers, applications for loans and credit guarantees), issuance of licenses for various activities, evaluation and awarding of large government contracts and contract management, valuation of imports for duty purposes and verification of declaration documents by customs officials, revenue/tax assessment and collection, pricing and valuation of state enterprises earmarked for privatisation, and municipal land administration and leasing. In a report of a study undertaken in five sub-cities of Addis Ababa in 2007, the FEACC concluded that acquiring land in the city without bribing city officials had become virtually impossible. The report documented cases in which land was awarded to individuals on the basis of bribes or forged bank statements (TI, 2009: 178-9).

Overall, a majority of the reviewed literature suggests that corruption in Ethiopia has been growing in most public institutions mandated to provide services to various

sectors of society. But much of it is petty corruption. However, large scale or grand corruption is emerging but still at a lower scale. The FEACC (2008: 6) stated that corruption has continued to pose threats to the country's development, poverty reduction and democratisation process. It also leads to a loss of revenue for the government. The business community has also identified corruption as one of the major challenges to running a business.

2.5.4 Causes of corruption

Ethiopia shares many features of other African countries in respect to the challenges of good governance. Thus, the causes of corruption are not different from those experienced in other African countries. FEACC (2008:5) stated that:

... poor governance, lack of accountability and transparency, low level of democratic culture and tradition, lack of citizen participation, lack of clear regulations and authorization, low level of institutional control, extreme poverty and inequity, ... and centralization of authority and resources are the major causes of corruption in Ethiopia. Family and ethnic loyalties and obligations, blurred distinction between private and public interests, privatization, weak financial management, inadequate accounting and auditing, weak legal and judicial system, over regulated bureaucracy, deterioration of acceptable moral and ethical values, unsound policies and inefficient civil service system ... (are also) primary causes of corruption in Ethiopia.

Alemayehu (2005) has also argued that traditional values of loyalty and honesty are giving way for breaches of trust and dishonesty, thereby contributing to the growing trend in corruption. For some public officials, the traditional proverb which says "Whoever has not benefited from his position while in power, will regret when expelled", seems to dictate their work ethic. IER (2001) also noted that disregard for merit during recruitment and/or promotion within public institutions, patron-client relations in public affairs, poor remuneration for civil servants were also causes of corruption in Ethiopia. Cumbersome and opaque bureaucratic procedures, an over-regulated bureaucracy, poor governance, lack of accountability and transparency, a weak legal and judicial system, and inordinate delays in service delivery have also been blamed for increasing corruption in the public sector (AIMDG, 2008; FEACC, 2008; Shimelis, 2005). Moreover, weak oversight agencies, mainly due to lack of capacity in investigating and preventing corrupt practices and enforcing relevant laws (e.g. conducting regular audits and inspections) have contributed to emerging trends in corrupt practices (TI, 2009; Shimelis, 2005).

2.5.5 Anti-corruption efforts

Measures to curb corruption in Ethiopia have a long history, including some initial efforts at criminalizing corruption during the time of Emperor Tewodros II. The 1957 Penal Code criminalized some acts of corruption. Several provisions dealing with corruption were incorporated in the 1974 Special Penal Code. Both remained in force till 2004 when a new Criminal Code came into force. More concerted anti-corruption efforts, however, date back to the mid-1990s when the government started implementation of the civil service reform programme. Since then, the government has taken a variety of measures that are directly or indirectly targeted at fighting corruption. It also commissioned the country's first corruption perception survey in 2001 which sought to provide a better insight into corruption in the country

and how the problem could be tackled. In May 2001, the government established the Federal Ethics and Anti-Corruption Commission (FEACC) with a mandate to expand ethics and anti-corruption education, prevent corruption, and to investigate and prosecute alleged corruption offences. The objectives of the FEACC are:

- (i) promoting ethics through education;
- (ii) prevention of corruption through reviews of working procedures and systems; and
- (iii) investigation and prosecution of suspected corruption cases.

Proclamation No. 433/2005 and Regulation No. 144/2008 provide for the role, powers, duties and responsibilities of the FEACC to enable it to effectively achieve its objectives. The FEACC has received political support at the highest level in the country. The government has also declared that it follows a zero tolerance policy towards corruption (TI Ethiopia, 2011; African Development Bank Group, 2003; AIMDG, 2008). The FEACC adopted both preventive and curative approaches in combating corruption in the country. It undertakes preventive functions and activities through different mechanisms which, among others, include establishment of anti-corruption offices and forums, study of work procedures and systems within public institutions and making recommendation for addressing identified weaknesses, and provision of ethics education. Likewise, investigation and prosecution of suspected cases of corruption are important curative activities of the Commission.

The FEACC has established a branch office in Dire Dawa and assisted regional states to establish their own Regional Anti-Corruption Commissions. By 2008/09, the Commission had facilitated the establishment of ethics liaison units in about 290 public agencies and enterprises (Transparency Ethiopia, 2011; African Development Bank Group, 2003; Tesfaye, 2007²⁰). It also makes recommendations to government for new laws and revisions of existing legislation to deal with corruption. Examples of recently enacted anti-corruption laws are the proclamations on rules of evidence on corruption (Proclamation No. 434/2005), disclosure and registration of assets (Proclamation No. 668/2010), and rules on whistleblower protection.

The Commission has placed great emphasis on ethical education through which citizens learn not only about the effects of corruption on the country's development, but also what roles they can play in creating a corruption-free society²¹. To meet this objective, the Commission uses a variety of media to raise public awareness on corrupt practices and prevention mechanisms, such as television, radio, newspapers, magazines, pamphlets, brochures, fliers, posters and signposts. The Commission also provides training to different segments of society including university students, women and youth associations, managers and workers of public enterprises, federal and regional civil servants, employees and inmates of prisons, and school teachers. It uses professional associations, religious institutions, civil society organisations chambers of commerce, traditional community organisations and other groups to channel ethics and anti-corruption education. It has also organised over 600 school clubs, thereby broadening the curriculum on civic education to include ethics and corruption issues.

²⁰ Tesfaye, S. (2007) *Anticorruption Efforts in Ethiopia*. a Paper presented at the Global Forum V, Fighting Corruption and Safeguarding Integrity, Sandton, South Africa 2 – 5 April 2007.
http://www.nacf.org.za/global_forum5/CVs/111.2_e_Shamebo.pdf

²¹ Articles 6(1), 7(1) and 25(1) of Proclamation No 433/2005

With the objective of bringing important stakeholders together to harness their efforts in the fight against corruption, the Commission initiated the formation of the National Anti-Corruption Coalition (NAC) in July 2009. NAC, consisting of government departments, civil society organisations, the private sector and opposition political parties, is entrusted with promoting and ensuring that the agendas and efforts for fighting corruption are the duties and responsibilities of all relevant stakeholders.

Besides the FEACC, there are several other institutions with oversight responsibilities in the fight against corruption, among them the Office of the Federal Auditor-General (OFAG), the Institution of the Ombudsman and the legislature. The Office of the Auditor-General is the oldest public oversight institution in Ethiopia. The Office is not only authorised to undertake the usual external audit functions within public institutions in order to ensure their adherence to proper financial management and use of public funds, but it is also authorised to carry out performance or efficiency audits. The Institution of Ombudsman was established in 2000 (but started operating in June 2004) with the objectives of, among other things, protecting the public against administrative malpractice and to ensure good governance. The Institution is authorised to receive and investigate complaints of mal-administration committed by federal and state executive organs including ministries, commissions, authorities and agencies as well as administrative wings of the judiciary and the legislature. However, the available evidence indicates that both OFAG and the Institution of the Ombudsman are handicapped by limited human capacity from fully performing their oversight duties. Moreover, powerful public officials and bureaucrats may reject the results of their investigations and resist implementation of their recommendations.

The legislature is one of the three pillars of government, alongside the executive branch and the judiciary. It is supposed to provide oversight on the executive branch on behalf of the people who are the electors of the parliamentarians. The available evidence again suggests that the legislature's oversight role has not been as effective as it should be due to capacity limitations, especially in the face of a dominant executive branch. The Ethiopian legislature has, however, demonstrated a commitment to fight corruption by passing a series of laws to establish an enabling environment for actors engaged in the fight against corruption. These laws which seek to promote and ensure greater transparency and accountability in public affairs include the revision of the Criminal Code (Proclamation No. 414/2004), Proclamations No. 430/2005, No. 515/2007, No. 590/2008, No. 649/2009 and No. 668/2010. The 2004 Criminal Code incorporates some 23 provisions covering a wide range of acts of corruption as well as providing for legal protection of whistleblowers (under Article 444 of the Criminal Code). This protection has contributed to the growing body of information that the FEACC receives from whistleblowers. Proclamations No. 430/2005 and No. 649/2009 provide important provisions that govern public procurement and property administration respectively. Proclamation No.430/2005 also contains key provisions that address the issue of conflict of interest for procurement officials. That law, *inter alia*, demands competitive bidding and guarantees official review of procurement decisions. The law also prohibits companies that have been found guilty of violating the law from future bidding for government contracts. Overall, the Public Procurement Proclamation, in its latest version (2009), contains all the essential features of a modern procurement law (Ramboll, 2010; Transparency Ethiopia, 2011).

Proclamation No. 515/2007 seeks to promote and ensure a transparent, efficient, effective and accountable civil service while Proclamation No. 590/2008 seeks to ensure the rights of citizens to access, receive and import information held by public bodies except those categories of information explicitly prohibited by the same law to protect public and private interests. The law also requires any public body to publish information concerning all its affairs except those prohibited. The legislation on Disclosure and Registration of Assets (Proclamation No. 668/2010) by public officials seeks to strengthen transparency and accountability in the conduct of public affairs, prevent corruption and impropriety and promote good governance. The law requires a government appointee²², elected person²³ and public servant²⁴ to disclose and register all assets under the ownership or possession of himself/herself and his/her family and sources of his/her income and those of his/her family. Moreover, the law prohibits appointees, elected persons and public servants from accepting any gift, hospitality or sponsored travel where acceptance is likely to put his/her authority in question or where it is likely to ensue in a conflict of interest. Implementation of the law started on a bold note with disclosure and registration of assets by senior members of the executive, legislature and judiciary that included the Prime Minister, the Speakers of the House of Peoples' Representatives and House of Federation, and the President of the Supreme Court (Transparency Ethiopia, 2011).

Besides creating an enabling legal framework for combating corruption, the legislature has also ratified a number of international and regional conventions and treaties on corruption. Since 2000, Ethiopia has signed and ratified three important conventions *viz.* African Union Convention on Preventing and Combating Corruption, the UN Convention Against Corruption, and UN Convention against Transnational Organized Crime.

Ethiopia has put in place the necessary legal and institutional framework for combating corruption. The challenge that remains is to ensure that the problem does not grow beyond what it is today.

²² As provided under Article 2(4) of the Proclamation, "appointee" includes:

- a) The president of the Republic, Prime Minister, Deputy Prime Minister, Ministers, State Ministers, Deputy Ministers, Commissioners, Deputy Commissioners, Directors-General and Deputy Directors-General;
- b) Mayors and other appointees of the Addis Ababa and Dire Dawa city administrations;
- c) Presidents, Deputy Presidents and judges of regular and municipal courts;
- d) appointees of the defense forces and police;
- e) ambassadors, heads of consuls and other diplomatic missions
- f) Auditor-General and the Deputy Auditor-General;
- g) the Governor and Deputy Governor of the National Bank;
- h) Members of Boards of Directors, Managers and Deputy Managers of public enterprises;
- i) Presidents and Deputy Presidents of government higher education institutions;

²³ As provided under Article 2(5) of the Proclamation, "elected person" includes members of:

- a) the House of Peoples' Representatives;
- b) the House of the Federation; and
- c) the Addis Ababa and Dire Dawa City Administration councils;

²⁴ As provided under Article 2(6) of the Proclamation, "public servant" includes:

- a) department heads, directors and service heads of public offices and public enterprises and other employees having equivalent or higher ranks;
- b) advisors of appointees;
- c) employees of public offices performing licensing, regulating or tax collection functions, prosecutors, investigators, traffic police officers; and
- d) other employees of public offices and public enterprises to be specified by directives of the Commission.

CHAPTER 3: SURVEY METHODOLOGY

The following paragraphs describe the methodology used for conducting the pilot as well as the main survey. The methodology was informed by the scope of work described in the Terms of Reference prepared by the FEACC. The Terms of Reference are included in Volume 2 (Annexures) accompanying this report.

3.1 The Pilot Phase

Following the signing of the contract on January 10, 2011, the first introductory project inception meeting was held at the FEACC on February 8, 2011. Subsequent consultations took place, primarily to seek clarification on the Terms of Reference, including the content of the Inception Report. Background documents such as the 2001 corruption survey report by the IER and recent annual reports of the Commission were also obtained from the FEACC.

3.1.1 *Development of data collection instruments*

The Terms of Reference called for the development of six questionnaires which were directed at the following categories of respondents:

- (i) Household heads,
- (ii) Public officials and civil servants,
- (iii) Business enterprises,
- (iv) Heads of professional and civic society organisations (CSOs),
- (v) Representatives of non-governmental organisations (NGOs), and
- (vi) Representatives of religious institutions.

The draft questionnaires for the survey were developed and pilot tested in six sample sites selected from two regional states (Oromia and Somali), and in Addis Ababa City Administration. The questionnaires were designed such that they addressed the key issues specified in the Terms of Reference.

Accordingly, the household questionnaire dealt with issues such as the major social and economic problems faced by households, the quality/integrity of public service providers, the respondents' assessment of the judicial system, public services, governance and integrity of public institutions.

The questionnaire for public officials and civil servants covered issues such as personnel management practices within their organisations, budget management, procurement practices, the respondents' assessment of the quality of public service delivery, information management and communication, working environment, organisational purpose and performance, and governance.

The questionnaire for business enterprises sought the respondents' views on the services that they obtain from public institutions for their operations, including procurement and sales, quality of public services, application of rules and regulations, the judicial system, financial sector services, corporate governance, and government bureaucracy.

The questionnaires for (i) non-governmental organisations and (ii) professional associations and civic society organisations sought the respondents' views on key problems facing the country, their assessment of the quality of public service provision, governance and integrity of public institutions, effectiveness of the current anti-corruption initiatives/campaigns, and the judicial system.

The sixth and final questionnaire was directed at representatives of religious institutions. It sought the respondents' views on issues such as the problems faced by the country today, governance and integrity in public institutions, effectiveness of the current anti-corruption initiatives/campaigns, and activities that religious institutions were engaged in to combat corruption.

Throughout, the emphasis was on getting the respondents' perceptions and experiences of corruption in the country. At the same time, every effort was made to ensure that it would be possible to compare the results of this survey with those from the 2001 corruption survey.

3.1.2 Selection of sample regions and woredas

As mentioned earlier, the pilot survey was conducted in Oromia and Somali Regional States and Addis Ababa City Administration. The purpose of the pilot survey was to assess the appropriateness of the data collection tools and methodology in both urban and rural settings. Accordingly, two woredas were selected from each of the three sample regions, Asella and Gonde in Oromia, and Jijiga and Kebri Beyah in Somali. Woreda 7 in Kirkos Sub-City and Woreda 9 in Arada Sub-City, Addis Ababa, were selected for the pilot survey. As shown in Table 1, a total of 300 valid questionnaires were returned, out of a target number of 305 as specified in the Terms of Reference.

Table 1: Distribution of respondents by region and woreda for the pilot survey

Region	Woreda	House-holds	Business enter-prises	Public officials & employees	CSOs and professional associations	NGOs	Religious institutions	Total
Addis Ababa	No. 7 (Kirkos)	17	19	9	7	10	4	129
	No. 9 (Arada)	17	19	7	8	7	5	
	Total	34	38	16	15	17	9	
Oromia	Asella	17	18	14	3	6	3	84
	Tiyo (Gonde)	17	2	2	2	0	0	
	Total	34	20	16	5	6	3	
Somali	Jijiga	17	15	8	4	7	2	87
	Kebri Beyah	17	5	8	1	2	1	
	Total	34	20	16	5	9	3	
Total – valid responses		102	78	48	25	32	15	300
Target as per TOR		102	78	50	25	35	15	305

Overall, the pilot survey was able to reach and interview 98.4 % of the targeted respondents from the six categories. The pilot survey report was submitted to the FEACC and then presented at the first stakeholders' workshop held on May 06, 2011 in the FEACC Hall. Key officials and representatives of relevant offices including the Prime Minister's Office, Parliament, FEACC and Addis Ababa University attended the

workshop. Comments from the workshop participants and on the report of the pilot survey were incorporated into the methodology for the main survey.

3.1.3 Language usage in the questionnaires

The draft questionnaires for the pilot survey were prepared in English. After review by the FEACC, the questionnaires were revised, translated into Amharic and then pilot tested. Based on the lessons from the pilot survey and feedback from the first stakeholders' workshop, the questionnaires for the main survey were translated into five national languages, i.e. Afarigna, Amharic, Oromifa, Somaligna, and Tigrigna. The translation of the questionnaires from English into Afarigna, Amharic, Somaligna, and Tigrigna was done by language experts from the Ethiopian Radio and Television Agency (ERTA) while the translation of the questionnaires into Oromifa was done by staff of the Department of Oromifa at Addis Ababa University. The six questionnaires are available in Volume 2 (Annexures) of this report.

3.2 The Main Survey

3.2.1 Sample design

As specified in the Terms of Reference, all the nine regional states and the two city administrations were included in the main survey. There are varying numbers of zones/sub-cities in these regional states and city administrations. According to the 2007 Population and Housing Census, 16% and 84% of the population respectively live in urban and rural areas of the country. Although there is no agreement among researchers on a appropriate sample size, in most cases, a 30% sample is usually assumed to be representative of the population. Hence, these two conditions were considered in selecting the sample zones/sub-cities from each regional state/city administration and sample woredas/kebeles from the sample zones/sub-cities. Accordingly, 30% of the zones in each regional state (or 30% of the sub-cities and kebeles in the case of Addis Ababa and Dire Dawa city administration respectively) and 30 % of the woredas in each of the sample zones/sub-cities/kebeles were included. Then, using random numbers, sample zones and woredas/kebeles were selected. Finally, the six categories of respondents (6,500 in total) were distributed to the sample units. It should be noted that all regional towns were included in the selection of sample respondents. Besides, the population size of each sample zone/sub-city/kebele was considered in order to include both urban and rural woredas proportionately. The actual zones, woredas/kebeles selected in each region and city administration are shown in Appendix 1 at the end of this report, as well as showing the number of questionnaires assigned to them under each sample category.

The number of questionnaires to be distributed for the main survey under each of the six sample categories and in each regional state/city administration had been pre-determined in the Terms of Reference issued by the FEACC. Table 2 shows the target number of questionnaires from each sample group that were to be administered per region and city administration as specified in the Terms of Reference. A total of 6,500 valid questionnaires were expected to be returned from the field survey. In the end, 6,518 valid questionnaires were returned, duly completed.

Table 2: Target distribution of respondents by region and sample groups for the main survey

Regions	House holds	Business enterprises	Public officials & civil servants	CSOs and professional associations	Heads of NGOs	Heads of religious institutions	Total
Addis Ababa	340	560	330	93	83	65	1,471
Diredawa	272	140	80	7	17	18	534
Tigray	340	84	80	7	25	18	554
Amhara	510	112	100	15	40	18	795
Oromiya	544	140	110	15	50	18	877
SNNPR	510	112	100	13	30	18	783
Somali	272	42	40	7	17	6	384
Afar	272	42	40	7	17	6	384
Gambela	102	42	40	7	17	6	214
Benishangul	102	42	40	7	17	6	214
Harari	136	84	40	7	17	6	290
Total – target number	3,400	1,400	1,000	185	330	185	6,500

3.2.2 Sampling of household respondents

In order to obtain a representative sample of households from urban and rural areas, the main towns and rural woredas in each selected zone were identified from the 2007 National Population and Housing Census reports. The total number of household respondents allocated to the particular region (pre-determined under the Terms of Reference) was then distributed to those towns and rural woredas in proportion to their total population.

The example of Tigray Regional State may be used to explain the sampling process for household respondents. The region has six zones. Two zones (i.e. 30% of six) were randomly selected, namely Central Tigray Zone and Western Tigray Zone. According to the 2007 Population and Housing Census, there are 13 woredas in Central Tigray Zone and four woredas in Western Tigray Zone. From the 13 woredas in Central Zone, 30% (i.e. 4 out of the 13) of the woredas were selected based on their population size, comprising three rural woredas and one urban woreda. The selected rural woredas were Ahiferom, Were Lehe, and Kola Temben, with Axum as the urban woreda. In the same way, Welkayit woreda, which had the largest population, was selected from the four woredas in Western Tigray zone. The four rural woredas in the region (Ahiferom, Were Lehe, Kola Temben and Welkayit) had a combined rural population of 542,362. The proportion of the population in the four rural woredas in relation to the combined population was 27.7%, 23.8%, 24.7%, and 23.6% respectively. As per the revised distribution of sample households, 286 household questionnaires were allocated to the selected rural woredas of the region. This number was then distributed to the four rural woredas in proportion to their population size. As a result, 79 questionnaires (27.7% of 286) were allocated to Ahiferom woreda, 68 questionnaires (23.8% of 286) to Were Lehe woreda, 71 questionnaires (24.7% of 286) to Kola Temben woreda and 68 questionnaires (23.6% of 286) to Welkayit woreda.

The remaining 54 questionnaires (16% of 340) were allocated to the urban areas of Tigray region, i.e. Axum and Mekele towns. Axum town was included in the survey since it has the largest urban population in the two sample zones. Mekele and other regional capitals were included in the sample in response to comments from

participants of the first stakeholders' workshop. The two towns had a combined population of 168,457 (Axum = 44,647 and Semen Mekele = 123,810). The proportion of the population of these towns was therefore 26.5% and 73.5% respectively. The total number of questionnaires allocated to urban areas of the region was then distributed between the two towns in proportion to their population size. As a result, 14 questionnaires (26.5% of 54) and 40 questionnaires (73.5 of 54) were administered in Axum and Semen Mekele town respectively.

In Addis Ababa, the new administrative structure established under Proclamation No.21/2010 was used for sampling purposes. The proclamation divided the capital city into 10 sub-cities and 116 woredas. Using a similar sampling procedure, 3 sub-cities (30% of 10) were randomly selected. Thereafter, 30% of the woredas in each of the selected sub-cities were randomly selected. The 340 household respondents assigned to Addis Ababa were then distributed to the three sub-cities in proportion to their combined population. Thus, 140 of the 340 household questionnaires were allocated to Nefas Silk Sub-City which had 41% of the population of the three sub-cities. The 2007 census report for Addis Ababa does not show the population in each woreda in the city. Therefore, the 140 questionnaires allocated to Nefas Silk Sub-City were equally distributed between the four randomly selected woredas (Woredas 02, 05, 06 and 08). In the same manner, the remaining 200 household questionnaires were distributed between the two sample sub-cities Lideta and Addis Ketema and 30 % of the woredas therein (see Appendix 2).

Thereafter, the households to be interviewed in each woreda or kebele were selected using a systematic sampling technique. The total number of households in the kebele/woreda was divided by the sample size (i.e. number of questionnaires allocated to it) and then taking every "nth" household from the register provided by the local administrative office. In some areas where the register was not available, the sample households were selected randomly. Interviews in the selected households were conducted with the household head or, in their absence, with their spouses. Where both spouses were not available, an adult family member was chosen for interview.

3.2.3 Sampling of public officials and employees

The number of public officials and civil servants to be interviewed in each region was set out in the Terms of Reference. In the regional states, the interviews with public officials and civil servants took place at the regional bureaus (i.e. Justice, Civil Service, Trade and Industry, Urban Development and Construction, Health, Labour and Social Affairs, Revenues), the regional offices of the Ethiopian Electric Power Corporation and Commercial Bank of Ethiopia, and at their respective offices in the zonal and woreda towns that had been selected for the household interviews.

Addis Ababa hosts both the federal government and the city administration. In the Terms of Reference, the 330 questionnaires for public officials and civil servants in Addis Ababa were supposed to be distributed in a ratio of 200 for federal staff and 130 for city government staff. However, following the revised distribution of sample respondents agreed with the FEACC, the samples were distributed equally between the federal and city government institutions.

After obtaining a list of all federal ministries and other public institutions and parastatals, 30% of these institutions were randomly selected and the interviews conducted with public officials and civil servants working in the Ministries of Justice, Civil Service, Trade, Health, Labour and Social Affairs, and Urban Development and Construction; and in the Federal Revenues and Customs Authority, the Ethiopian Electric Power Corporation and the Commercial Bank of Ethiopia. All categories of staff were canvassed, from top officials through middle managers to junior employees, using stratified random sampling techniques. Likewise, 30% of the bureaus and departments under the Addis Ababa City Administration were randomly selected and interviews conducted with public officials and employees working in the respective bureaus/offices corresponding to the aforementioned federal institutions.

Similarly, 30% of the 29 bureaus under the Dire Dawa City Administration and the 24 bureaus under the Harari regional state were randomly selected. Then, out of the 80 interviews allocated to Dire Dawa and 40 interviews allocated to Harari, 50% was conducted with public officials and employees working in the sample regional bureaus and the remaining 50% were conducted with public officials and employees working in the sample urban and rural kebele administration offices (see Appendix 1).

3.2.4 Sampling of business enterprises

Consultations and enquiries revealed that the only reliable and detailed database for business enterprises was the business directory compiled by the Addis Ababa Chamber of Commerce in 2005. The directory contains the names and telephone numbers of 4,923 business enterprises that were members of the Chamber at the time. It includes both private and publicly owned business enterprises. It also contains the names and telephone numbers of NGOs and professional associations. In the absence of a more recent directory and database of business enterprises, this directory was used to randomly select the 560 business enterprises to be surveyed in Addis Ababa. The information obtained from relevant regional bureaus was also been used to select business enterprises from Dire Dawa and the nine regional states.

The Commission had pre-determined the distribution of business enterprises to be sampled by sector as follows: (i) 45% from the services sector (e.g. hotels and restaurants, tourism, finance, insurance, transport); (ii) 40% from trade (i.e. wholesale and retail trade); and (iii) 15% from manufacturing (e.g. agro-processing, heavy industry, clothing and textiles). However, the three identified sectors were found to be not inclusive of all business enterprises. For instance, commercial agriculture, forestry, mining, quarrying and construction were not included. It was therefore necessary to adopt a more flexible purposive sampling approach in the selection of business enterprises, both in Addis Ababa and in the regions. Accordingly, questionnaires for the main survey were distributed to almost 1,400 business enterprises selected from manufacturing (13.8%), services (30.6%), foreign and domestic trade (39.2%), commercial agriculture, hunting, fishing and forestry (2.3%), mining and quarrying (1.0%), construction (8.4%), and other business sectors (4.6%).

The questionnaires were administered to the owners or senior managers of the purposively selected sample of business enterprises.

3.2.5 Sampling of NGOs

In respect of NGOs, the information contained in the Addis Ababa Chamber of Commerce's directory was supplemented with additional information obtained from officials of the two city administrations and the nine regional states. Thereafter, the sample organisations were selected randomly. As per the Terms of Reference, it was planned to include 330 NGOs; in reality, it was possible to reach a total of 335 NGOs during the main survey.

3.2.6 Sampling of professional associations and CSOs

The selection of these sample groups was done randomly based on the registers or names of CSOs and professional associations provided by the relevant bureaus/agencies at federal and regional levels. According to the Terms of Reference, the main survey was expected to include 185 CSOs and professional associations; in the end, it was possible to get the responses of 186 representatives of CSOs and professional associations.

3.2.7 Sampling of religious institutions

The identification of religious institutions in both the two city administrations and the regional states relied to a large extent on information obtained from government officials in the respective administrative areas. For the purposes of this survey, religious institutions were defined to include churches, mosques, temples, as well as faith-based service institutions such as hospitals/health centres, and schools. Accordingly, purposive sampling technique was used to include religious institutions from these categories. As indicated in the Terms of Reference, 185 respondents from religious institutions were expected to be covered during the main survey. In the end, it was possible to get responses from a total of 191 representatives of religious institutions.

With respect to the NGOs, religious institutions, CSOs and professional associations, the questionnaires were administered or completed by the heads (or another senior representatives) of the purposively selected organisations.

3.2.8 Training of field supervisors/enumerators and data collection

The field data collection was conducted by a team of 17 supervisors and 109 enumerators who were recruited from Addis Ababa and their respective regions. One supervisor was assigned to coordinate and supervise the fieldwork in each region except in Oromia where four supervisors were assigned and in SNNP and Addis Ababa where two supervisors each were assigned in order to cater for their greater geographical size and number of enumerators and respondents that needed to be reached.

Prior to commencement of the fieldwork, all supervisors for all the regions attended a three-day training session held in Addis Ababa. The training was also attended by enumerators recruited to conduct the interviews in the city. Thereafter, the supervisors in turn held two-day training sessions for the enumerators in their respective regions before the start of the interviews. The purpose of the training for both supervisors and enumerators was to acquaint them with the purpose of the survey, the approach to be used in the administration of the questionnaires and the contents of each questionnaire. Field interviews for the main survey were conducted

in the various regions and the two cities over a period of two months, from mid-July to mid-September 2011.

3.2.9 Questionnaire coding, data capture and cleaning

After the completion of the fieldwork, there followed the process of coding the open-ended questions in all six questionnaires, data capture into SPSS and cleaning for errors. All the six sets of questionnaires were entered into SPSS. Coding and data capture were done by two teams of data capture experts. Data entry was completed over a three-month period, from early September 05 to early December, 2011.

3.2.10 Data analysis

Following data capture, analysis of the quantitative data on major issues was done through the use of percentages and other statistical tests including

- (a) mean to rank the major socio-economic problems facing the country;
- (b) descriptive statistics and ANOVA to determine the magnitude of corruption and government's commitment to fight corruption; and
- (c) percentages to find out proportions of respondents from each of the sample groups that would have responded to the various questions contained in the questionnaires.

Secondary data was also obtained from a variety of documents, reports and publications, some of which were provided by the FEACC. Every effort was made to validate the information obtained, both primary and secondary, through triangulation. Triangulation was particularly necessary in respect of the responses from the six sample groups on the various issues raised in the questionnaires.

3.3 Problems/Challenges Experienced during the Survey

The major problems/challenges encountered during the course of the entire survey, including the fieldwork phase, were as follows:

- Inaccessibility of some sample sites and inconsistency of data: Fik and Korahe zones in Somali Regional State were included in the original sampling frame for the main survey. However, due to the inaccessibility of the two zones using public transport, they are substituted by Shinile and Liben zones respectively. Similarly, Pawe special woreda in Benshangul Gumuz had to be substituted with Belo Djiganfoy woreda due to questions about the consistency of the population data from the 2007 population census. These situations negatively affected the timely completion of the data collection in the affected regions.
- Inaccessibility of some business enterprises: Some business enterprises (private as well as state-owned) in Addis Ababa were difficult to locate and were not easily accessible for the data collectors. Consequently, it took much longer than the planned time for data collection.
- Some of respondents, particularly public officials at both federal and regional levels but also some NGOs and CSOs, were unwilling to respond to the questionnaires or give information, and failed to keep the appointments which they had made with the enumerators. Some officials were continuously attending meetings. Where it proved impossible to get them to complete and return the questionnaires, they were dropped from the sample and replaced with other respondents within the same organisations as much as possible.

- Some of the selected NGOs, CSOs and professional associations were no longer in the locations that were given in the directory of the Addis Ababa Chamber of Commerce and it was time consuming to find them at their new locations. Where it was not possible to find them, they were dropped from the sample and replaced with others.
- The fieldwork was conducted during the rainy season and some villages were difficult to access because flooded rivers could not be crossed readily. Moreover, household heads were busy in their fields and could not be reached easily.
- In South Wollo Zone, the fieldwork coincided with a public conference on corruption. As a result, some potential respondents were unavailable at their places of work. Others thought the two events were linked somehow and were somewhat reluctant to provide the required information.
- Some respondents, especially females in rural areas, were not well informed about issues at regional and federal levels for them to be able to provide meaningful answers to questions,
- Some public officials tended to emphasise the positive aspects and to downplay the negative things such as nepotism and ethnicity. Often these issues had been raised as major concerns by respondents from other sample groups.
- The absence of properly documented register of households in some selected sites led to changes in the sampling technique for households in those areas, from a systematic to a random sampling approach. However, this change is unlikely to have significantly altered the representativeness of the sample.
- The Terms of Reference had stipulated that about 30% of the 1,400 questionnaires for business enterprises should be distributed to randomly selected state enterprises. However, it turned out that the number of state enterprises is now considerably much less as a result of the privatisation process undertaken by the government during the past few years.

CHAPTER 4: THE SURVEY RESPONDENTS

4.1 Introduction

The Terms of Reference (TOR) stipulated a total sample of 6,500 respondents drawn across all nine regions and two city administrations of the country and divided into six sample groups, namely (i) heads of households, (ii) public officials and civil servants, (iii) owners and/or managers of business enterprises, (iv) representatives of professional and civil society organisations (CSOs), (v) representatives of non-governmental organisations (NGOs) and (vi) representatives of religious organisations. A total of 6,518 valid questionnaires were returned from across all the nine regions and two city administrations, covering all the six sample groups (Table 3). This chapter describes the demographic attributes and socio-economic backgrounds of the different sample groups.

Table 3: Distribution of respondents surveyed by region and sample group

Region	Households	Business enterprises	Public officials & civil servants	Professional & civil society organisations	Heads of NGOs	Heads of religious institutions	Total
Addis Ababa	342	556	331*	92	83	66	1,470
Dire Dawa	273	140	80	7	17	20	537
Tigray	339	83	80	8	25	19	554
Amhara	510	113	100	16	44	21	804
Oromia	549	131	112	15	55	18	880
SNNP	511	112	100	13	30	17	783
Harari	136	84	40	7	17	6	290
Afar	272	42	40	6	17	6	383
Gambella	102	42	40	7	17	6	214
Benishangul	104	43	45	8	17	6	223
Somali	272	42	40	7	13	6	380
TOTAL	3,410	1,388	1,008	186	335	191	6,518

* includes 166 from the Addis Ababa City Administration and 165 from federal institutions

4.2 Background Information on the Respondents

The demographic, social and economic characteristics of the respondents are described in the following paragraphs. It was important to ensure that the sample was as representative as possible of the population and the different sectors of the society and economy of the country.

4.2.1 Household respondents

There were a total of 3,410 household respondents, of whom 58.5% were males and 41.5% females (Table 4). Almost three-quarters (72%) were married. Another 18% were widowed, separated or divorced while the remaining 10% had never married. Almost four-fifths (78%) were heads of households and principal income earners for their families. Another 15% were spouses while the remaining 7% were other members of the family such as parents or parent-in-laws of the household head (4%) children (2%) or other relatives.

Table 4: Sex of respondents

Sample group	Number		%		Total		Not specified
	Males	Females	Males	Females	No.	%	
Household respondents	1,994	1,416	58.5	41.5	3,410	100	0
Business representatives	1,096	270	80.2	19.8	1,366	100	22
Public officials & civil servants	681	320	68.0	32.0	1,001	100	7
Representatives of professional & CSOs	126	55	69.6	30.4	181	100	5
Representatives of NGOs	268	48	84.8	15.2	316	100	19
Representatives of religious organisations	181	6	96.8	3.2	187	100	4
Total	4,346	2,115	67.3	32.7	6,461	100	57

With respect to age, 34% of the household respondents were between 36 and 45 years, followed by those aged between 26 and 35 years who comprised another 24%. The third largest group, with 22%, were those aged between 46 and 55 years. Those between 56 and 65 accounted for another 10%. Overall, the economically active groups between 15 and 65 years accounted for 96% of the respondents. There was no one in the sample under the age of 15 years in the household sample and only 3.8% were over 65 years.

Household sizes varied considerably, with some reporting as many as 20 people or more. Only 7% of the respondents said they lived in households with only two people. Almost one-third (31%) reported household sizes of between 5 and 6 person; another 32% had between 7 and 10 persons. Another 23% said their households were between 3 and 4 persons.

In terms of education, one-tenth of the respondents had at least a university degree or higher qualification. Nearly one-fifth (19%) had attended secondary school while 3% had received vocational or technical training. Almost two-thirds (38%) said they had only attended primary school. The remaining 30% had never been to school, although the survey did not explore their levels of literacy (i.e. whether they were able to read or write).

The respondents were also asked about their households' economic status, principally the families' main sources of income and average monthly incomes. It should be noted that one-third of the respondents reported more than one income source for their households. Almost half of the households depend on farming as their principal source of income (Table 5). Another one-third reported that their principal income source was trading while one-quarter were dependent on formal employment in government, the private sector or with non-governmental organisations. Small proportions said they were dependent on daily contract labour (8%), on remittances or gifts (7%) or from rent on their immovable property (houses and land) (5%). A small proportion (4%) was dependent on pensions.

Table 5: Principal sources of household income (N = 3,410)

Income sources	Households	
	No.	%
Farming (including animal husbandry)	1,686	49.4
Trading (private business)	1,138	33.3
Formal employment (government, NGO, private)	834	24.5
Daily labour	285	8.4
Remittances, gifts, aid	225	6.6
Income from rent (house, land, etc)	158	4.6
Pension	148	4.3
Handicrafts, woodworking, metalworking	87	2.6
Other sources	27	0.8

Average household monthly incomes reported by the respondents ranged from less than Birr 100 to over Birr 10,000 (Table 6). The highest reported monthly income was Birr 15,000. One-third of the respondents (low income group) reported average incomes below Birr 500 per month. Another 30% were in the lower middle income band, with average household incomes between Birr 500-1,000. Those with average incomes of Birr 1,000-5,000 (upper middle income) constituted 35% of the households. Only 1% had incomes above Birr 5,000.

Table 6: Average monthly household income (in Birr)

Average income (Birr)	Households	
	No.	%
Under 250	345	11.0
251 – 500	733	23.4
501 – 750	406	12.9
751 – 1,000	531	16.9
1,001 – 1,500	407	13.0
1,501 – 2,000	324	10.4
2,001 – 3,000	250	8.0
3,001 – 5,000	108	3.5
5,001 – 10,000	21	0.7
Over 10,000	5	0.2
Total	3,130	100.0

4.2.2 Business enterprises

The interviews with representatives of 1,388 business enterprises were held with senior management and/or their owners. Over three-quarters (78%) of the respondents described their job titles as the chief executive, director or general manager of their enterprises. Another 13% were the finance officers/accountants of

the businesses. Four-fifths of the respondents were males and only 20% were females. A large proportion (44%) of the owners/chief executives had a first university degree or higher qualification, confirmation that the business sector is to a large extent led by highly educated personnel. A further 16% had a vocational or technical education, 29% said they had a secondary education and primary schooling (11%).

Half of the business enterprises were from the Addis Ababa (40%) and Dire Dawa (10%) City Administrations, as stipulated in the Terms of Reference. Addis Ababa represents the economic hub of the country, hence its higher weighting in the sample. The state, or state agencies, was reported to have a financial stake in 6% of the enterprises in the survey. The Terms of Reference had stipulated that up to 36% of sample should comprise state enterprises. However, during the preparatory stages for the fieldwork, it was established that many former state enterprises had been privatised.

Table 7: Distribution of business enterprises by sector

Economic sub-sector	Business enterprises	
	No	%
Manufacturing – garment firms and footwear	41	3.0
Manufacturing – agro-processing	35	2.6
Manufacturing – heavy industry (machine tools, chemicals, auto, plastics)	57	4.2
Manufacturing – food and beverages	21	1.6
Manufacturing – wood and furniture	4	0.3
Other manufacturing	29	2.1
Services – tourism, hotel and restaurant	238	17.6
Services – Transport and storage	98	7.2
Services – communications	23	1.7
Services – financial institutions	40	2.9
Services – hair and beauty saloons	11	0.8
Services – auto repairing and spares	5	0.4
Foreign trade – import	109	8.1
Foreign trade – export	18	1.3
Domestic trade – wholesale/retail	404	29.8
Commercial agriculture, hunting, fishing and forestry	31	2.3
Mining and quarrying	14	1.0
Construction	113	8.4
Other business enterprises	63	4.6
Total	1,354	100.0

The enterprises covered a wide spectrum of sub-sectors within the business community in the country (Table 7). The largest group comprised firms in the domestic trade sub-sector, both wholesale and retail, with 30% of the respondents,

followed by the tourism, hotel and restaurant sub-sector (18%). Manufacturing comprised 14% of the sample. Construction comprised 8%, foreign trade (imports) 8%, followed by transport and storage (7%). Other sub-sectors had less than 5% of the total number of enterprises each. The distribution by sub-sectors closely approximates the structure of the modern economy which is dominated by wholesale and retail trade, transport and communications, and tourism.

The sample also included both long established enterprises as well some that have only recently been established. Thus, 12% of the firms were established before 1990 (GC) and were therefore at least 20 years old. One-quarter were established between 1991 and 2000, making them between 10 and 20 years old. However, a majority of the businesses (63%) were relatively new, having been established only since 2001. This reflects the growth in the national economy experienced during the past decade.

The sampled enterprises ranged from small through medium to large concerns in terms of employment size (both full and part-time employees). A little over one-third (36%) of the sample had less than five employees. Another 22% employed between six and ten employees. Overall, 76% of the enterprises employed less than 20 people each. Only 8% had more than 100 employees.

4.2.3 Public officials and civil servants

The sample of 1,008 public officials and civil servants was drawn from all four branches of government, with 86% from the executive branch, 8% from the judiciary, 5% from parastatal organisations and 1% from the legislative branch. They were drawn from all levels of government, federal, zonal, woreda, and down to the kebele. The sample included all levels of staff, from public officials, senior and middle level managers (e.g. directors and heads of departments and bureaus), experts as well as junior employees. The federal sampled ministries, agencies, parastatals and regional bureaus were described in the previous chapter. A little over two-thirds (68%) of the respondents were males, with 32% females (see Table 4).

Over four-fifths (83%) of the public officials and civil servants interviewed had a first university degree or higher educational qualification. Some 12% had a vocational or technical education, and 4% had a secondary education. A very small minority (2%) had primary education only or had never been to school. Almost half (49%) of the respondents had at least ten years of working experience in the public service, of whom 18% had over 20 years of experience. Out of the remainder, 23% had worked in the public sector for between five and ten years while the remaining 28% said they had less than five years of experience.

4.2.4 Professional associations and CSOs

The 186 professional associations and civic society organisations in the sample were drawn from all regions of the country, with 50% from the Addis Ababa City Administration. The remainder were more or less evenly distributed among the nine regions and Dire Dawa City Administration. A little over one-third (35%) represented professional associations (lawyers, teachers, medical professionals and so forth). The remainder comprised civic society organisations (CSOs), including organisations of farmers, persons living with HIV and AIDS, women and youths. Almost half (47%) of the organisations reported that their activities were largely within their local

communities, 24% said they were regional while another 24% operated nationally. The remaining 5% were international organisations with offices in Ethiopia.

The organisations were represented in the survey by senior officials such as the chairperson, president, chief executive officer or coordinator. Some 70% of the persons interviewed were males, and 30% females. Some 59% of the representatives of these organisations were educated to university level, with 45% in possession of a first degree and 14% having a postgraduate qualification. Another 18% had a vocational or technical education, and 17% had attended secondary school. The remaining 6% had either primary education or said they had not had any formal schooling. Some 44% were in the 36-55 age category, while 30% were aged between 26 and 35 years. Another 7% were aged 56-65 years. Some 16% were under 25 years and 3% were over 65 years of age.

4.2.5 Non-governmental organisations

A total of 335 non-governmental organisations (NGOs) were canvassed, of which one-quarter was located in Addis Ababa (Table 3). The sample covered foreign bilateral development agencies and multilateral organisations including several UN agencies. A little over one-third (36%) of the organisations in the sample were international, followed by local (within their communities or woreda) NGOs (29%), regional NGOs (21%) and those with a national coverage (13%). Some 85% of the respondents were males while 15% were females. The sample had the highest proportion of educated respondents, with 93% in possession of a first university degree or higher qualification. Some 45% of the respondents were in the 36-55 age categories, another 43% were aged 26-35 years. The remainder were under 25 years (7%) and over 55 years (5%).

4.2.6 Religious institutions

There were 191 religious institutions surveyed, of which 35% were based in Addis Ababa. Almost three-quarters (70%) of the institutions were affiliated to Christian faith while the other 26% were affiliated to the Moslem faith while the remaining 4% did not specify their religious affiliation. A little under half (46%) of the institutions operated within their local areas, 15% said they operated regionally, and 21% throughout the country. The remaining 17% said they were international religious organisations. The representatives that responded to the questionnaire were mainly leaders of the religious institutions such as church pastors and deacons, mosque administrators, or heads of church-affiliated schools and health centres. Almost all the respondents (97%) were males, with only 3% females. In terms of education levels, 58% of the respondents had a university degree or higher qualification, 19% had a secondary education, while 10% had a vocational or technical qualification. The remaining 13% had only attended primary school or had no formal education at all.

CHAPTER 5: QUALITY OF SERVICE DELIVERY AND USE OF PUBLIC SERVICES

5.1 Introduction

In this chapter, the views, perceptions and experiences of the various categories of respondents regarding the quality of services provided by public institutions are discussed. Often, poor and inefficient service delivery by public institutions serves as a contributory factor for corruption. Customers may feel that the only way to get the services they require promptly is by paying an inducement to the officials responsible for service delivery. Citizens faced with long and unjustifiable delays, or unrealistic regulations and procedures when seeking services from public institutions may decide to entice generally lowly paid civil servants with inducements in order to expedite service provision. Conversely, public officials and civil servants entrusted with the delivery of services to citizens may seek to augment their low incomes by asking for inducements as a condition for providing services or expediting the process of service delivery.

5.2 Respondents' Perceptions of Major Socio-Economic Challenges

The practice and levels of corruption in a country, especially involving the poor, is influenced in part by the types and magnitude of obstacles that the inhabitants face as they seek to meet their needs for survival. On the other hand, weaknesses in the administrative and legal systems provide opportunities for the economically and politically powerful and those in positions of authority to take advantage and seek self-enrichment.

The respondents were asked to assess several problems and how they impact on their households and on the country in general, rating each one as a minor problem, a moderate problem or a major problem. The problems that they were asked to rate are shown in Table 8. There was a high level of agreement among the different categories of respondents regarding what most of them saw as the main challenges being experienced by citizens. Well over four-fifths of the respondents in each sample group rated inflation and the high cost of living as the most serious challenge facing the country, followed by unemployment and poor public transport systems. The ratings from the different sample categories have been combined and the mean ranking is shown in Table 8. Corruption in the public sector was ranked seventh overall. Corruption in the private sector was ranked 15th.

Table 8: Mean ranks of socio-economic problems

Problem	Mean	Rank
High cost of living and inflation	17.10	1
Unemployment	14.58	2
Poor public transportation	13.46	3
Lack of quality roads and networks	12.77	4
Food shortage or famine	12.71	5
Lack access to safe drinking water	12.59	6
Corruption in the public sector	12.58	7
Weak leadership	12.42	8
Patronage: public officials hire relatives & friends for employment	12.26	9
High cost of health care	11.87	10
Low quality of health services	11.71	11
Housing shortage	11.41	12
Lack of transparency in public institutions	11.14	13
HIV/AIDS	10.70	14
Corruption in private sector	10.49	15
Lack of access to educational services	10.26	16
Low quality of education services	10.17	17
Poor sanitation	9.94	18
Lack of access to health services	9.37	19
Safety concerns/crime	8.90	20
High cost of education	8.42	21
Drug abuse and trafficking	8.14	22

5.3 Respondents' Assessment of the Quality of Public Service Delivery

5.3.1 Household respondents

The respondents in the household sample were asked to assess the quality of service delivery by 27 selected public institutions. The focus was on those institutions with which members of the public are likely to interact at some point in search of services. The selected institutions included

- federal agencies responsible for services and utilities such as power, telecommunications, postal services, housing, the police and the payment of pensions;
- financial institutions;
- regional bureaus responsible for services such as revenue collection, trade, transport, education and health; and
- regional, zonal, woreda and kebele administrative councils.

The respondents were asked whether, during the previous 12 months, they had sought services from each of these institutions and if so, to evaluate the quality of services they had received. The most widely visited public service providers by household respondents, mostly comprising public utility corporations and local authority offices, were:

- kebele council/administrative offices which were visited by 82% of the respondents during the previous 12 months,
- woreda council/administrative offices (used by 54% of the respondents),
- Commercial Bank of Ethiopia (44%),
- police, including traffic police (42%),

- (v) Ethiopian Electric Power Corporation (41%),
- (vi) Ethio-Telecom (41%),
- (vii) municipality offices (36%), and
- (viii) zonal council/administrative offices, which were visited by 21% of the household respondents during the previous 12 months.

The respondents were asked to rate the quality of service delivery by each institution on a 5-point scale, from 1 = “very poor” to 5 = “very good”. Only six out of the 27 federal and regional institutions were rated as providing good or very good service by more than fifty percent of those household respondents that had used them during the previous 12 months. The Commercial Bank of Ethiopia was the most highly rated, with 87% of users rating the service provided by the bank as good or very good (Table 9). This was followed the Ethiopian Postal Service Enterprise whose service delivery was rated as good or very good by 78% of the respondents that had used it during the previous year, the Construction and Business Bank, rated as good or very good by 62% of users, Ethio-Telecom (60%), the Documentation Authentication and Registration Office (59%).

Table 9: Household respondents/users that assessed the quality of service delivery by public institutions as “good” or “very good”

SN	Service provider	Respondents/Service users	
		%	No.
1	Commercial Bank of Ethiopia	86.5	1,482
2	Ethiopian Postal Service Enterprise	77.7	515
3	Construction and Business Bank	62.2	159
4	Ethio-Telecom	59.7	1,391
5	Documentation Authentication & Registration Office	59.4	325
6	Social Security Agency (pensions)	57.8	336
7	Regional education bureaus	49.4	496
8	Regional agriculture bureaus	47.2	445
9	Ethiopian Electric Power Corporation	46.5	1,398
10	Zonal Councils/administration offices	40.6	730
11	Regional labour & social affairs bureaus	39.9	256
12	Regional water & energy bureaus	39.5	540
13	Regional Councils	38.9	406
14	Regional revenue bureaus	38.7	341
15	Mass Media Agency	37.2	191
16	Woreda councils/administration offices	36.7	1,840
17	Kebele councils/administration offices	36.5	2,790
18	Regional bureaus of finance and economic development	34.6	283
19	Regional health bureaus	31.6	497
20	Police (including traffic police)	30.9	1,436
21	Housing Development Agency	29.3	287
22	Regional civil service bureaus	29.1	316
23	Regional bureaus for trade	28.1	342
24	Regional urban development & construction bureaus	24.9	277
25	Agency for the Administration of Government Houses	24.7	304
26	Regional transport bureaus	24.2	277
27	Municipalities	19.5	1,214

It is important to note that only six out of the 27 selected public service providers were rated as good or very good by more half of the respondents. The highest rated regional service providers were the education and agriculture bureaus, but with only a minority of users rating them as good or very good (49% and 47% respectively).

Municipal offices, as well as regional bureaus for health, trade, urban development and transport were rated as the worst public service providers, with less than 33% of the respondents rating their service standards as good or very good. Among federal institutions, the worst performers from the respondents' perspectives were the police, the Housing Development Agency and the Agency of Administration of Government Houses. The three were rated as providing good or very good service by only 31%, 29% and 25% of their users respectively.

5.3.2 Business respondents

Representatives of business enterprises were also asked to assess the quality of service delivery from a total of 27 public institutions. They were asked to rate those institutions from which they had sought services during the previous 12 months on a 5-point scale, from 1 = "very poor" to 5 = "very good".

Table 10: Business respondents/users that assessed the quality of service delivery by public institutions as "good" or "very good"

SN	Service provider	Respondents/Service users	
		%	No.
1	Ethiopian Postal Service Enterprise	84.8	587
2	Ethiopian Airlines (cargo service)	82.6	310
3	Commercial Bank of Ethiopia	81.7	1,053
4	Ethiopian Insurance Corporation	79.1	369
5	National Bank of Ethiopia	78.0	413
6	Development Bank of Ethiopia	66.0	198
7	Ethio-Telecom	65.7	1,074
8	Ethiopian Shipping Lines	63.2	212
9	Documentation Authentication & Registration Office	61.0	651
10	Ethiopian Investment Agency	60.8	263
11	Privatisation & Public Enterprise Supervisory Agency	56.9	123
12	Ethiopian Standards Agency	56.4	172
13	Water and sewerage authorities/bureaus	54.8	933
14	Ministry of Industry	54.5	235
15	Construction and Business Bank	52.5	200
16	Ethiopian Electric Power Corporation	50.5	1,128
17	Regional investment bureaus	47.9	294
18	Ministry of Trade	44.4	527
19	Regional trade and industry bureaus	44.4	695
20	Agency for the Administration of Government Houses	37.0	292
21	Regional/city administration revenue bureaus	35.7	1,012
22	Regional/zone/woreda/kebele administration offices	33.6	1,116
23	Ethiopian Revenues & Customs Authority	32.2	599
24	Judicial and court officials	28.3	495
25	Police (excluding traffic police)	25.9	657
26	Traffic police	21.6	574
27	Municipalities	19.6	755

The Ethiopian Postal Service Enterprise was rated by the largest proportion of its business users as having provided them with high quality service during the previous 12 months, with 85% rating its standard of service delivery as good or very good (Table 10). This also concurs the high rating that it received from the household respondents. It was followed by the Ethiopian Airlines cargo service, rated as good or very good by 83% of its customers, and the Commercial Bank of Ethiopia (82%).

As in the case of the household respondents, regional bureaus fared poorly in terms of the quality of service delivery, with most of them being rated as good or very good by only a minority of their business users. The highest rated were the regional water and sewerage bureaus for which 55% of their users rated their service delivery as either good or very good, followed by regional investment bureaus (48%).

It seems that business enterprises were more favourably disposed in their assessment of the quality of service delivery by public institutions than the general public as reflected from a comparison of the two sets of results from the household and business representatives. Sixteen out of the 27 institutions assessed by business enterprises were rated as good or very good by a majority of the respondents. In contrast, only six out of 27 institutions were rated as good or very good by at least 50% of the household respondents.

5.3.3 Representatives of CSOs and NGOs

Respondents from professional associations and CSOs and from NGOs were also asked to assess the quality of service delivery in selected federal and regional institutions. The respondents were asked to rate those institutions with which they had interacted during the previous 12 months on a 5-point scale, from 1 = “very poor” to 5 = “very good”.

The evaluations by the representatives of CSOs and NGOs were very similar to those from the household and business respondents (Table 11). For instance, a majority (between 66% and 72%) of the respondents from both the CSOs and NGOs rated the Ethiopian Postal Service Enterprise and the Commercial Bank of Ethiopia as providing good to very good services. Others with favourable ratings were the Ethiopian Charities and Civic Societies Agency, the Security, Immigration and Refugees Affairs office and the Documentation Authentication and Registration Office. Those institutions for which a majority of their users were dissatisfied with the quality of service included regional and local authorities, municipalities, police, public health institutions and the judiciary.

Table 11: Respondent professional associations/CSOs and NGOs that assessed the quality of service delivery by public institutions as “good” or “very good”

SN	Service provider	Respondents/Service users			
		CSOs		NGOs	
		%	No.	%	No.
1	Ethiopian Postal Service Enterprise	71.0	93	71.6	203
2	Commercial Bank of Ethiopia	66.2	139	71.9	292
3	Ethiopian Charities & Civic Societies Agency	n.d.	n.d.	66.9	145
4	Security, Immigration & Refugee Affairs	63.7	33	65.0	63
5	Ministry of Industry	57.9	19	n.d.	n.d.
6	Documentation Authentication & Registration Office	55.8	70	68.4	98
7	Ethiopian Insurance Corporation	56.6	30	n.d.	n.d.
8	Regional bureaus of labour and social affairs	n.d.	n.d.	54.7	95
9	Water and sewerage authorities/bureaus	53.9	91	54.4	182
10	Ethio-Telecom	52.1	144	53.7	270
11	Ethiopian Electric Power Corporation	47.2	127	45.7	247
12	Public education institutions	50.0	112	40.6	212
13	Development Bank of Ethiopia	47.1	17	n.d.	n.d.
14	Ministry of Trade	45.9	37	n.d.	n.d.
15	Construction & Business Bank	43.8	16	n.d.	n.d.
16	Ethiopian Revenues & Customs Authority	37.8	45	42.2	109
17	Regional/city administration revenue bureaus	36.9	92	40.5	153
18	Privatisation & Public Enterprises Supervisory Agency	40.9	22	n.d.	n.d.
19	Police (including traffic police)	n.d.	n.d.	33.3	147
20	Ethiopian Investment Agency	30.4	23	n.d.	n.d.
21	Regional/zone/woreda/kebele administration offices	29.0	145	33.1	233
22	Traffic police	27.5	40	n.d.	n.d.
23	Public health institutions	25.6	121	31.6	231
24	Judiciary/court officials	22.0	59	32.7	104
25	Municipalities	n.d.	n.d.	18.9	180
26	Agency for the Administration of Government Houses	24.3	37	n.d.	n.d.
27	Police (excluding traffic police)	23.7	76	n.d.	n.d.
28	Housing Development Agency	17.6	34	n.d.	n.d.

5.4 Respondents' Use of, and Experiences with, Public Services

The following paragraphs present the views, perceptions and experiences of the respondents regarding their use of public services, including education and health services, agricultural extension services, access to public utilities such as power, water and telecommunications, and their use of the judicial system.

5.4.1 Quality and use of education services

Four-fifths of the respondents said they had a member of their household attending school, whether public or private. Two-thirds (69%) of the respondents had children or other family members attending primary school (Grades 1-8) at the time of the survey. One-third (35%) had children in secondary school, and 15% said they had a family member attending tertiary college or university. Only 13% had children or other family members attending pre-school, 8% had someone undertaking a vocational or technical training and 4% were attending an alternative basic education centre.

However, it was more important to determine the proportion of households sending their children and/or dependents to public educational institutions compared to private or faith-based educational institutions. It should be noted that children from the same families may be sent to different types of schools depending on various circumstances, for instance one child may attend a government school while another is sent to a private or faith-based institution. Two-thirds (68%) of the households said their children and dependents were attending public or government educational institutions. On the other hand, 17% said their children were attending private educational institutions. Thus, the public sector is overwhelmingly responsible for the provision of education in the country. Only 6% and 5% of the households said they had children or other dependents in faith-based and community schools respectively.

The respondents were asked to assess the quality of educational services on five criteria, namely:

- the provision of teaching/learning materials such as textbooks, laboratory and library resources,
- adequacy of teaching staff,
- proportion of qualified teaching staff,
- standard of school administration, and
- provision of ethical and moral education and training for the learners.

The respondents were asked to rate each of the five quality attributes at schools attended by their children and/or dependents on a 5-point scale, from 1 = “very poor” to 5 = “very good”. The results in Table 12 have been disaggregated according to the responsible authorities for the schools, whether private, public, community-owned or faith-based. Although public institutions carry the greater burden of providing education in the country, the parents or guardians sending their children to state schools rated the quality of educational facilities less favourably in comparison with those provided in private institutions.

Private institutions were rated as good or very good on four of the five quality attributes by a larger proportion of the respondents than were state institutions, the only exception being in the provision of ethical and moral education (Table 12). For instance, 32% of the respondents rated the provision of teaching and learning materials in public schools as good or very good, compared with 40% of respondents with children in private schools. Community and faith-based institutions were rated lowest in terms of the quality of teaching and learning materials, the number and qualifications of the teachers and standard of school administration. However, they fared comparatively well with respect to ethical and moral education and training. In fact, community schools were rated as good or very good by 60% of the respondents on ethical and moral education, a higher score than any of the other categories of institutions.

Overall, almost three-quarters (73%) of the household respondents felt that the quality of education services in the country had improved during the past five years. Of the remainder, 15% said there was no change while 12% felt the quality had worsened.

Table 12: Household respondents' assessment of the quality of education services (% with of “good” or “very good”)

Category of institutions	Quality attributes of the education institutions	Respondents	
		%	No.
Private schools & colleges	Teaching/learning materials (books, laboratory, library)	40.3	573
	Adequacy of teaching staff	53.9	579
	Proportion of qualified teachers	50.5	579
	Standard of school administration	50.5	578
	Provision of ethical education for the children	51.5	577
Public schools & colleges	Teaching/learning materials (books, laboratory, library)	31.6	2,306
	Adequacy of teaching staff	45.2	2,323
	Proportion of qualified teachers	39.6	2,323
	Standard of school administration	44.3	2,320
	Provision of ethical education for the children	52.7	2,300
Community schools	Teaching/learning materials (books, laboratory, library)	19.7	188
	Adequacy of teaching staff	38.3	188
	Proportion of qualified teachers	42.6	188
	Standard of school administration	38.8	188
	Provision of ethical education for the children	59.8	187
Faith-based schools & colleges	Teaching/learning materials (books, laboratory, library)	15.3	215
	Adequacy of teaching staff	39.5	215
	Proportion of qualified teachers	43.7	215
	Standard of school administration	46.5	215
	Provision of ethical education for the children	50.2	215

5.4.2 Quality of health services

The household respondents were also asked to assess the quality of public health institutions that they had used during the previous twelve months on six attributes of quality. Respondents were asked to rate each attribute on a 5-point scale, from 1 = “very poor” to 5 = “very good”. The six attributes assessed were:

- admission procedures and processes at the health institution,
- adequacy of medical staff (doctors, nurses, laboratory technicians),
- availability of drugs and other medical supplies,
- availability of an ambulance service,
- standard of care given to patients by the medical staff, and
- cleanliness of the medical facility.

A majority of respondents rated the quality of health services on all six criteria as ranging from very poor to average (Table 13). The least satisfactory was the availability of drugs and other medical supplies, rated by a mere 10% as good or very good. The best rated, albeit by less than half the respondents, was the admission procedures, with 37% saying they were good or very good. However, good admission procedures are little comfort for those who are ill if other critical ingredients for quality medical services are absent.

Table 13: Household respondents' assessment of the quality of health services

Attribute	% of respondents					Total	
	Very poor	Poor	Average	Good	Very good	%	No.
Admission procedures at health facilities	9.1	21.7	32.0	33.3	3.9	100.0	1,522
Adequacy of medical staff	16.6	34.2	25.6	21.4	2.2	100.0	1,525
Availability of drugs and other supplies	32.4	39.3	18.1	9.2	1.0	100.0	1,526
Availability of ambulance services	43.3	27.4	15.7	12.0	1.6	100.0	1,505
Standard of care given to patients by staff	11.6	33.5	30.6	22.1	2.2	100.0	1,526
Cleanliness of facilities	9.6	22.4	31.0	33.7	3.2	100.0	1,515

Asked to indicate the general trend in health services, 62% said overall quality had improved during the previous five years, while 21% felt the quality had become worse and 17% said there had been no noticeable change. The fact that almost two-fifths reported either a static situation or deterioration in the quality of services should be cause for concern for the relevant health officials.

5.4.3 Access to other public utilities and services

The survey also investigated the households' access to other public services and utilities, in addition to any incidences of corruption in the provision of those services. The services and utilities in question were (i) health and agricultural extension services, (ii), electricity supply in their homes, (iii) safe water supplies and (iv) telephone connections.

The household respondents were asked if they had been visited by agricultural or health extension workers at their homes during the previous five years. Obviously, use of agricultural extension services depends on location since these are more relevant for rural farmers than urban dwellers. However, health extension services are likely to be required by all regardless of location. Two-thirds of the households said they had been visited by government health or agricultural extension workers at some point during the previous five years. However, there were some regional variations in access to extension services, from a high of 85% in Amhara and 75% in Benishangul to a low of 34% in Somali (Table 14). However, in most regions, 55-65% of the respondents said they had been visited by government extension agents during the previous five years.

Overall, a little over half of the households (54%) had access to electricity and less than half (48%) had access to safe water supplies. Addis Ababa fared very well in terms of access to electricity, water and fixed telephone services, with over four-fifths of the households being connected to these utilities. In respect of electricity connections, Addis Ababa was followed by Harari where 88% of the respondents had access to power, Tigray (68%) and Dire Dawa (65%). Oromia (37%), Gambella (16%) and Benishangul (15%) had the lowest proportions of households with access to electricity. The same three regions also reported the lowest proportions of households with access to a safe water connection, with 36% in Oromia, 17% in Gambella, and 10% in Benishangul. Somali also fared poorly in terms of access to safe water, with only 35% of its households connected.

Table 14: Proportions of households with access to selected services and utilities in each region

Region	% of households with electricity connection	% of households with water connection	% of households visited by extension agents	% of households with fixed telephone	No. of households
Addis Ababa	98.8 (97.5)	86.5 (97.7)	59.4	84.2 (40.8)	342
Dire Dawa	64.5	53.8 (82.2)	67.4	38.8	273
Tigray	67.8	63.1 (46.7)	59.9	60.2	339
Amhara	53.9	55.5 (24.2)	85.1	33.7	510
Oromia	36.6	36.2 (23.7)	74.0	31.5	549
SNNPR	46.0	46.0 (26.2)	75.3	39.3	511
Somali	46.7	35.3 (12.0)	33.8	43.7	272
Afar	44.5	60.7 (23.5)	56.6	33.8	272
Gambella	15.7	16.7 (32.7)	58.8	15.7	102
Benishangul	15.4	9.6 (18.6)	75.0	10.6	104
Harari	88.2	42.6 (61.2)	60.3	33.1	136

It should be noted that fixed telephone line connection is becoming increasingly irrelevant due to the rapid expansion of mobile telephone services and internet which are now available even in some of the most remote areas of a country. Having low fixed telephone coverage is no longer a disadvantage as it used to be in the past.

The figures in parentheses in Table 14 are the proportions of housing units that had access to piped water (inside or outside the house, private or shared) in each region, according to the 2007 housing and population census. Comparable figures from the 2007 census for other utilities are not available other than for electricity for lighting purposes in Addis Ababa. For instance, the published census results did not show the numbers of rural housing units with either electricity or fixed telephone services. Only urban housing units with access to electricity for lighting and cooking and fixed telephone connections were reported in the 2007 census.

5.4.4 Respondents' use of the judicial system

The survey sought the views and experiences of the respondents regarding their use of the judicial system, whether they (or those close to them - i.e. family member, or work colleagues) or their organisations had initiated a lawsuit during the previous five years and how far they thought the country's justice system was fair for all regardless of social status, power or wealth. The respondents were asked whether they thought the judiciary was fair in the administration of justice using a 5-point scale, from 1 = "unfair in all instances" to 5 = fair in all instances".

Table 15 shows the proportions of households, CSOs, NGOs and religious institutions that felt that the judiciary was "fair in most instances" or "fair in all instances". The findings clearly suggest a significant credibility gap between the public and the judiciary. All four sub-samples show that only a small minority of respondents have faith in the fairness of the justice delivery system. This credibility gap exists at all levels of the justice delivery system, from the kebele and city dwellers' courts to the federal supreme court. A little over two-fifths of the household respondents considered both the federal high court (43%) and the federal supreme court (42%) as fair in most instances or at all times. Representatives of NGOs and religious institutions were even more sceptical of the fairness of the judicial system, with less than two-fifths rating all levels of the judiciary as fair for much of the time.

The proportion of respondents that felt the judicial system was fair was even less at the lower courts. For instance, among the household respondents, only 20% and 15% respectively felt that the first instance woreda courts and the city dwellers courts were fair in most instances.

Table 15: Respondents that assessed the judicial system as “fair in most instances” or “fair in all instances”

Judiciary level	Respondents by sub-group							
	Households		Professional associations & CSOs		NGOs		Religious institutions	
	%	No.	%	No.	%	No.	%	No.
Federal supreme court	42.4	2,674	45.5	178	34.3	301	39.1	169
Federal high court	42.7	2,687	42.3	177	32.6	301	37.0	173
Federal 1 st instance court	38.7	2,688	36.6	180	31.9	301	31.3	176
Industrial/labour court	29.5	2,549	32.2	180	26.8	288	28.8	163
Regional supreme court	28.6	2,738	29.8	178	23.6	301	24.6	171
Zonal high court	26.0	2,745	23.4	175	16.5	297	21.3	169
1 st instant woreda court	20.4	2,945	22.0	178	13.7	302	19.7	172
Sharia court	32.5	2,436	35.2	162	20.3	256	30.7	144
City dwellers court	15.1	2,607	21.1	166	12.7	275	25.9	166
Prosecutors’ offices	n.d.	n.d.	22.1	177	n.d.	n.d.	n.d.	n.d.

However, it is worth noting that the respondents in all cases were slightly more favourably disposed towards the sharia courts, with proportions rating them as fair being slightly higher than even the zonal high courts.

The survey then sought to identify the main obstacles experienced by those wanting to use the judicial system. The respondents (i.e. households, representatives of NGOs, CSOs and business enterprises) were asked to select the three most serious obstacles to using the courts from a list of ten possible factors. For each sample group, the factors were then ranked according to the total number of respondents that had selected them as obstacles to using the courts. An overall rank was then computed for all four categories of respondents.

The issues identified by most respondents from all four sample groups as obstacles to their use of the courts were firstly, the legal process took too long and secondly, it was too complex (Table 16). The third commonly cited constraint was that that court decisions were influenced by corruption, followed by poor enforcement of court decisions and judges that were viewed as incompetent at their work. It is also worth noting that there was broad agreement in the ranking of these obstacles across all four sample categories with, for instance, all ranking the length of the legal process as the most serious obstacle in the justice delivery system of the country.

Table 16: Major obstacles experienced when using the courts

Obstacles to using the courts	Ranking by sample group				Overall ranking
	Household respondents	Business enterprises	NGOs	Professional associations & CSOs	
Process takes too long	1	1	1	1=	1
Process is too complex	3	2	3	1=	2
Court decisions are influenced by corruption	2	4	2	5=	3
Poor enforcement of court decisions	4	5	4	3=	4=
Incompetent judges	5	3	5	3=	4=
Incompetent prosecutors	9	6	8	5=	6
Lawyers' fees too high	7	7	6	9=	7
High gratification costs	6	8	7	9=	8
Court fees too high	10	9	9	7=	9=
Courts are too far	8	10	10	7=	9=

Although the length of the legal processes was ranked as the leading obstacle in the justice delivery system, this may derive more from perception and distrust of the courts than from reality. For instance, those household respondents that had used the judicial system were asked how long it had taken for their cases to be resolved. Well over half (61%) said the cases had been resolved within six months. Over three-quarters (78%) were resolved within 12 months. Only 11% said their cases had lasted more than two years. Likewise, representatives of business enterprises reported similar results in the disposal of court cases. Some 58% said their cases had been resolved by the courts within six months and 83% had been cleared within 12 months. Only 5% of the reported cases had taken more than two years to be resolved.

Some 1,027 of the respondents from the four sample groups (households, business enterprises, NGOs and CSOs) said that they or other household members or their organisations had at some point during the past five years had reason to use the courts but decided not to proceed with the matter. Of these, 724 (71%) were household respondents and 236 (23%) were business enterprises. The main reasons given for not using the courts confirmed the principal obstacles of using the judicial system outlined above. The most commonly cited reasons for deciding against using the courts were as follows:

- Long and complex process going through the courts, cited by 34% of the 1,027 respondents that had decided not to use the courts,
- Lack of knowledge about the procedures and process, cited by 25% of the respondents,
- Lack of time to pursue the case (23%),
- Not being sure about the benefit of pursuing the matter in the courts (17%),
- Shortage of money for lawyer's fees (15%),
- Was afraid to pay gratification to court officials (15%),
- Case was solved through mediators/arbitration (15%),
- Were able to reconcile their differences before the matter went to court (5%),
- Were afraid of the consequences/reprisals, including dismissal from work (3%),

- Were concerned that judges and lawyers colluding on decisions, no justice in the courts (3%),
- Courts were too far (2%),
- Lacked witnesses or there was inadequate evidence (2%), and
- Was deterred because of previous bad experiences with the courts (0.6%).

A majority (71%) of those that had opted not to use the courts were individual respondents or members of their households. Over two-fifths (42%) of these respondents were from poor households with average monthly incomes below Birr 500.

Finally, the respondents were asked whether they thought the application of the law in the country favoured the rich or not. A majority (61%) of the individual household respondents felt that application of the law did favour the rich and powerful. Likewise, 47% of the representatives of religious institutions also felt that application of the law favoured the rich and powerful. On the other hand, respondents from the NGOs and CSOs were more favourably inclined, with a small majority (55%) saying application of the law was equitable, regardless of one's social status.

5.4.5 The business environment and compliance levels

Business enterprises participating in the survey were also asked a variety of questions relating to their interactions with government institutions and how service delivery by public officials and civil servants impacted on their operations. Issues investigated included importation of goods, procurement and sales, application of rules and regulations, and the performance of the financial services sector in enhancing their business operations.

Table 17: Typical number of days taken by business importers to claim goods from customs

Number of days	Respondents/importers	
	No.	%
Up to 5	26	10.8
6 – 10	33	13.7
11 – 15	35	14.6
16 – 20	22	9.2
21 – 30	57	23.8
Over 30	67	27.9
Total	240	100.0

Only 19% of the respondent business enterprises said their firms were importing some or all their inputs, including raw materials, equipment as well as goods for re-export. Those enterprises that were importing some or all their inputs were then asked how many days it usually took from the time the goods arrived at the port of entry into the country until the time they could claim them from customs. Only 11% said they were typically able to collect their goods from customs within five days and 24% said within ten days (Table 17). A little over half (52%) said it usually took them

up to 20 days to claim their imports from customs, with 28% saying it took over 30 days. Thus, delays in the release of imported goods by customs authorities seem to be a common phenomenon for a large proportion of business importers in the country.

While there were delays experienced by importers, few reported losses during importation as a result of theft, breakages or other causes. Almost two-fifths (39%) reported that they did not experience any losses during shipment (Table 18). A further 44% said they typically lost up to 5% of the value of the imported goods through theft or breakages and less than 6% reported losses in excess of 10%.

Table 18: Losses incurred during shipment as a proportion of the total value of imported goods

% of value of goods lost	Respondents/importers	
	No.	%
None	92	39.0
1 - 5	104	44.1
6 – 10	27	11.4
11 – 20	8	3.4
Over 20	5	2.1
Total	236	100.0

The business respondents were then asked about the laws and regulations pertaining to their enterprises and how these were applied by public officials. They were asked to assess the availability of the relevant laws and regulations pertaining to their businesses, the interpretation of those laws and regulations by public officials, and their consistency and predictability over the past five years, using a 5-point scale from 1 = “strongly disagree” to 5 = “strongly agree”. Where laws and regulations are clear and known, and are consistent and predictable, there is likely to be greater compliance among those they are intended to regulate. This, in turn, should empower the business community to resist pressures from public officials who may want to solicit for unofficial payment or to misinterpret the regulations for their personal gain.

A little over one-third (35%) of the respondents felt that the laws and regulations governing their businesses were not easy to obtain, while another 16% were unsure about their ease of availability (Table 19). Thus, precisely half of the businesses could be said to be operating without adequate knowledge and/or the availability of laws and regulations governing their businesses. Likewise, half the respondents either disagreed or were unsure that those laws and regulations and their interpretation were always consistent. Perhaps more disconcerting was that only 32% of the respondents felt that laws and regulations affecting their businesses had become more predictable during the previous five years. A business environment perceived as unpredictable with frequent changes in policies and regulations tends to inhibit investment, employment creation and economic growth.

Table 19: Business respondents' assessment of laws and regulations pertaining to their enterprises

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total	
						%	No.
In general information on the laws and regulations affecting my firm are easy to obtain	6.8	27.8	15.7	38.9	10.8	100.0	1,375
In general, laws and regulations, and their interpretation, affecting my firm are consistent	6.4	23.8	19.6	39.3	10.9	100.0	1,376
In the past five years, laws, policies and regulations affecting my business have become more predictable	12.5	29.4	25.6	28.3	4.2	100.0	1,372

Table 20: Government requirements that businesses found most difficult to fulfil (N = 1,388)

Requirement	No. reporting difficulties with each issue	% of respondents
Cost of cash register machines, VAT problems, unfair tax system	305	22.0
Land scarcity and shortage of working space	210	15.1
Obtaining licenses	206	14.8
Bureaucratic red-tape, too many documents required	194	13.9
Lack of credit facilities	129	9.3
Meeting bank requirements	58	4.2
Absence of stable and consistent policies and guidelines	47	3.4
Shortage of skilled manpower	38	2.7
Property transfers	34	2.4
Problems with the Office of Standard and Quality Control	32	2.3
Getting approval of audited reports by tax authorities	31	2.2
Transport problems	29	2.1
Delayed payments from government	24	1.7
Government price fixing	18	1.3
Customs requirements	18	1.3
Water shortage	17	1.2
Contraband/illegal imports/competition from imported used goods	15	1.1
Poor services from records and documentation offices	10	0.7

The respondents were also asked to list up to three government requirements which they found most difficult to meet during the course of their business operations. The most cited problems were concerned with tax issues and generally meeting the requirements of the tax authorities, which were reported by 22% of the respondents. Other important issues affecting the business community were land shortage, problems in getting licenses and permits, and bureaucratic red-tape including what was perceived as the requirement for too many documents (Table 20).

The respondents were then asked to assess the degree to which a number of issues posed obstacles or challenges to their operations, using a 3-point scale from 1 = "not an obstacle" to 3 = "major obstacle". The issues to be considered included inflation, availability of credit facilities, availability and cost of skilled labour, market size, and

political instability. The concerns considered to be major obstacles to their business were as follows:

- Inflation, which was considered a major obstacle or challenge by 86% of the respondents,
- Fluctuations in the exchange rate, assessed as a major obstacle by 75% of the respondents,
- Availability and cost of inputs (raw materials, spare parts, equipment) (62%),
- Taxes and regulations (51%),
- Corruption in the public sector (50%),
- Insufficient and unstable market demand/size (44%),
- Availability of credit facilities (41%),
- Infrastructure (telecommunications, power, water, roads) (41%),
- Corruption in the private sector (41%),
- Functioning of the judiciary (29%),
- Availability of skilled workers and managers (23%),
- Cost of skilled workers and managers (22%),
- Crime and personal security (20%), and
- Political instability 11%.

Clearly, inflation, fluctuations in the exchange rate (which would impact on both the import and export trade and also push inflation upwards) were the major concerns to a majority of business representatives. Also of concern to the business community were the availability and cost of inputs, rated a major obstacle by 62% of the respondents. Corruption in the public sector *per se* was considered a major obstacle by only half of the business representatives. However, it is also possible that efforts to guard against the erosion of their businesses' profitability in the face of high inflation and high input costs can also lead to corruption between the business community and public servants in the relevant government institutions with which they interact.

Business practices by entrepreneurs and investors also have a bearing on how they interact with public officials, their level of compliance with laws and regulations as well as their propensity to engage in corruption when caught breaking the law or for failure to remit due taxes. For instance, proper record keeping, using the banks for their transactions and cheques for all payments are likely to enhance transparency than when their transactions are on a cash basis. Unfortunately, the survey showed that many businesses in the country fall short on basic business practices.

When asked how often their firms used bank cheques and drafts (rather than cash) for their business transactions, 31% of the respondents said they never did while another 36% said they did so only some of the times. Thus, only one-third of the respondent businesses used cheques and bank drafts for their transactions all the time. Only 22% said they prepared externally audited annual financial statements for their shareholders. Over half (56%) of the businesses said they did not use the services of professional facilitators such as lawyers, accountants and tax advisors. This may explain the high proportion of businesses that reported having problems in complying with tax requirements and the tax authorities as described above.

The respondents were also asked about their perceptions regarding tax compliance by typical firms within their line of business. A little under half (45%) were of the view that firms within their line of business were fully complying by paying their tax obligations to the tax authorities. A majority of the respondents felt that firms in their line of business were under-paying or under-declaring their tax obligations.

5.5 Public Officials and Employees' Assessment of Service Delivery

Any assessment of service delivery by public institutions needs to seek the views of both customers as users of public facilities and services on the one hand as well as those of civil service employees as the providers. Seeking the views of the latter provides an opportunity for them to express their opinions on the standard of service that they provide, and the challenges that they experience. However, it is also important to recognise that public officials may have a vested interest in ensuring a favourable assessment of the quality of service delivery by their institutions. A poor self-assessment may be construed as a reflection on their own performance as managers and/or may place their jobs at risk.

Nonetheless, it was useful to obtain the views of public officials and civil servants regarding the standard of service delivery in public institutions and to be able to compare their assessments with those of the general public that they serve. Over four-fifths (87%) of the public officials and civil servants surveyed reported that their organisations were providing services directly to the public. A majority of the respondents also felt that their organisations were responsive to the needs of their customers through consultation and complaints handling mechanisms. For instance, 75% said their organisations had clearly defined and published mechanisms for consultations with customers about their needs. These consultation mechanisms were rated as effective or very effective by 87% of the respondents. Over four-fifths (85%) said their organisations had clearly defined complaints handling mechanisms for dissatisfied customers to express their grievances. The complaints handling mechanisms were rated as effective or very effective by 83% of the respondents.

Table 21: Public officials and civil servants' assessment of the quality of service delivery in public institutions

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total	
						%	No.
Quality of service delivery is high	3.3	23.2	5.9	52.3	15.3	100.0	868
Clients are served in a timely manner	2.1	16.5	3.8	58.1	19.5	100.0	867
Services are accessible to the poor	3.8	12.4	10.8	51.6	21.4	100.0	847

The civil service respondents were asked to rate the performance of their organisations on a 5-point scale, from 1 = "strongly disagree" to 5 = "strongly agree", in respect of the quality of service delivery, timeliness in serving their clients and accessibility of services to the poor. The results are shown in Table 21. Two-thirds (68%) of the respondents agreed or strongly agreed that the quality of service

delivery within their organisations was high. An even higher proportion (77%) agreed or strongly agreed that their clients were served in a timely manner while 73% said their services were accessible to the poor.

It is worth comparing these assessments of the standard of service delivery by public officials and civil servants, as the service providers, with those made by their clients or service consumers (i.e. members of the public or household respondents, and representatives of business enterprises, NGOs and CSOs). The high ratings for service delivery given by public officials and civil servants would place their institutions at the upper end in terms of the performance assessments given by the service consumers. As shown earlier (see Tables 9, 10 and 11), only a few public institutions such as the Commercial Bank of Ethiopia, Ethiopian Postal Service Enterprise and Ethiopian Airlines, were rated as providing good to very good services by a majority of customers. Otherwise, most public institutions, and especially regional bureaus, were poorly rated by a majority of their customers. The results indicate the existence of a wide credibility gap between service providers and service consumers regarding the quality of services provided by public institutions.

Almost all public sector respondents (96%) reported that their organisations had formal written mission statements. Likewise, 91% said the institutions had measurable performance standards that were written down and which they were expected to meet. When asked how often those performance standards were met, only 37% said they were always met or were even exceeded. Another 57% felt that the set standards were met only some of the time. The remainder were either not sure (4%) or said the standards were never met (2%).

Table 22: Public officials and employees' assessment staff awareness of their responsibilities, competencies and attitudes towards delivery of services to clients

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total	
						%	No.
Everyone has a clear understanding of their tasks and responsibilities	2.7	12.9	6.2	57.1	21.1	100.0	1,004
Everyone is competent and qualified for their rank	2.6	21.2	10.8	50.0	15.4	100.0	1,002
Everyone works to ensure service delivery is of the highest standard	2.8	26.6	13.8	43.7	13.1	100.0	1,000
Everyone believes that citizens are our clients	3.8	18.8	11.0	48.3	18.1	100.0	976

Thus, failure to provide quality service delivery was not from lack of mission statements or performance standards, but could be related to other factors within the respective organisations such as staff attitudes and motivation, skills and competencies, and non-availability of resources and inadequate budgets. For instance, more than one-fifth (22%) of the respondents felt that staff within their organisations did not fully understand their duties and responsibilities (Table 22). Questions were also asked about the qualifications and competencies of staff – over

one-third (35%) either disagreed or were undecided that staff within their organisations were all competent and qualified for their ranks. Only 57% felt that everyone was working to ensure service delivery was of the highest standard.

The respondents were then asked to indicate what they considered the three most effective measures for improving their organisations' performance, from a list of 12 possible factors. The recruitment of better trained and competent staff was rated the most important factor by the largest proportion of respondents (40%) (Table 23). This was followed by improved remuneration which was cited by 35% of the respondents, greater managerial autonomy (30%) and better capacity for organisations to detect and punish corruption (27%).

Table 23: Measures rated as most effective in improving performance in public institutions (N=1,008)

Item	Respondents		Rank
	No.	%	
Better trained and competent staff	407	40.4	1
Improved salaries/higher remuneration	353	35.0	2
Greater managerial autonomy	306	30.4	3
Better capacity to detect and punish corruption	272	27.0	4
More staff	262	26.0	5
Better communication (not technology or equipment)	242	24.0	6
Tighter link between performance and reward/discipline	239	23.7	7
Less political interference	223	22.1	8
Better legal framework	197	19.5	9
More budgetary resources (other than salaries)	178	17.6	10
More and better office equipment	166	16.5	11
Reduced operational mandate	103	10.2	12

Finally, in assessing the quality of service delivery, public officials and civil servants were asked to rate the level of efficiency in 37 government institutions, using a 5-point scale from 1 = "very inefficient" to 5 = "very efficient". This served as a form of self-assessment to show how the respondents perceived the performance of the institutions within which they worked.

The results were very similar to the assessments of service delivery standards by consumers discussed earlier. The Commercial Bank of Ethiopia was rated as the most efficient of the public institutions by 73% of the civil servants and public officials, followed by Ethio-Telecom (60%) (Table 24). Only five out of the 37 institutions were considered efficient or very efficient in their performance by a majority of the respondents, including the regional health bureaus (56%), the FEACC (53%) and the regional education bureaus (53%). At the other extreme, regional transport and urban development bureaus, the privatisation agency, city dwellers' courts and sharia courts were considered the least efficient.

Table 24: Public officials and civil servants' assessment of the level of efficiency in selected government institutions (% saying "efficient" or "very efficient")

SN	Institution	Respondents	
		%	No.
1	Commercial Bank of Ethiopia	73.4	893
2	Ethio-Telecom	60.0	896
3	Regional health bureaus	55.9	892
4	Federal Ethics & Anti-Corruption Commission	52.9	878
5	Regional education bureaus	52.8	884
6	Ethiopian Electric Power Corporation	49.6	888
7	Ethiopian Postal Service Enterprise	49.1	880
8	Federal Supreme Court	46.7	874
9	Water & Sewerage Authority	45.0	889
10	Mass Media Agency	43.7	881
11	Federal High Court	43.2	882
12	Regional finance & economic development bureaus	43.1	881
13	Members of Parliament	42.9	860
14	House of Federation	42.0	864
15	House of Peoples' Representatives	41.7	872
16	Regional civil service bureaus	41.2	881
17	Construction & Business Bank	40.6	845
18	Regional Ethics & Anti-Corruption Bureaus	39.3	859
19	Regional police commissions	39.2	881
20	Parliamentary Committees	39.1	867
21	Regional agriculture bureaus	38.1	877
22	Social Security Agency (pensions)	37.9	871
23	Regional water & energy bureaus	37.9	859
24	Regional Supreme Courts	36.9	880
25	Region revenue bureaus	35.8	885
26	Security, Immigration & Refugee Affairs	34.7	852
27	Regional labour & social affairs bureaus	33.9	888
28	Ethiopian Investment Agency	33.9	862
29	1 st Instance Woreda Courts	33.1	876
30	Zonal High Courts	32.4	878
31	Secretariat of the National Assembly	32.0	864
32	Prosecutors' Offices	31.0	862
33	Regional urban development bureaus	30.5	873
34	Regional transport bureaus	29.0	881
35	Privatisation & Public Enterprise Supervisory Agency	24.4	854
36	City Dwellers Courts	21.4	840
37	Sharia Courts	20.6	831

5.6 Summary

This survey found that, overall, the major challenges facing people in the country today were the high cost of living/inflation and unemployment, followed by poor public transport, poor road network and food shortage. An earlier study in the Addis Ababa City Administration by Transparency International (2008) found that the escalating cost of living, unemployment, housing shortage, corruption and drugs were rated the five most serious problems in the country. Thus, inflation and unemployment are consistently the two most serious problems weighing on the population in both surveys. The emergence of poor public transport as the third most

serious problem, whereas it was not among the top 15 major problems in the 2008 study by TI, may be indicative of an rapidly urbanising economy in which the transport infrastructure is failing to cope with demand from commuters. Likewise, poor road conditions which was rated 12th in 2008, was now rated the fourth most serious problem.

During the past few years, the Government of Ethiopia has responded to the demand for accommodation by embarking on a large scale housing construction programme. As a result, large numbers of people have been moved into decent accommodation with modern amenities. The massive construction programme may explain why housing shortage, ranked as the third most serious problem in 2008, had dropped to 12th position in 2011.

Overall, the rating of socio-economic problems, as explained in the 2008 study by Transparency International, broadly reflects the continuing inflationary pressures in the economy, the rise in the urban population, and the failure of the economy to meet demand for employment.

The study by TI also examined the quality of 13 selected procedures when seeking services from public institutions. The issuing of ID cards by local authorities was rated highest, followed by public school registration, telephone installation and electricity installation. Attention at health services was ranked eighth, with an average rating of 37. The results from the current survey suggest little improvement in the public's perception of the quality of health services with, as mentioned earlier, a majority of respondents rating them between very poor and average. Obtaining judicial records was ranked last of the 13 procedures. The judiciary has remained among the poorest performers in terms of the quality of services. Quality of service delivery by Ethio-Telecom and the Ethiopian Electric Power Corporation was in the middle to upper range in both studies.

The 2001 corruption survey found the Commercial Bank of Ethiopia, the postal service enterprise and the passport office were rated the best service providers among the sampled households. These three institutions have maintained their top rating, with the Commercial Bank of Ethiopia and the Ethiopian Postal Service Enterprise rated first and second respectively by household respondents and as third and first respectively by representatives of business enterprises. In the current survey, the Documentation Authentication and Registration Office was rated fifth by household respondents. The poorest service providers in 2001 were customs authority, followed by land allocation services, national housing services, the judiciary, and tax authority. Again, more or less the same institutions have been rated as poor performers during the current survey, with regional urban development and construction bureaus and the federal Agency for the Administration of Government Houses among the least rated institutions in terms of quality of service delivery.

The results of the survey discussed in this chapter raise a number of important lessons and provide direction for the development of more effective responses to corruption in the country. First, a number socio-economic issues and challenges that impinge on the country's efforts to combat corruption were raised by the respondents, with considerable unanimity across the six sample groups about their

relative importance on the lives of the people. The evidence demonstrated that while corruption is not the topmost challenge affecting the daily lives of a majority of the citizens, those problems that are at the top – namely the high cost of living and unemployment – can indeed contribute to corruption in public institutions. As citizens, including lowly paid civil servants, struggle to counter the effects of high inflation and unemployment, this creates fertile ground for low level or petty corruption. Public sector employees are tempted to augment their incomes by soliciting for bribes and demanding payment for services that they should be providing as part of their duties and responsibilities.

Second, it was argued in Chapter 2 that national responses to corruption often include institutional reform. The Civil Service Reform Programme in Ethiopia aimed at improving the standard of service delivery in the public sector. The evidence from this survey has shown that the majority of citizens are dissatisfied with the standard of service delivery in most public institutions. A few institutions are highly rated for their performance, but the same cannot be said for the bulk of the federal ministries, agencies, parastatals and the regional bureaus. As shown earlier, poor quality of service delivery provides grounds for corruption – on the one hand customers will seek to expedite or facilitate getting the service that they want from a lethargic service provider, on the other the lowly paid employee will be tempted to use the opportunity for personal gain and to augment his/her income. The inference is that efforts to combat and eradicate corruption in public institutions need to happen in tandem with improved service delivery.

Third, the findings presented here suggest that those institutions that were providing good quality services in the past have generally continued to do so while those perceived as poor service providers in previous studies have shown little improvement in the eyes of the public. The findings also show wide disparities in service delivery between the federal institutions and the regional and sub-regional institutions. Overall, the standard of service delivery was rated higher in federal institutions than in the regional bureaus. Moreover, poor households are more likely to use whatever public institutions are accessible to them (e.g. schools or health services), because they cannot afford the more expensive private institutions. The implication is that it is the poorer majority that are subjected to low service standards and are more vulnerable to demands for unofficial payments from public sector employees, including judicial officers and the police.

Fourth, while the business sector has expanded significantly during the past decade, there are weaknesses in business practices, inconsistent business regulations, poor compliance with regulations, and tax evasion which make the enterprises vulnerable to corruption. Macro-economic factors, notably inflation and fluctuations in the exchange rate, also contribute towards a business environment that is prone to corruption.

Fifth, inefficiency and poor service delivery in key federal and regional state institutions also have a direct impact on investment and employment creation. Delays in institutions such as customs, opaque regulations in tax and revenue offices and investment authorities, excessive bureaucracy in the licensing authorities – all these impede both investment and employment creation, and provide fertile ground for corruption.

CHAPTER 6: PERCEPTIONS AND EXPERIENCES OF CORRUPTION

6.1 Introduction

This chapter examines the respondents' views, perceptions and experiences regarding corruption in public institutions, federal ministries and regional bureaus. The chapter also analyses the views of public officials and civil servants regarding compliance with internal administrative and management practices within their organisations in order to assess the extent of corrupt practices, if any, within government ministries, bureaus and parastatals.

6.2 Governance and Integrity of Public Institutions

6.2.1 *Integrity and honesty of staff in public institutions*

Corruption, even in the form of requests for small tokens as a show of appreciation for services rendered, calls into question the integrity and honesty of those employees and the institutions which they represent. The survey sought to obtain the views of respondents regarding how they assessed public institutions in terms of the integrity of their staff. The different sample groups of respondents were asked to rate selected institutions on a 5-point scale, from 1 = "very dishonest" to 5 = "very honest".

Table 25: Household respondents' assessment of the level of honesty/integrity in selected public institutions (% saying "honest" or "very honest")

Institution	Respondents	
	%	No.
Commercial Bank of Ethiopia	59.2	3,292
Public education institutions (bureaus, schools, etc)	56.9	3,391
Ethio-Telecom	42.3	3,325
Public health institutions (bureaus, hospitals, clinics, etc)	39.6	3,392
Ethiopian Postal Service Enterprise	38.1	3,299
Ethiopian Electric Power Corporation	37.0	3,340
Water and sewerage authorities/bureaus	34.0	3,336
Regional/zone/woreda/kebele administration offices	27.1	3,355
Social Security Agency (pensions)	25.6	3,222
Courts	24.8	3,379
Construction and Business Bank	20.0	3,195
Police, including traffic police	20.9	3,385
Document Authentication & Registration Office	17.9	3,267
Security, Immigration & Refugee Affairs	15.8	3,227
Regional/city administration revenue bureaus	14.6	3,283
Regional labour & social affairs bureaus	14.2	3,229
Municipalities/city administrations	14.1	3,341
Regional civil service bureaus	13.8	3,230
Regional trade bureaus	11.6	3,227
Agency for the Administration of Government Houses	10.9	3,244
Housing Development Agency	9.9	3,224
Regional industry bureaus	9.3	3,216

Among household respondents, the most respected public institution for integrity was the Commercial Bank of Ethiopia, rated as honest or very honest by 59% of the respondents (Table 25). Education establishments were also considered as relatively honest, with 57% of the respondents concurring. It is important to note that only these two out of the 22 public institutions on the list were considered as honest by more than 50% of the respondents. Most regional bureaus in particular have major credibility problems with the public, with less than one-quarter of the respondents rating them as honest or very honest. At the federal level, the Agency for the Administration of Government Houses and the Housing Development Agency were rated the lowest, with 11% and 10% respectively rating them as honest institutions.

Several of these institutions coincided with offices at which the respondents also reported that they, or members of their households, had been asked to pay gratification in return for services during the previous 12 months (Table 26). Of the 334 respondents that had been asked to pay gratification, 30% said this had happened at police stations or with traffic police, 28% said it had happened at the lower level courts, or at the kebele administration offices (27%) and municipal offices (11%). These are institutions with which the general public need to interact with on a regular basis in order to obtain services.

Table 26: Public institutions at which household respondents had been asked to pay gratification during the previous 12 months (N = 334)

Institutions	Respondents	
	No. asked to pay*	%
Police stations/traffic police	99	29.6
Woreda/kebele courts	93	27.8
Kebele council/administration offices	91	27.2
Municipal offices	37	11.1
Woreda health offices/bureaus	21	6.2
Electric power authority	20	6.0
Government schools	17	5.1
Water & sewerage authorities/bureaus	13	3.8
Education bureaus	9	2.7
Regional agriculture & rural development bureaus	9	2.7
Woreda council/administration offices	7	2.1
Customs offices	6	1.8
Revenue bureaus/offices	6	1.8
City administration offices	5	1.5
Sales centres of Ethio-telecom	5	1.5
Trade & Industry offices/bureaus	3	0.9
Housing development agency	3	0.9
Office of political parties	2	0.6
Immigration office	2	0.6
Civil service bureaus	2	0.6
Woreda peace & justice office	1	0.3
Sub city administration office	1	0.3

* Although asked to pay, some said they had not paid

Business enterprises also rated state-owned utility and service firms as being more honest than public institutions (Table 27). As with household respondents, the

Commercial Bank of Ethiopia was considered an honest organisation by over four-fifths (83%) of the representatives of business enterprises that were surveyed, followed by the Ethiopian Electric Power Corporation (61%), Ethio-Telecom (57%) and the Ethiopian Postal Service Enterprise (57%). The courts, the police, the two housing agencies as well as the regional administration authorities were considered the least honest by a majority of the business respondents.

Table 27: Business respondents' assessment of the level of honesty/integrity in selected public institutions (% saying "honest" or "very honest")

Institution	Respondents	
	%	No.
Commercial Bank of Ethiopia	82.8	1,370
Ethiopian Electric Power Corporation	61.2	1,383
Ethio-Telecom	57.2	1,382
Ethiopian Postal Service Enterprise	56.7	1,373
Water & sewerage authorities/bureaus	53.6	1,376
Document Authentication & Registration Office	46.9	1,375
Public education institutions	46.6	1,380
National Bank of Ethiopia	41.9	1,354
Public health institutions	39.1	1,379
Social Security Agency (pensions)	32.6	1,360
Bureaus for trade and industry	32.2	1,380
Construction and Business Bank	29.8	1,337
Development Bank of Ethiopia	29.7	1,346
Security, Immigration & Refugee Affairs	28.8	1,352
Regional/zone/woreda/kebele administration offices	26.5	1,376
Regional/city administration revenue bureaus	25.4	1,381
Courts	20.1	1,380
Police, including traffic police	16.0	1,381
Municipalities/city/town administration	14.3	1,380
Agency for the Administration of Government Houses	13.9	1,354
Housing Development Agency	12.0	1,353

Some 234 representatives of business enterprises said they had been asked to pay gratification in return for services at public institutions during the previous 12 months. Not all of them had agreed to pay. Of those that had been asked to pay, almost one-quarter (24%) said this had happened during their interactions with the police (Table 28), with revenue bureaus (22%) or at municipal/city administration offices (22%). The lowest incidences were reported for health and education bureaus, water and sewerage authorities, at the offices of Ethio-Telecom and the cooperative authorities.

Table 28: Public institutions at which representatives of business enterprises had been asked to pay gratification during the previous 12 months (N = 234)

Institutions	Respondents	
	No. asked to pay*	%
Police, including traffic police	56	23.9
Revenue bureaus/woreda finance offices	52	22.2
Municipalities/city administration offices	52	22.2
Customs authorities	30	12.8
Kebele administration	26	11.1
Courts	26	11.1
Land development authorities	17	7.3
Power corporation	17	7.3
Trade offices/bureaus	11	4.7
Investment authorities	8	3.4
Road transport authorities/bureaus	7	3.0
Housing Development Agency	6	2.6
Health authorities/bureaus	4	1.7
Ethio-Telecom	4	1.7
Water and sewerage authorities	4	1.7
Education bureaus	3	1.3
Cooperative authorities	2	0.8

* Although asked to pay, some said they had not paid

Table 29: Assessment of the levels of honesty and integrity in selected government institutions by representatives of religious organisations (% saying “honest” or “very honest”)

Institution	Total respondents	
	%	No.
Commercial Bank of Ethiopia	79.7	189
Ethiopian Postal Service Enterprise	60.0	190
Ethio-Telecom	59.0	190
Public education institutions	56.6	189
Ethiopian Electric Power Corporation	51.1	190
Water & sewerage service authorities/bureaus	50.8	189
Public health institutions	40.7	187
Social Security Agency (pensions)	39.0	187
Document Authentication & Registration Office	36.4	184
Security, Immigration & Refugee Affairs	33.1	187
Construction & Business Bank	32.7	179
Regional/zone/woreda/kebele administration offices	30.0	190
Courts	26.6	188
Labour and social affairs bureaus	23.8	189
Regional civil service bureaus	21.9	183
Police, including traffic police	21.5	191
Municipal/city/town administration	20.0	190
Regional/city administration revenue bureaus	19.0	190
Trade and industry bureaus	18.1	188
Agency for the Administration of Government Houses	14.7	183
Housing Development Agency	14.7	184

Representatives of religious institutions were also asked to assess selected public organisations in terms of the degree of honesty of their staff. The results were very similar to those from the other sample groups discussed above (Table 29). Staff in the three state enterprises (Commercial Bank of Ethiopia, the Postal Service Enterprise and Ethio-Telecom) were considered honest by a majority of the respondents, with 80%, 60% and 59% respectively saying they were either honest or very honest. Those whose staff were thought to be mostly dishonest by the religious organisations included the two federal housing agencies, for which only 15% rated them as honest, and the regional and municipal office staff.

Table 30: Public officials and employees' assessment of the levels of honesty and integrity in selected government institutions (% saying "honest" or "very honest")

SN	Institution	Respondents	
		%	No.
1	Commercial Bank of Ethiopia	70.4	889
2	Regional education bureaus	56.8	877
3	Federal Ethics & Anti-Corruption Commission	49.6	872
4	Ethio-Telecom	48.6	893
5	Regional health bureaus	48.0	883
6	Ethiopian Postal Service Enterprise	46.3	876
7	Mass Media Agency	45.6	873
8	Federal Supreme Court	39.7	866
9	Water & Sewerage Authority	39.5	882
10	House of Peoples' Representatives	39.4	864
11	Members of Parliament	39.3	857
12	Ethiopian Electric Power Corporation	39.1	885
13	House of Federation	38.4	858
14	Federal High Court	37.8	872
15	Regional civil service bureaus	37.2	873
16	Construction & Business Bank	36.2	839
17	Regional finance & economic development bureaus	36.1	875
18	Social Security Agency (pensions)	35.7	862
19	Regional agriculture bureaus	35.6	873
20	Parliamentary Committees	35.2	859
21	Regional Ethics & Anti-Corruption Bureaus	34.3	840
22	Regional water & energy bureaus	34.2	856
23	Regional police commissions	32.8	876
24	Regional labour & social affairs bureaus	32.4	885
25	Regional Supreme Courts	31.3	869
26	Security, Immigration & Refugee Affairs	31.3	845
27	Secretariat of the National Assembly	30.2	859
28	Region revenue bureaus	30.1	880
29	Regional transport bureaus	27.8	876
30	1 st Instance Woreda Courts	27.8	867
31	Prosecutors' Offices	27.7	850
32	Zonal High Courts	27.4	865
33	Ethiopian Investment Agency	26.9	855
34	Regional urban development bureaus	25.8	868
35	Privatisation & Public Enterprise Supervisory Agency	20.4	845
36	Sharia Courts	19.0	823
37	City Dwellers Courts	18.6	833

Among public officials and civil servants, there was recognition that staff in some government institutions were less honest than others. The Commercial Bank of Ethiopia was again the highest rated public institution in terms of integrity, with 70% of the respondents saying its staff were honest or very honest (Table 30). Only the education bureaus were so rated by at least half of the respondents, with 57% of them saying their staff were honest. All the other selected institutions were considered honest by only a minority of the respondents. Those considered the least honest by a majority of public employees included the lower level courts (sharia courts, city dwellers courts and the zonal high courts), the Privatisation and Public Enterprise Supervisory Agency and the Ethiopian Investment Agency, and the regional urban development bureaus.

6.2.2 Perceptions versus reality of corruption in public institutions

One of the important findings from the survey was that there was a large gap between the perception among the respondents regarding the prevalence of corruption in public institutions and the actual practice of corruption. It was unclear from the survey what could be the explanation for this discrepancy. One possible reason could be that respondents may have under-reported their experiences of corruption out of fear of incriminating themselves. For instance, only 10% of the household respondents said they or members of their families had been asked to pay gratification, or that an official had intimated the need for payment, during the previous 12 months (Table 31). The largest proportion of respondents that said they had been asked for gratification was among representatives of business enterprises, with 17% so reporting. When asked how often firms in their line of business had to pay gratification to government officials in order to get things done, only 5% said they paid gratification all the time, 34% said some of the time and 62% said never. Among NGOs and professional associations, the proportion of respondents that had been asked for gratification was much lower, at less than 5% in each case. These figures suggest low levels of corruption in which public officials and civil servants ask for, or receive, unofficial payments for services rendered to customers.

Table 31: Proportions of respondents asked to pay gratification during the previous 12 months

	% of respondents in each group			
	Household respondents (N = 3,410)	Business enterprises (N = 1,372)	NGOs N = 333)	Professional associations & CSOs (N = 183)
Yes	9.8	17.1	4.8	4.4
No	90.2	82.9	95.2	95.6
Total	100.0	100.0	100.0	100.0

Overall, respondents that said they had been asked to pay gratification were found in all nine regions and the two city administrations (Table 32). Members of the general public and representatives of business enterprises were more likely to be asked to pay gratification than the other sample groups. However, there were some regional variations in demands or requests for gratification. The largest proportion of

household respondents that were asked for gratification by staff at public institutions were in Dire Dawa where one-fifth of the respondents said they had been asked for payment (Table 32). This was followed by Oromia with 14% of the sample households saying they had been asked for payment, Benishangul (12%) and Somali (12%). The implication is that citizens in these regions and city administrations have a greater probability of being asked for gratification by staff serving them at the various institutions than citizens in the Harari, Tigray and Gambella where 6%, 5% and 1% respectively reported that they had been asked for gratification by civil servants during the previous 12 months.

Table 32: Regional distribution of respondents that had been asked to pay gratification in public institutions during the previous 12 months (as % of respondents from each region)

	Household respondents		Business enterprises		NGOs representatives		Professional associations & CSOs	
	No. asked to pay	% of respondents in the region	No. asked to pay	% of respondents in the region	No. asked to pay	% of respondents in the region	No. asked to pay	% of respondents in the region
Addis Ababa	25	7.3	64	11.5	3	3.6	2	2.2
Dire Dawa	57	20.9	24	17.1	3	17.6	1	14.3
Tigray	16	4.7	14	16.8	1	4.0	2	25.0
Amhara	39	7.6	21	18.6	1	2.3	1	6.3
Oromia	79	14.4	31	23.7	2	3.6	1	6.6
SNNP	34	6.6	30	26.8	1	3.3	0	0.0
Harari	8	5.9	9	10.7	1	5.9	0	0.0
Afar	27	9.9	5	11.9	1	5.9	1	16.7
Gambella	4	3.9	14	33.3	0	0.0	0	0.0
Benshangul	13	12.5	2	4.6	1	5.9	0	0.0
Somali	32	11.7	20	47.6	2	15.4	0	0.0

The amounts paid by those household representatives that had consented to pay varied from a few Birr to a maximum of Birr 15,000 which was reported by one respondent. Almost two-fifths said they had paid amounts up to Birr 100, another 34% had paid between Birr 101 and 500 (Table 33). Only a small minority (under 2% had paid amounts in excess of Birr 5,000. The amounts involved in most instances suggests that what is taking place mostly falls within the realm of petty corruption with staff seeking to augment their salaries.

Analysis of the regional distribution of business enterprises that had been asked for gratification at public institutions during the previous 12 months shows that such practices were more prevalent in Somali, Gambella, SNNP and Oromia Regions and lowest in Harari and Benishangul. In Somali, almost half (48%) of the businesses interviewed had been asked for gratification whereas the proportion was only 5% in Benishangul (see Table 32).

Table 33: Amounts paid by household respondents as gratification to staff at public institutions during the previous 12 months

Amount paid (Birr)	Respondents	
	No.	%
Under 50	59	19.9
51 – 100	52	17.6
101 – 200	44	14.8
201 – 500	57	19.3
501 – 1,000	27	9.1
1,001 – 2,000	22	7.4
2,001 – 5,000	30	10.1
5,001 – 10,000	4	1.4
Over 10,000	1	0.3
Total	296	100.0

Although the incidents reported by customers whereby public officials solicited for unofficial payments were relatively low, there was, however, a perception among a large proportion of the respondents across all the groups that corruption was a serious problem in the country. Thus, almost three-quarters of the respondents in each of the five sample groups shown in Table 34 felt that corruption was now a serious problem in the country. As explained earlier (see section 2.3.2), the experience elsewhere shows a direct relationship between levels of corruption and rising inflation, especially among lowly paid public sector workers as their salaries become eroded by the rising cost of living. Thus, the perception that corruption has become a serious and growing problem should be seen in the context whereby inflation was also rated as the topmost challenge facing Ethiopian households today.

Table 34: Respondents' assessment of seriousness of corruption in the country today

Magnitude of corruption as a problem	% of respondents in each group				
	Household respondents (N = 3,386)	Public officials & civil servants (N = 1,002)	NGOs (N = 333)	Professional associations & CSOs (N = 186)	Religious institutions (N = 191)
Is not a problem at all	1.1	1.8	0.3	1.1	0.0
Is only a minor problem	3.1	4.0	4.2	2.7	2.1
Is a moderate problem	24.1	17.6	23.4	22.6	23.6
Is a serious problem	45.4	38.9	50.2	40.8	53.4
Is a very serious problem	26.3	37.7	21.9	32.8	20.9
Total	100.0	100.0	100.0	100.0	100.0

As shown in Table 35, the overall mean score (3.96 out of a 5-point scale) also confirms respondents' assessment of the magnitude of corruption in the country.

That confirms that all categories of respondents considered corruption as a serious problem in the country.

Table 35: Descriptive statistics for respondents' assessment of seriousness of corruption today

Respondent group	N	Mean	Std. deviation
Households	3,386	3.93	.849
Public officials & civil servants	1,002	4.07	.933
Professional associations & CSOs	186	4.02	.873
NGOs	333	3.89	.799
Religious institutions	191	3.93	.726
Total	5,098	3.96	.861

The results from analysis of variance in Table 36 further revealed statistically significant difference between and among the five categories of respondents on their perception of the level of corruption today ($F = 5.89$, $p < .01$). This indicates that the magnitude of corruption is perceived as being serious by the majority of respondents from each of the five sample categories.

Table 36: ANOVA for respondents' assessment of seriousness of corruption in the country today

Source of variation	Sum of Squares	Df	Mean Square	F	P
Between groups	17.413	4	4.353	5.89	.000*
Within groups	3763.833	5093	.739		
Total	3781.245	5097			

* $P < 0.01$

Opinion was divided almost equally between those who felt that corruption had become worse during the past few years and those that thought it was now better (Table 37). For instance, among the NGOs, 41% said it was worse or much worse, compared with 40% who felt it was better or much better than five years previously. The proportions among professional associations were 47% and 46% respectively. Among representatives of religious organisations 38% felt corruption was now worse while 42% felt it was better than before. On the other hand, 32% of the household respondents felt it was now worse than before and 47% said it was now better. Similarly, 31% of the public officials and civil servants felt that corruption was now worse, compared to 57% who thought it was better than before. The two latter groups were therefore more positive about the corruption trend in the country.

Table 37: Comparison of the prevalence of corruption today and five years previously

Changes in corruption	% of respondents in each group				
	Household respondents (N = 3,379)	Public officials & civil servants (N = 1,006)	NGOs (N = 333)	Professional associations & CSOs (N = 186)	Religious institutions (N = 191)
Is much worse than before	10.6	10.7	14.7	22.0	17.3
Is worse than before	21.8	20.0	26.4	24.7	20.9
Is about the same as before	20.5	12.4	18.3	7.7	19.4
Is better than before/now less	39.7	46.7	36.9	41.2	39.3
Is much better than before	7.4	10.1	3.6	4.4	3.1
Total	100.0	100.0	100.0	100.0	100.0

The survey did not specifically ask the respondents to explain why they felt that corruption was now worse than it was some five years previously. However, the following are likely to be among the contributory factors: (i) the rising cost of living, which, as mentioned earlier, was rated as the topmost challenge facing families today, (ii) a growing and modernising economy in which the requirements for formal business and personal documentation and licensing are bringing more and more people into contact with low and middle level bureaucrats, (iii) increased personal mobility which is bringing people into contact with various law enforcement agencies (e.g. traffic police), and (iv) growing urbanisation as a result of which an ever-increasing proportion of the population are more likely to interact more often with public officials and civil servants in respect of utilities (electricity, water), services (education and health), housing or employment.

Table 38 shows the respondents' perceptions about the prevalence of corruption in the country today compared with five years ago. Although some of the respondents felt that corruption had become worse during the past few years and others considered it as being better today, the overall mean score (3.11) reveals that a considerable proportion of the respondents from the five categories were of the opinion that the prevalence of corruption in the country today is about the same as before.

Table 38: Descriptive statistics for respondents' comparison of the prevalence of corruption today and five years ago

Respondent group	N	Mean	Std. deviation
Households	3,379	3.12	1.149
Public officials & civil servants	1,006	3.26	1.199
Professional associations & CSOs	186	2.81	1.299
NGOs	333	2.88	1.165
Religious institutions	191	2.90	1.190
Total	5,091	3.11	1.172

The results of analysis of variance in Table 39 also unveiled the existence of statistically significant differences between and among the five categories of respondents on their comparison of the prevalence of corruption in Ethiopia today and five years ago ($F = 11.55$, $p < .01$). This implies that the respondents from each of the five categories have divergent views regarding the trend of corruption in the country today and five years ago.

Table 39: ANOVA for respondents' comparison of the prevalence of corruption today and five years ago

Source of variation	Sum of Squares	Df	Mean Square	F	P
Between groups	62.987	4	15.747	11.55	.000*
Within groups	6932.291	5086	1.363		
Total	6995.278	5090			

* $P < 0.01$

6.2.3 The drivers of corruption in public institutions

The survey also sought to find out who usually initiated the payment of gratification, between the service providers (the “bribees”) and the customers (the “briber”). Almost two-thirds (64%) of the household respondents and 70% of the representatives of business enterprises that had paid, or had been asked for payment, during the previous 12 months said it was government officials that usually initiated the need for payment in order to get things done (Table 40). Even among representatives of NGOs and professional associations, although the numbers involved were small, most also said it was public employees that initiated the request for payment. Public officials and civil servants, perhaps not unexpectedly, felt that members of the public and private enterprises were the ones more likely to initiate the payment – 26% of them said it was initiated by the customers and 20% felt it would be initiated by the service providers.

Table 40: Perceived drivers/initiators for payment of gratification in public institutions

	% of respondents in each group ¹				
	Household respondents (N = 334)	Business enterprises (N = 234)	Public officials & civil servants (N = 1,008)	NGOs (N = 16)	Professional associations & CSOs (N = 8)
Public official/employee indicates or asks for payment	64.1	69.6	19.6	31.2	75.0
Customer offers payment out of own accord	8.1	21.4	25.9	n.d.	n.d.
It is known beforehand how to pay and how much	14.7	9.4	8.8	n.d.	12.5
Other (e.g. a third person acts as middleman or broker)	1.5	n.d.	1.5	6.2	n.d.

¹ Respondents could list more than one mode, hence the percentages do not add up to 100%

Table 41: Social groups perceived as most responsible for promoting and perpetuating corruption by each of the various respondent categories

	% of respondents in each group					All respondents (N = 5,130)
	Household respondents (N = 3,410)	Public officials & civil servants (N = 1,008)	Professional associations & CSOs (N = 186)	NGOs (N = 335)	Religious institutions (N = 191)	
Members of the public	40.8	30.3	25.8	56.7	33.0	39.0
Private enterprises	12.6	19.6	10.2	29.2	15.2	15.1
Public enterprises	9.6	10.3	18.3	33.1	23.6	12.1
Politicians	21.3	25.6	19.4	37.9	15.7	22.9
Bureaucrats/civil servants	53.6	45.4	48.9	58.8	56.5	52.3

When the respondents were asked which social groups or population they felt was mostly responsible for corruption in the country, a majority of them (52%) put the blame on civil servants (Table 41). Almost two-fifths (39%) felt that members of the public were responsible for corruption, followed by politicians (23%). A small majority (up to 59%) of the respondents in each of the five sample groups felt that civil servants were mostly responsible for corruption, ahead of both members of the public and private enterprises. It is also worth noting that public officials and civil servants considered themselves, more than any other social group, as being largely responsible for driving corruption, with 45% saying government bureaucrats were to blame for the practice, ahead of members of the public (30%) and politicians (26%).

Various reasons were given to explain why the various groups were willing to engage in corrupt practices. First, there was a commonly held view among a majority of all categories of respondents that public officials and civil servants used their positions of power to engage in corrupt practices primarily for the purpose of self-enrichment (Table 42). Second, the existing laws were said to be either ineffectual or government was reluctant to enforce them, as a consequence of which there was no effective deterrent against corruption by public officials. However, 11% of the household respondents and 12% of the representatives of NGOs, CSOs and religious institutions also felt that the general public contributed towards corruption in public institutions because they wanted to be served quickly or without following laid-down procedures. Low salaries in the public sector were not seen as a major factor in corruption, with only 5-6% of the respondents mentioning it as a possible contributing factor.

Table 42: Reasons given by respondents for corruption within public institutions (% of respondents in each group)

Household respondents (N =3,410)		NGOs, professional associations & CSOs, religious institutions (N = 712)*	
Reasons for corruption	%	Reasons for corruption	%
Public officials have capacity and power to subvert the justice system	30.7	Individuals with power are sources of corruption/want to get rich quickly	14.9
Public officials and employees give priority to themselves before others/self-enrichment	26.8	Weak or absence of laws that can deter officials/government reluctance to punish offenders	13.5
Public behaviour and attitudes encourage corruption by public officials	10.9	The public urges the officials to get things done fast	11.8
Incompetence & poor performance of public officials/necessary to bribe them in order to get services	10.8	Corruption is not viewed as a serious issue by society/it's part of culture	8.7
Lack of awareness among the public about their rights and the evils of corruption/citizens are not being urged to combat corruption	6.8	Corruption is driven by power and greed to become wealthy	7.3
Poor public sector salaries lead to corruption	5.8	Lack of transparency of accountability among government officials	6.0
Corruption is a customary practice all over the country	4.7	Low salaries payment for government officers encourages corruption	5.1
Public officials and employees want to favour their relatives and ethnic groups/clans	4.5	Lack of public awareness about their rights and the evils of corruption	4.8
Reluctance by people to provide information promotes corruption	2.6	Public officials practice nepotism in recruitment and service delivery	3.5
Citizens need services and this places them at the mercy of officials	2.5	No one is willing to report and expose corrupt practice that they witness	1.1
The current policy & strategies are weak to combat corruption/people are not being accountable for their wealth/inadequate enforcement of rules and regulations	2.6	No culture of fighting corruption by the public	1.0

* The three groups have been combined because some responses had very small numbers of respondents

6.2.4 Payment of gratification to judicial officers

In section 6.2.1, it was shown that the courts were viewed by a majority of respondents as being among the least honest institutions in the country and where one was likely to be asked to pay gratification in order to expedite service delivery or to get a favourable judgement. One-quarter of the household respondents said they (or a member of their households) had initiated a lawsuit during the previous three years. Among those that had initiated a lawsuit, 15% said they had paid gratification in order to get a favourable decision. (The 126 respondents that said they had paid gratification represented 3.7% of the 3,410 households in the survey).

The largest proportion of the household respondents that said they had paid gratification to judicial officers were in Afar Region (19%), followed by Oromia Region (18%), and SNNPR (13%) (Table 43). Only 7% and 6% of the respondents that had paid gratification were from Addis Ababa and Dire Dawa City Administrations respectively, the major urban centres of the country. The lowest proportions were from Benishangul (3%) and Harari (2%).

Table 43: Distribution of household respondents that said they had paid gratification to judicial officers by region

Region	Respondents	
	No.	%
Addis Ababa	9	7.1
Dire Dawa	8	6.3
Tigray	11	8.7
Amhara	8	6.3
Oromia	23	18.3
SNNPR	16	12.7
Somali	12	9.5
Afar	24	19.0
Gambella	9	7.1
Benishangul Gumuz	4	3.2
Harari	2	1.6
Total	126	100.0

The principal beneficiaries from the payment of gratification by household respondents in terms of both the number of recipients and the amounts paid were apparently judges and public prosecutors (Table 44). Most payments to judges were in the Birr 200-2,000, although a few received as much as Birr 5,000 or more. Public prosecutors were mostly paid in the range of Birr 200-1,000, although one respondent claimed to have paid over Birr 10,000. On the other hand, amounts reportedly paid as gratification to court clerks and messengers were mostly under Birr 100, with only a small minority receiving amounts in the range of Birr 500 – 1,000. Payments to the police were mostly under Birr 1,000, with 31% claiming to have paid under Birr 50.

Table 44: Payments to various categories of judicial officials as gratification by households

Amount paid Birr	Number of respondents that paid to judicial officials				
	Court clerks	Court messengers	Police/law enforcement	Public prosecutors	Judges
Under 50	13	13	21	0	0
51 – 100	8	6	11	4	0
101 – 200	7	4	6	4	7
201 – 500	8	9	11	11	20
501 -1,000	3	2	11	8	13
1,001 – 2,000	0	1	2	4	11
2,001 – 5,000	0	0	4	4	12
5,001 – 10,000	0	0	0	0	4
Over 10,000	0	0	0	1	0
Total	39	35	66	36	67

Some 16% of the professional associations/CSOs and 24% of NGOs said their organisations had initiated a lawsuit during the previous five years. None of the professional associations/CSOs said they had been asked to pay gratification to judicial officials. Only two of the NGOs that had initiated a lawsuit said they had paid gratification, one to a court judge (Birr 200) and another to a court messenger amounting to Birr 50. Both instances were in Addis Ababa. The two NGOs that had paid gratification to court officials represented less than 1% of the 335 NGOs in the survey. With respect to business enterprises, 11 (i.e. under 1% of the survey sample) said they had paid gratification in order to get a favourable decision in their cases. Of the 11, four were from Oromia Region, three from SNNPR, two from Addis Ababa City Administration and one each from Amhara and Somali Regions.

On the one hand, the survey suggests that it is individuals rather than business enterprises and non-governmental organisations that are likely to be inclined or coerced to pay gratification to judicial officers. However, the question also remains whether household respondents were more open in divulging their experiences of corruption in the judiciary than representatives of business, NGOs and CSOs for fear of reprisals or incriminating themselves.

6.2.5 Referral of patients from public to private health facilities

Although the survey did not investigate the prevalence of the practice, medical practitioners (doctors and nursing staff) in government health institutions also work for private hospitals and clinics as a way of augmenting their public sector salaries. Apparently, this practice is allowed by the Ministry of Health as a way of ensuring that public health institutions retain qualified medical personnel who might otherwise be lost to the private health sector. Private health facilities are said to be generally better equipped than government facilities. Medical personnel often refer patients from government health facilities to private clinics and hospitals for further examination and treatment because they have better facilities. The survey sought to find out from the members of the public whether they had any experience of this practice of referral from public to private health facilities and, if so, whether they had been attended by the same health professionals.

Over two-fifths (45%) of the household respondents said they had been referred from a government health facility to a private health facility. Of the 1,543 respondents that had been so referred, 47% said the medical staff that had referred them also worked at the private hospitals/clinics to which they had been referred. This represents 21% of the household sample of 3,410. Another 31% of those patients that had been referred said they had no knowledge whether the medical professional that had referred them also worked at the private health facility. The remaining 22% said the medical staff that had referred them from a government health facility did not work for the private hospital/clinic to which they were referred.

Over four-fifths of the referred patients said they had paid for their treatment at the private health institutions to which they had been referred, while another 4% had the cost paid for by their employers. The remaining 13% said their treatment at the private facility had been free.

Finally the household respondents were asked whether they had paid gratification when seeking medical services, over and above the official treatment costs. A large

majority (94%) said they had not paid any gratification. Among the few that said they had paid, the amounts were mostly under Birr 100. Overall, the results suggest the practice of paying gratification to medical personnel is very low.

The information provided by the household respondents suggests that referral of patients from public to private health institutions is quite common. It is not possible to say whether all such referred cases were warranted or not due to a lack of the equipment or treatment in government health institutions. What is important to bear in mind is that the system may be open to abuse, with medical practitioners referring patients to private clinics and hospitals with which they are associated either to generate more business for those facilities or to augment their own remuneration when they provide private treatment to those referred patients.

6.2.6 User payments for other public services and utilities

The proportions of households with connections to electricity and water were presented in an earlier chapter. Of the 1,855 households with electricity connection, 9% said theirs had been done unofficially (Table 45). Furthermore, 13% of them were not paying their bills through the official channels. They were either paying through intermediaries or were not paying at all. This represents a loss of revenue to the power utility corporation. One-fifth (20%) of the electricity consumers were also making unofficial payments to the staff responsible for power in order to ensure a reliable supply.

Table 45: Status of utility connections among household consumers (% of consumers)

Status	Electricity (N = 1,855)	Water (N = 1,635)	Telephone (N = 1,427)
% of connections done officially	88.1	93.6	97.5
% of connections done unofficially	9.4	4.1	1.1
Don't know/not stated	2.5	2.3	1.4
Total	100.0	100.0	100.0

Of the 1,635 households that said they had a piped water connection, 4% had been connected unofficially while 2% said they did not know whether the connection was official or not (Table 45). Asked if they were paying their water bills through official channels, 10% of the respondents said they were not. They were either paying through some intermediary or were not paying at all. Some 18% of the users were making unofficial payments to the relevant staff responsible for water in order to ensure a reliable supply.

The household respondents were also asked if they had a fixed telephone line at home. This had the lowest incidence of illegal connections, with only 1% saying their fixed telephone lines had been connected unofficially (Table 45). Only 4% said they were also paying their bills through unofficial channels, compared with 13% of electricity consumers and 10% of water users. Similarly, a lower proportion (15%) of the household telephone users made unofficial payments to staff in order to facilitate

a more reliable service, compared with 20% of the electricity and 18% of the water consumers.

A high proportion (95%) of the business enterprises said they had electricity on their premises. However, 11% of them said they had paid extra in order to get connected. The amounts paid in order to facilitate connection in the majority of cases did not exceed Birr 100. However, some reported larger amounts, with a few saying they had paid as much as Birr 2,000 or more. Over four-fifths (84%) of the businesses had a fixed telephone connection. Among those with a telephone line, only 6% said they had made an unofficial payment in order to facilitate getting connected by the telephone company staff.

Routine agricultural and health extension services are normally provided for free by government agents. The household respondents that had been visited by the extension workers were asked if they had paid for the service. A large majority (97%) of the respondents said they had not paid for the visits and advice by the health and/or agricultural extension workers.

6.2.7 Doing business with government institutions

Business organisations need to interact with government institutions on a regular basis for the successful and profitable operation of their enterprises. This may include the import and export of goods through official ports of entry, payment of taxes and license fees, or compliance with health and safety regulations applicable to their particular sectors. The interface between public officials and business enterprises is therefore quite broad and this can provide ample opportunity for the parties to engage in corruption, either because the business enterprise will be threatened with penalties for failure to meet certain stipulated requirements or it needs to get things done quickly (e.g. clearing of goods through customs).

Table 46: Unofficial charges incurred during importation of goods as a proportion of the total cost of importation

% of total costs of importation	Respondents/importers	
	No.	%
None	85	37.3
1 – 5	33	14.5
6 – 10	25	10.9
11 – 20	46	20.2
Over 20	39	17.1
Total	228	100.0

Asked if they incurred any unofficial charges other than the official customs payments during importation of their goods, almost two-thirds (63%) of the business enterprises engaged in import trade said they did. The amounts paid as unofficial charges varied, with 25% of the importers saying they typically paid up to 10% of the total official costs of importation (Table 46). A further 20% said unofficial payments

ranged between 11% and 20% of the official costs. At the other extreme, 17% said those unofficial charges were more than 20% of the official costs of importation.

Another area of concern is that of government procurement from the private sector. The concerns centre on issues about a lack of transparency, favouritism, bribery and corruption in the awarding of government contracts. Only 42% agreed that government contracts were usually awarded in a clear and transparent manner; more than half (58%) of the business enterprises disagreed, and less than 1% were unsure about the level of transparency in the public procurement process.

Enterprises wanting to do business with government also face a number of obstacles. Of the four likely obstacles listed in Table 47, the complexity of the government procurement procedures and the requirement to pay gratification to public officials were seen as major obstacles by a large proportion (47% and 45%) of the business respondents respectively.

Table 47: Obstacles to doing business with government

Item	% of respondents			Respondents	
	Not a obstacle	A minor obstacle	A major obstacle	%	No.
Process is too complex	17.9	34.8	47.3	100.0	1,372
There is too much competition	47.8	33.0	19.1	100.0	1,369
Requirements for payment of gratification	20.7	34.7	44.6	100.0	1,369
Time it takes to finally receive payment	31.7	38.4	29.8	100.0	1,361

There were 299 enterprises that said firms in their line of business usually offered gratification in order to secure contracts with government. Their distribution by economic sector and as a proportion of the survey sample for each sector (see Table 7) was as follows:

- Mining and quarrying, of which 57% of the 14 in the sample said firms in their line of business paid gratification,
- Heavy manufacturing, of which 33% of the 57 firms in the sample said their sector paid gratification,
- Foreign trade (imports), of which 28% of the 109 firms said there was payment of gratification within the sector,
- Construction, of which 26% of the 113 in the sample said there was payment of gratification by firms in the sector,
- Transport and storage, of which 19% of the 98 in the sample said there was payment of gratification within the sector,
- Tourism, hotels and restaurants, of which 18% of the 238 firms in the sample said there way payment of gratification in the sector in order to secure government contracts, and
- Domestic wholesale and retail trade, in which 18% of the 404 firms in the sample said firms in their line of business paid gratification.

The results give some indication of the economic sectors for which there is greater likelihood of corruption in the awarding of government contracts. Overall, the results

also suggest a wide credibility gap with the government procurement process among the country's business community.

There was also some acknowledgement by public officials and civil servants that business operators do sometimes pay bribes in order to win government contracts. When asked how common it was for enterprises to pay gratification in order for them to win contracts with their organisations, 2% of the public officials said it happened all the time, and 7% said it sometimes happened. The remainder said it never happened (27%) or they were not aware if it did happen or not (63%). The high proportion that said they were unaware is not altogether surprising as only those officials directly involved in procurement (e.g. those in the organisations' procurement units) would be aware of such corrupt activities. When disaggregated by region, the highest proportion of civil servants that said businesses did pay gratification in order to win government contracts all the time or some of the time were in Addis Ababa (14%), followed by Oromia, Afar and Somali Regions (with 13% of the civil service respondents each), Dire Dawa and Tigray (12% each). The lowest proportions of such civil service respondents were in SNNP and Gambella Regions (with 7% each), Benishangul (5%), Amhara (2%) and Harari Region (0%).

Business enterprises also sometimes pay gratification out of political considerations, for instance by making contributions to political parties in order to avoid unfair treatment or in return for favours in the event of that party winning an election. Some 8% of the business enterprises said they had contributed to political parties during the previous five years. Of these, 28% were in Oromia Region, 18% in Addis Ababa, 16% in Somali Region and 12% in Afar Region. The remainder were distributed in small proportions across the other regions, with none reported to have contributed to political parties in Harari Region.

When asked if they had been required to contribute to political parties for purposes of election campaigning, the proportion of business enterprises that responded in the affirmative almost doubled to 15%. Almost one-quarter (23%) of the respondents that said they had made such contributions were in Addis Ababa, followed by Oromia Region with 21%, SNNP (14%), Somali and Dire Dawa (9% each) and Afar (8%).

6.2.8 Non-compliance with civil service procedures and regulations

In this section, the focus is on compliance, or lack thereof, with internal administrative procedures within government ministries, regional bureaus and other public institutions. Public officials may fail to comply with laid down procedures, not out of ignorance or incompetence, but because they seek to benefit themselves, their friends and relatives. For instance, managers may favour their relatives or friends in recruitment or promotion when there are other better qualified and experienced candidates competing for the same positions. Public officials and civil servants participating in the survey were asked questions aimed at assessing their organisations' level of compliance with laid down procedures relating to personnel management practices, budget management, procurement and information management and communication.

The respondent public officials and civil servants were asked whether they were involved in any way in personnel management matters within their organisations, for instance in recruitment, performance evaluation, or disciplinary actions. A little over

one-third (35%) said they were not involved in personnel management at all, and these would mostly be junior employees. Another 37% said they were involved to some extent while the remaining 28% said they were heavily involved. The latter would mostly be holders of management positions.

Overall, a large majority of the respondents expressed satisfaction with personnel management decision-making processes within their organisations. Almost three-quarters agreed or strongly agreed that the decision-making processes on personnel matters in their organisations were clear (71% of the respondents) and fair (72%) and that the decisions taken were announced (75%) (Table 48). Personnel management practices were supported by formal policies, regulations and guidelines that were written down (84%).

Table 48: Public officials and civil servants' assessment of personnel management practices within their organisations

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total	
						%	No.
Personnel management decision-making process is clear	4.8	12.8	11.0	53.4	18.0	100.0	989
Personnel management decisions are fair	3.1	11.3	13.8	59.3	12.5	100.0	988
Personnel management decisions are announced	3.4	12.1	9.4	56.7	18.4	100.0	992
Personnel management decisions are audited	4.2	13.3	15.2	51.7	15.5	100.0	978

In the recruitment of staff, 22% felt that the best qualified applicant always got the job, and 43% said the best candidates usually got it. Thus, it can be said that two-thirds (65%) of the respondents were satisfied or very satisfied with the fairness of the recruitment process. Another 18% were either undecided or did not know whether the best qualified candidates got the job while the remaining 16% felt this was not the case.

It was useful to find out in which regions and institutions this latter group were employed who were of the opinion that the best qualified candidates did not necessarily get the job. The civil servants who questioned the fairness of the recruitment process in this way were mostly from Oromia, Tigray and Amhara Regions as well as from Addis Ababa (Table 49). In the regional governments, the institutions employing them were mostly the bureaus for justice, the civil service, health, revenues/finance offices, social affairs and urban land management offices.

Table 49: Regional distribution of respondents (public officials and civil servants) that said the best qualified either never or rarely got the job

	Respondents	
	No.	%
Oromia	40	24.5
Addis Ababa	30	18.4
Tigray	26	16.0
Amhara	24	14.7
SNNP	11	6.7
Benishangul	11	6.7
Afar	8	4.9
Dire Dawa	5	3.1
Gambella	5	3.1
Somali	2	1.2
Harari	1	0.6
Total	163	100.0

Asked if the practice whereby people that are qualified for employment within their organisations paid gratification in order to get appointed, 5% said it happened all the time while 22% said it sometimes happened. Another 45% said it never happened. The remaining 27% were not sure whether the practice was taking place within their organisations or not.

Table 50: Regional distribution of respondents reporting that job applicants paid gratification in order to get appointed

	Respondents	
	No.	%
Addis Ababa	79	28.6
SNNP	33	11.9
Oromia	27	9.8
Tigray	25	9.1
Amhara	23	8.3
Dire Dawa	19	6.9
Somali	19	6.9
Afar	17	6.2
Benishangul	14	5.1
Gambella	11	3.9
Harari	9	3.3
Total	276	100.0

Most of the respondents who said the practice did happen at least some of the time were from Addis Ababa, which had 29% of those that had said so (Table 50). Other regions in which such cases were reported were SNNP (12% of such respondents), Oromia (10%), Tigray (9%) and Amhara Region (8%).

The respondents were asked how much importance they felt was attached to a number of factors in the treatment of individual staff within their organisations, for instance on matters of recruitment, promotion, remuneration and the provision of

opportunities for training. Each factor was rated on a 5-point scale, from 1= “totally important” to 5 = “very important”. The results again support the view that personnel management decisions are based on fair and objective criteria most of the time. For instance, 91% of the respondents felt that merit was either an important or very important factor in the treatment of staff while 84% felt that length of service was an important or very important criterion (Table 51). The more objectionable factors, which are also indicative of corrupt practices such as political connections, regionalism or nepotism, were considered important in the way staff were treated by only a small minority of the respondents. For instance, having the right political connections, or being related to one’s supervisor were said to be important criteria by only 29% and 36% of the respondents respectively. Only 7% said gift giving to one’s supervisors was important in order to receive preferential treatment in the organisation.

Table 51: Respondents’ assessment of the relative importance given to various criteria in the treatment of individual staff (% saying “important” of “very important”

Factors considered in treatment of staff	Respondents	
	%	No.
Merit	90.6	994
Length of service	84.2	1,005
Relationship with supervisors	36.1	1,003
Political connections	28.8	1,004
Gender	58.4	1,002
Providing gifts/gratification to supervisors	7.1	1,003
Tribe/ethnicity	16.2	1,003
Regional connections	23.8	995

However, what may be of some concern from the perspective of achieving gender equality in public organisations is the fact that only 58% felt that gender was an important or very important criterion in the treatment of staff within their organisations. The high level of focus on merit and length of service may impede the implementation of policies aimed at addressing gender inequalities in public institutions.

Conventional wisdom holds that civil servants engage in corrupt practices, especially the petty variety of corruption because of low public sector salaries. The respondents in this survey were asked the extent to which they were satisfied with their current remuneration, as well as other benefits. A substantial majority were not happy with the remuneration levels, with 57% either disagreeing or strongly disagreeing that they were satisfied with the salaries and 63% also expressing displeasure with their benefits such as pensions and health insurance (Table 52). Two-thirds (67%) thought they would have been earning more if they were working in the private sector. While this is difficult to verify and there is no guarantee that they would have been able to get equivalent jobs in the private sector anyway, it is their perceptions of unfairness that are important here. Failure to meet their personal and family needs from their official salaries, or if friends and relatives in the private sector are seen to be earning more and doing much better, these become strong motivating factors for

augmenting salaries by engaging in acts of corruption. For a majority of the respondents, job security and promotion prospects were said to be the main attractions of the public sector, with 63% and 60% respectively agreeing or strongly agreeing with these two statements.

Table 52: Respondents that were satisfied with their remuneration, benefits and working conditions

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total	
						%	No.
Working in the public sector is better than working in the private sector	11.3	24.4	10.1	36.4	17.8	100.0	1,004
My salary is satisfactory	15.7	41.6	4.8	32.0	5.9	100.0	1,004
Other benefits (pension, health insurance, etc) are satisfactory	17.7	44.9	5.9	27.9	3.6	100.0	1,003
My job is secure	5.7	21.4	10.4	48.9	13.6	100.0	1,003
There are good prospects for promotion	7.0	20.5	11.9	43.6	16.9	100.0	998

Public institutions are supposed to undertake formal performance monitoring and evaluation of their staff, the results of which can be used for purposing of coaching employees as well as in deciding on rewards (e.g. payment of bonuses) and promotion. Four-fifths (82%) of the respondents said their performance was formally evaluated at least once a year. According to 85% of the respondents, written criteria was used in the evaluation of the staff. In response to what extent the results of the performance evaluation were used in making personnel decisions, 47% said they were used in all cases, and 25% said they were used only in some cases. The remainder said either the results of the performance evaluation were never used in making decisions on staff promotion (14%) or they did not know if the evaluation results were used (14%). Overall, responses from the staff suggest a high level of objectivity in the implementation and use of staff performance appraisals.

While most respondents were generally satisfied with the personnel management policies and practices within their organisations, there were also indications of political interference in the hiring and promotion of staff. When asked if, during the previous five years, elected officials or political party officials had tried to influence any decisions on recruitment or promotion of staff, 25% responded affirmatively, slightly over half (53%) said no and the remaining 22% said they did not know if such influence had been brought to bear on their organisations. Among those respondents that reported incidents of political interference, 37% said this happened quite frequently, and 46% said such interference happened some of the times. The other 17% said it happened only on rare occasions.

When asked how their organisations usually responded and dealt with such interference from elected officials and political party officials, opinion was more or less evenly divided. Some 37% said their organisations usually complied with such interference, 34% said they would challenge it and the remaining 29% said it was ignored.

Although interference from elected officials was reported in all the regions, the highest proportions (as a percentage of the number respondent civil servants from each region) were reported in Oromia with 31%, followed by Dire Dawa (27%) and Somali (27%) (Table 53). The smallest proportions of staff reporting political interference in recruitment and promotions were in Gambella (with 12%) and Harari (5%).

Table 53: Regional distribution of respondents reporting interference with recruitment and promotion of staff from elected officials during the previous five years

Region	No. reporting political interference	Total no. of respondents from the region	% of respondents reporting political interference
Oromia	35	112	31.2
Dire Dawa	22	80	27.5
Somali	11	40	27.5
Benishangul	12	45	26.7
SNNP	23	100	23.0
Addis Ababa	65	331	19.6
Tigray	14	80	17.5
Afar	7	40	17.5
Amhara	14	100	14.0
Gambella	5	40	12.5
Harari	2	40	5.0

With respect to budget and procurement management, 82% and 79% respectively agreed that policies, guidelines and regulations were formalised in writing. If properly implemented, therefore, there would be little or no scope for staff to engage in corrupt practices with either the organisations' budgets or procurement processes. However, only 67% of the respondents felt that their organisations had effective expenditure monitoring and control systems in place; another 10% said the systems were ineffective and the remaining 22% were not sure about the effectiveness of the monitoring and control systems.

6.3 Respondents' Perceptions on the Effectiveness of Anti-Corruption Strategies

The legal framework and strategies being implemented by the government in order to combat corruption were discussed in Chapter 2. The survey provided an opportunity to obtain the citizens' views and perceptions on the effectiveness of these anti-corruption strategies. The respondents were asked whether they thought government was committed to fighting corruption, using a 5-point scale from 1 = "strongly disagree" to 5 = "strongly agree". Overall, a majority of the respondents in each sample group either agreed or strongly agreed that the government was indeed committed to combating corruption (Table 54). Perhaps not surprising, public officials and civil servants had the largest proportion in support, with 74% agreeing or strongly agreeing that the government was committed. Likewise, 74% of the representatives of religious institutions agreed that government was committed, as

did 67% of the household respondents and 62% of the representatives of professional associations and CSOs.

Table 54: Respondents' assessment of government's commitment to combat corruption (% of respondents)

Respondent group	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total	
						%	No.
Household respondents	5.4	14.7	13.4	50.8	15.7	100.0	3,390
Public officials and civil servants	5.4	12.2	8.8	44.5	29.2	100.0	1,001
Professional associations & CSOs	4.8	14.5	18.3	47.8	14.5	100.0	186
NGOs	7.9	18.4	15.1	43.2	15.4	100.0	331
Religious institutions	3.7	7.5	15.0	57.2	16.6	100.0	187

Table 55 shows the results from analysis of the respondents' assessment of the government's commitment to combat corruption. The overall mean score (3.61) reveals that, though the level of agreement between the sample categories varied, all five groups agreed with the statement that there was strong commitment by the government to combat corruption.

Table 55: Descriptive statistics for respondents' assessment of government's commitment to combat corruption

Respondent group	N	Mean	Std. deviation
Households	3,390	3.57	1.085
Public officials & civil servants	1,001	3.80	1.146
Professional associations & CSOs	186	3.53	1.061
NGOs	331	3.40	1.180
Religious institutions	187	3.75	.947
Total	5,095	3.61	1.103

The results from the analysis of variance in Table 56 disclosed that there are statistically significant differences within and between the five groups of respondents on their level of agreement concerning the commitment of the government to fighting corruption ($F = 12.78$, $p < .01$). This implies that majority of the respondents from each of the five categories concurred regarding government's commitment to combating corruption.

Table 56: ANOVA for respondents' assessment of Government's commitment to combat corruption

Source of variation	Sum of Squares	Df	Mean Square	F	P
Between groups	61.693	4	15.423	12.78	.000*
Within groups	6140.080	5090	1.206		
Total	6201.773	5094			

*P < 0.01

The survey then sought the respondents' perceptions on the effectiveness of the anti-corruption strategies that are being implemented by the government. As described in Chapter 2, these strategies include education and awareness creation, the legal requirement for public officials to register their assets, the establishment of anti-corruption institutions at both federal and regional levels, as well as implementation of the civil service reform programme which, in part, is aimed at enhancing service delivery and ethics within the public sector.

Table 57: Respondents' assessment of the effectiveness of current government strategies for combating corruption (% saying "effective" or "very effective")

	% of respondents in each sample group									
	Public officials & civil servants		Household respondents		NGOs		Religious institutions		Professional associations & CSOs	
	%	No.	%	No.	%	No.	%	No.		
Awareness creation among citizens	82.0	1,000	67.7	3,368	66.3	332	73.2	190	76.2	185
Registration of assets for top officials	71.1	1,005	55.8	3,326	39.0	334	47.3	188	44.1	186
Implementation of the civil service reform programme	76.3	1,004	48.9	3,336	45.6	333	44.4	187	51.1	186
Establishment of ethics & anti-corruption commissions at federal & regional levels	80.7	1,003	58.5	3,331	60.6	333	73.5	189	70.9	186
Establishment of Ombudsman	67.0	1,001	51.4	3,321	56.5	331	64.7	187	53.6	183
Establishment of Human Rights Commission	67.2	1,001	52.6	3,323						
Assigning liaison officers to receive reports from citizens	n.d.	n.d.	n.d.	n.d.	57.8	332	52.9	189	43.0	186
Introduction of new & stiffer laws and regulations	n.d.	n.d.	n.d.	n.d.	61.0	333	68.2	189	61.8	186
Review/revision of existing laws	n.d.	n.d.	n.d.	n.d.	45.8	332	67.6	188	61.1	185
Enforcement of existing laws	n.d.	n.d.	n.d.	n.d.	61.1	332	67.6	188	59.4	185
Training public officials & employees on corruption	n.d.	n.d.	n.d.	n.d.	36.5	331	54.7	188	49.5	186

The respondents were asked to assess a variety of anti-corruption strategies on a 5-point scale, from 1 = "very ineffective" to 5 = "very effective". Public officials and civil servants, not surprisingly, were more inclined to rate most of the anti-corruption

strategies as effective or very effective. For instance, at least three-quarters of the public officials considered each of the following strategies as being either effective or very effective (i) education and awareness creation (82%), (ii) the establishment of anti-corruption institutions at federal and regional levels (81%), (iii) and implementation of the civil service reform programme (76%) (Table 57). The registration of assets was rated as effective or very effective by 71% of the public officials and civil servants.

In contrast, many of the respondents in the other sample groups were more sceptical about the effectiveness of government's anti-corruption strategies. None of the strategies were assessed as effective or very effective by more than 80% of the respondents in any of the other sample groups. Education and awareness creation was considered effective or very effective by the largest proportion of respondents across all the other sample groups, but with a lower proportion than among public officials and civil servants. Thus, 76% of the representatives of professional associations and CSOs, 73% of the representatives of religious institutions, 68% of household representatives and 66% of the NGO representatives felt education was effective as an anti-corruption strategy.

Table 58: Ranking of anti-corruption strategies according to their perceived effectiveness by different sample groups (% saying “effective” or “very effective”)

	Ranking by sample group					
	Public officials & civil servants	Household respondents	NGOs	Religious institutions	Professional associations & CSOs	Average rank
Awareness creation among citizens	1	1	1	2	1	1
Establishment of ethics & anti-corruption commissions at federal & regional levels	2	2	4	1	2	2
Introduction of new & stiffer laws and regulations	n.d.	n.d.	3	3	3	3
Enforcement of existing laws	n.d.	n.d.	2	4=	5	4
Review/revision of existing laws	n.d.	n.d.	7	4=	4	5
Establishment of Ombudsman	6	5	6	6	6	6
Establishment of Human Rights Commission	5	4				
Registration of assets for top officials	4	3	9	9	9	7=
Implementation of the civil service reform programme	3	6	8	10	7	7=
Assigning liaison officers to receive reports from citizens	n.d.	n.d.	5	8	10	9
Training public officials & employees on corruption	n.d.	n.d.	10	7	8	10

When the various strategies are ranked according to the proportion of each sample group that rated them as effective or very effective, education ranks top among four of the five groups (Table 58). The establishment of anti-corruption commissions at federal and regional levels ranks second with three of the five sample groups and

comes at the top amongst religious institutions. Thereafter, introduction of new and tougher as well as the enforcement of existing law follow in terms of perceived effectiveness. The mere training of public officials and civil servants about corruption were perceived as effective strategies by the lowest proportions of respondents.

The ranking shown in Table 58 is useful for purposes of developing or reviewing anti-corruption strategies because it provides an indication of the people's perceptions of what is likely to work, and conversely, what is likely not to work. Policy-makers and institutions such as the FEACC can then focus on those strategies that are likely to win greater acceptance with the public.

A number of public institutions and civic organisations are also involved in the fight against corruption, including the police and the judiciary who are responsible for investigations, trial and sentencing; the media for publishing and reporting incidents of corruption; religious and civic organisations that provide moral education and the ability to decide between right and wrong within the population; as well as the general public for reporting act of corruption to the relevant authorities for investigation and prosecution. In this survey, the respondents were asked whether they thought selected institutions were playing their rightful role in combating corruption. The respondents were asked to rate each of the selected institutions on a 5-point scale, with 1 = "strongly disagree" and 5 = "strongly agree" that particular institution was playing its full part in combating corruption.

Table 59: Respondents' assessment of effectiveness of selected institutions and organisations in combating corruption (% "agreed" or "strongly agreed")

	% of respondents in each sample group							
	Household respondents		NGOs		Religious institutions		Professional associations & CSOs	
	%	No.	%	No.	%	No.	%	No.
Courts	29.3	3,382	26.9	331	33.4	189	29.0	186
Police	27.2	3,390	32.3	334	32.7	190	25.3	186
Mass media	61.4	3,367	59.6	334	66.9	190	64.3	185
NGOs	28.0	3,298	39.0	333	n.d.	n.d.	n.d.	n.d.
Religious institutions	61.2	3,380	47.3	334	68.3	189	n.d.	n.d.
Federal and regional audit offices	27.7	3,248	40.0	330	32.4	185	37.5	184
FEACC	49.3	3,304	55.6	331	58.7	189	60.8	186
Regional Anti-Corruption Commissions	43.0	3,232	46.7	332	47.0	187	49.2	185
Regional Justice Bureaus	32.4	941	26.7	333	n.d.	n.d.	n.d.	n.d.
Ethics offices in the bureaus/offices	30.5	3,273	22.8	329	n.d.	n.d.	n.d.	n.d.
CSOs and professional associations	27.1	3,280	30.6	327	34.4	189	43.0	186

The media was highly rated by a majority of the respondents, with some 60-67% of the respondents in each sample group saying it was playing its full part (Table 59). The perceptions of the respondents with respect to the contribution of the FEACC were mixed. A small majority of respondents from civil society organisations (NGOs,

professional associations and CSOs) thought the Commission was playing its full part in combating corruption. The respective proportions were 61% of the professional associations, 59% of the religious institutions and 56% of the NGOs, agreed that the FEACC was playing its full part. However, only 49% of the household respondents felt that the Commission was playing its full part.

The regional anti-corruption commissions were rated as playing the full role by slightly less than half of the respondents in each sample group, i.e. 49% of the professional associations, 47% of the religious organisations and NGOs, and 43% of the household respondents.

Both the police and the judiciary were seen as not playing their full part by a majority of the respondents in each sample group. Only a third or less felt that the two were fully playing their part in the anti-corruption drive. There are at least two issues to consider here. First, both the police and the judiciary are, as discussed earlier, already perceived as being among the most dishonest and corrupt institutions. It was therefore not surprising that the respondents also viewed them as making the least effort in combating corruption. Second, much of the work of the police and the judiciary goes unnoticed by the general public unless it attracts the attention of the media. Therefore, public perceptions rather than actual performance of these two institutions may be responsible for the rather negative assessment of their contribution to fighting corruption.

6.4 Effectiveness of Corruption Reporting Mechanisms

As part of the education and awareness programme against corruption, the government has been encouraging citizens to report any incidents of corrupt practices that they witness. Liaison officers have been appointed in most public institutions to receive reports of corrupt practices from customers. Suggestions boxes have been installed for members of the public to drop their comments in writing while preserving their anonymity and confidentiality. Those witnessing and reporting unethical practices, so-called whistleblowers, are to be protected by law against possible victimisation.

The survey sought to find out the respondents' familiarity with the mechanisms that have been established in public institutions for reporting acts of corruption. When asked if they knew the processes to follow when reporting a corrupt act by a public official or civil servant, 64% of the household respondents said they did not know the process involved when making a report. This is a high level of ignorance among the general population, especially when considered against the publicity and awareness campaigns by the government in general and the FEACC and the Regional Ethics and Anti-Corruption Commissions in particular. The highest proportions of household respondents that claimed to be ignorant of the process were in Gambella (83%), Benishangul (80%), Afar (79%) and Dire Dawa (75%) (Table 60). The lowest proportions of households that did not know how to report acts of corruption were in Addis Ababa (36% of households) and Tigray (26%).

Table 60: Regional distribution of household respondents that did not know the process for reporting corruption in public institutions (% of sample from each region)

Region	Respondents	
	%	Sample size
Gambella	82.3	102
Benishangul	79.8	104
Afar	79.4	272
Dire Dawa	75.1	273
Somali	73.2	272
Oromia	72.8	549
SNNPR	70.4	511
Harari	66.9	136
Amhara	64.5	510
Addis Ababa	36.3	342
Tigray	25.7	339
Overall	63.9	3,410

Some respondents among other sample groups also said they were unfamiliar with the mechanisms for reporting acts of corruption in public institutions. For instance, among public officials and civil servants, 32% did not know the process and a further 15% said they only had partial knowledge of the process. Similarly with representatives of professional associations, a majority of the respondents were either unaware (42%) or only partially aware (19%) of the reporting mechanisms. Finally, a little over half (53%) of the respondents from the NGOs also said they were not familiar with the process.

In all four sample groups, proportion of respondents that were unfamiliar with the mechanisms for reporting acts of corruption were quite high and should be cause for concern, especially in view of on-going efforts by the FEACC and other federal and regional government institutions to raise awareness about corruption. It also suggests a need for review and evaluation of both the content and medium of those awareness campaigns.

The respondents were then asked if they had ever witnessed an act of corruption by a public official or had been involved in the process of reporting an act of corruption. Among the household respondents, 11% said they had witnessed an act of corruption by a public official during the previous five years. The proportion of respondents that said they had witnessed acts of corruption were higher among the other sample groups – 30% of the representatives of NGOs, 30% of the civil servants and 33% of the representatives of professional associations.

However, despite being witness to corrupt acts, there was a reluctance to report them to the relevant authorities across all groups, although civil servants showed greater willingness to report. In all cases, less than half of the respondents that had witnessed the incidents had then proceeded to report them. For instance, only 5% of the household respondents that had witnessed such incidents said they had reported them to the relevant officials. Among the NGO respondents, 24% of the respondents that had witnessed such acts had actually reported them to the relevant authorities. The respective proportions that said they had reported the cases which they had

witnessed were 35% among representatives of professional associations and 46% among civil servants.

Those that had reported such cases were further asked about the sensitivity and responsiveness of the reporting systems. Accessibility of the reporting office, and therefore convenience, seemed to be an important consideration in reporting acts of corruption. Almost three-quarters of the civil servants as well as representatives of both NGOs and professional associations agreed that the reporting offices had been accessible (Table 61). In three of the four sample groups (households, public officials and CSOs) approximately 60-65% of the respondents said their identity had remained anonymous, but only 45% of the NGO respondents said they had remained anonymous. Others were not sure whether their identities had remained anonymous or not.

Table 61: Respondents' assessment of the sensitivity and responsiveness of the corruption reporting mechanisms

	Respondents that had reported acts of corruption							
	Household respondents		Public officials & civil servants		NGOs		Professional associations & CSOs	
	%	No.	%	No.	%	No.	%	No.
My identity remained anonymous	64.8	159	60.3	131	45.5	22	63.1	19
The reporting office was accessible	53.4	159	72.8	132	72.7	22	72.3	18
The office took prompt action on the matter	27.0	159	43.9	132	22.7	22	38.9	18
I received feedback on the outcome of the case	28.9	159	48.5	130	14.3	21	50.0	18

In all four sample groups, less than half of those making reports of corruption felt that the offices had taken prompt action on the matters reported to them. The proportions vary between 23% among NGO representatives and 44% among civil servants. Similarly, between 14% and 50% said they had subsequently received feedback on the matter which they had reported to the authorities.

Where citizens (whether members of the public or civil servants) are witness to acts of corruption, they may be deterred from reporting (i) out of fear of having their identities divulged, or (ii) if they believe that no prompt action will be taken against the culprits. Moreover, failure to give feedback to whistleblowers may give the impression that the authorities are not interested in the matter and therefore discourage people from reporting future incidents.

6.5 Community Participation in Combating Corruption

While government may legislate for stiff penalties and institute other measures aimed at combating corruption, it also requires the commitment of the citizens to desist from engaging in corrupt practices with public officials and civil servants.

Furthermore, citizens should also be willing and ready to report to the relevant authorities incidents of corruption which they will have witnessed.

The study sought to find out the reasons that deter citizens from reporting incidents of corruption by public officials and civil servants. Understanding and addressing those factors is obviously important to getting the support of the general public to report acts of corruption and ensuring successful prosecution. Those respondents that had witnessed acts of corruption being committed by public officials during the previous were asked to list up to three reasons why they had not reported the incidents to the relevant officials. The three most frequently cited reasons by all four sample groups given for not reporting were:

- (i) fear of potential harassment by, and reprisals from, the accused person(s),
- (ii) a belief that it would be a waste of time since there was unlikely to be any prosecution to follow, and
- (iii) a long and complex process of reporting (Table 62).

Table 62: Reasons that deterred respondents from reporting acts of corruption which they had witnessed

Reasons for not reporting	Household respondents	Public officials & civil servants	NGOs	Professional associations & CSOs	Average rank (all groups)
	Ranking by each sample group				
I was concerned about potential harassment and reprisals	1	1	1	1	1
There would be no enforcement even if the case was proved	2	2	2	2=	2
The process of reporting is too complex and long	3	3	3	4=	3
Corruption is a way of life/part of our custom	4	6=	4	4=	4=
The case could not have been proved	5	4	5=	4=	4=
I did not know where to report	7	5	7	2=	6
Bribes are justified under the current economic conditions	6	6=	5=	7	7

When asked if they would report acts of corruption by public officials which they might witness in future, all categories of respondents showed some ambivalence, implying that willingness to report is situational, depending on the circumstances of each case (e.g. who is involved, the nature of the corrupt act, and the reasons for it). Civil servants suggested greater willingness to report, with 68% saying they would definitely report future incidents to which they are witness (Table 63). At the other extreme, only a little over half (54%) of the household respondents said they would report such incidents at all times. Some 25-30% of the respondents in each group suggested they would report corrupt acts only some of the time. Another 7-16% said they would never report. Overall, between 30% and 46% of the respondents in the four groups could not be relied upon to act ethically at all times.

Table 63: Likelihood of respondents reporting acts of corruption in future

	Never	Some of the times	Always	Total	
	% of respondents in each group			%	No.
Household respondents	15.9	30.0	54.1	100.0	1,188
Public officials & civil servants	7.0	24.5	68.5	100.0	984
NGOs	14.1	27.0	58.9	100.0	326
Professional associations & CSOs	10.3	27.7	62.0	100.0	184

The findings on willingness to report in future suggest that, while many citizens are concerned about the growth of corruption in the country, there is also a reluctance to get involved. As discussed earlier, one of the major reasons for being reluctant to report is fear of reprisals in whatever form it may take. Another factor for citizens being reluctant to report acts of corruption may be related to poor standards of service delivery by the public sector, which in turn creates conditions for bribery. The rationale in such situations would be: *“If I report this person today, what if I may also want the same service tomorrow and have to pay gratification just like this person has done?”*

There are also a wide variety of civic and religious groups that are involved in moral education in society. These range from scout groups training young people about the values of honesty and service to the community, HIV and AIDS service organisations providing counselling which includes themes such as faithfulness to one’s partner, to formal religious organisations and faith-based institutions such as schools. In this survey, representatives of religious institutions were asked about their role in combating corruption. Over four-fifths (85%) of the respondents were of the view that religious institutions had a role to play in combating corruption. Their contribution was primarily through their teaching on morals, ethics and generally being role models for society. The various religious institutions had different target groups with which they worked, including school children, unemployed youths, street children, women, as well as adults in general.

When asked to assess moral standards in society today, the respondents from the religious institutions were split evenly between those who thought standards were high and those who felt they were low, with 41% each. The remaining 18% were undecided. Almost half (48%) thought moral standards had improved during the recent past, 31% felt the standards had deteriorated while the remaining 21% said standards had remained about the same.

Some 44% of the respondents from religious institutions had received training or attended workshops on corruption. This implies that a large proportion of religious and moral leaders and educators may lack specific information and knowledge about corruption. If they are to successfully incorporate corruption as part of the curriculum on moral education and ethics within their institutions, they would need to be given the correct information first.

6.6 Summary

According to the survey, 10% of the household respondents, 17% of the representatives of business enterprises and 5% of the NGOs and professional associations said they had been asked to pay gratification in return for services at public institutions during the previous 12 months. Those that said they had agreed to the proposition and had actually paid represented an even smaller proportion of the samples. The implication is that, overall, only a small proportion of the population is subjected to demands for gratification. Second, the demand for gratification is higher among the business community than among ordinary citizens or other sectors of society.

However, although the proportions of respondents in each category that had been asked for gratification were small, the survey also showed that a large proportion of the population believed that corruption was now a serious problem. Almost three-quarters of the respondents in each sample category was now a serious problem. With respect to their perceptions on the trend in corruption, opinion was divided almost equally between those who thought corruption had become worse during the past few years and those who thought it was now better. A similar dichotomy was reported in 2008 by Transparency International. Then, 44% of the respondents believed that corruption had gotten better during the previous two years, compared with 47% of the household respondents or 40% of the NGOs and 46% of the professional associations in the present survey who also believed that it was better then before. Likewise, the TI study had shown that 30% of the respondents believed corruption had become worse over time, a proportion similar to the result from the current survey. For instance, in the current survey, 32% of the household respondents and 31% of public officials believed that corruption had become worse. However, a larger proportion of representatives of NGOs and professional associations believed that the trend was worsening, with 41% and 47% respectively.

A number of issues have emerged from the findings of the survey that were discussed in the chapter, all of which have an important bearing on corruption in the country and the development of effective strategies to combat it. It has been demonstrated that there are major challenges of integrity and lack of trust among the people of Ethiopia towards government institutions. While some public institutions are considered as trustworthy, regrettably, they are in the minority. The deficit of trust is particularly wide at the regional level and below, among the regional bureaus, woreda and kebele offices. This lack of trust may also contribute to the public's perception that corruption has become a serious problem and is getting worse rather than improving despite the government's efforts.

The findings also suggest that corruption is widespread in public institutions. However, while cases of grand corruption are known to exist and some have been investigated and the suspects prosecuted, it is petty corruption that is more pervasive and occurs in all regions of the country. The evidence for the prevalence of petty corruption in public institutions comes from the relatively small amounts of money that respondents reportedly paid as gratification in return for services. Furthermore, the general view was that public officials and civil servants were the principal instigators for the acts of corruption and the illegal payments.

Three institutions that stood out as corrupt in the minds of a majority of respondents were (i) the courts, (ii) the police, including traffic police and (iii) the woreda and kebele administrative offices. Corruption within the judiciary was reported to occur at all levels. Demands for bribes, combined with other problems encountered when seeking justice (i.e. the lengthy and complex judicial process) mean the poor are denied access to due process of law.

It should be noted that even those institutions that were rated highly for integrity are not necessarily immune from corruption, especially at the lower levels. For instance, the Ethio-Telecom and the Ethiopian Electric Power Corporation were highly rated for honesty, yet some households still reported having illegal electricity and telephone connections. It still means that some employees at the local level are engaged in acts of corruption, albeit on a small scale.

The corruption reported by business enterprises has ramifications on both investment prospects in the country and also on the wider society, and especially on the poor. First, unofficial payments have the effect of raising the cost of investment, and therefore inhibit employment creation, the second most serious problem facing the country. Second, businesses may be tempted to increase prices in order to make up for the costs incurred in bribing government employees, be it at customs, licensing offices, revenue bureaus and tax offices. Opaque regulations that business representatives complained about also serve to promote corruption since they are open to diverse self-serving interpretations by bureaucrats.

The fight against corruption relies in part on citizens reporting incidents to which they are witness so that they can be investigated and prosecuted as appropriate. The FEACC and the regional anti-corruption commissions have given considerable attention to educating the public about the available means for reporting corruption. The 64% of household respondents that said they were not aware of the process for reporting corruption was therefore surprising. It also differs substantially from the results of some earlier studies. For instance, the 2008 TI study showed that no more than one-quarter of the respondents gave a lack of awareness of the process as a reason for not reporting. In most instances, respondents said reporting would not serve any purpose. According to TI, *“The responses were marked by an uncharacteristic sense of defeat that the respective respondent’s voice does not count and that problems cannot be rectified”* (TI, 2008, p.27). as discussed earlier in Chapter 2, lack of confidence by members of the public that the relevant state institutions will be willing and able to investigate and prosecute acts of corruption has the effect of diminishing their contribution and participation in the fight against the problem.

Although a majority of the people complained that corruption was on the increase, and recognised the government’s commitment to combat it, there was a reluctance among many to get involved by reporting acts of unethical behaviour which they might witness. A major reason given was the fear of reprisals.

Finally, the survey also found that, although public institutions by and large adhered to laid down human resources management regulations and procedures, abuses of the system for private gain did occur, for instance in respect of recruitment and promotions.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1 Concluding Remarks

The specific objectives of this corruption perception survey were fourfold.

- First, it sought to identify the trends and status of corruption since the first survey was conducted a decade ago. The findings from this second survey have shown that corruption remains a problem in the country, but it is not among the topmost problems faced by the citizens. There are other, more pressing, problems that threaten their daily struggles for survival, notably inflation and unemployment. However, inflation/increasing cost of living and unemployment create an environment that is conducive to corruption. The survey also found that, while the general perception is that corruption is a serious and worsening problem, the reality is perhaps not as bad as the perception. The evidence from this survey suggests that much of the corruption that takes place is petty corruption committed by a relatively poorly paid bureaucracy that is trying to make ends meet in the face of rising inflation. But because it is petty, it also tends to be more diffuse across all regions of the country, affecting all levels of public institutions from federal to regional and below.
- The second objective was to identify the sectors and institutions most affected by corruption. It has been shown that most public institutions are affected by corruption, although there were few that were said to be relatively less affected. Particularly susceptible to corruption were regional government institutions, all levels of the judiciary and the police. Corruption in the public sector also tends to increase the cost of investment in the country, thereby retarding efforts at employment creation.
- The third objective was to examine the state of transparency and accountability of public institutions and officials in carrying out their activities. The survey found evidence of opaqueness and lack of transparency especially in the manner in which public institutions interact with business enterprises. Respondents from the business sector as well as public employees reported a lack of transparency and corruption in areas such as customs clearance, taxes and revenue collection, application and interpretation of regulations, as well as government procurement procedures. Within public institutions, there was relatively high degree of transparency in, for instance, human resources management in most instances. However, it was also found that, sometimes, there is abuse of authority, favouritism, ethnicity and nepotism in the recruitment and promotion of employees.
- The fourth objective of the survey was to assess the level of community participation in combating corruption. The survey showed that, on the one hand, there is widespread recognition that corruption is a problem and that government is committed to combating it, but on the other, there was some reluctance on the part of the community to get involved. This was reflected in the sizeable proportion of respondents that indicated an unwillingness to report incidents of corruption if they were witness to any of them. A major

factor for this reluctance seemed to be fear of reprisals, whether physical or psychological. That fear also calls into question the effectiveness of the government's strategy of whistleblower protection. However, while many of the ordinary citizens were reluctant to actively participate in combating corruption, there was a strong willingness for active engagement among religious institutions. Churches, mosques and other faith-based organisations are already actively involved in teaching moral values and there is considerable merit in tapping into this resource.

7.2 Key Recommendations

The following recommendations are submitted for consideration by the FEACC and other relevant authorities involved with development and review of strategies for combating corruption.

1. Managing inflation should constitute an important element in the fight against corruption. The survey confirmed studies elsewhere which have shown that high inflation is one of the causes for corruption. Inflation creates fertile ground for widespread low level or petty corruption as lowly paid civil servants struggle to counter the escalating cost of living by soliciting for bribes and demanding payment of gratification for services that they should be providing as part of their duties and responsibilities. Assessment of the drivers of corruption showed that government officials and civil servants usually initiated the need for payment in order to get things done.
2. Improved service delivery across all public institutions must remain another key strategy in the fight against corruption. Previous studies in Ethiopia and elsewhere showed that cumbersome and opaque bureaucratic procedures and inordinate delays in service delivery contribute to increasing corruption in the public sector. This survey found that poor service delivery was widespread in most public institutions. For instance, delays in the release of imported goods by customs authorities were a common problem for a large proportion of business importers in the country.
3. FEACC, together with the Regional Anti-Corruption Commissions, should not limit themselves to inspection of working methods and procedures of public agencies, but also pay greater attention to the quality of services they provide. The efficiency and effectiveness of public agencies are mainly assessed by the degree of citizens' satisfaction with the quality of services they deliver. In this survey, it was found that the majority of respondents were dissatisfied with the quality of services delivered by most public institutions. Such poor quality of service delivery provides grounds for corruption. Among public institutions that require priority attention in this regard are the judiciary and related law enforcement bodies such as the police.
4. There is need for continuing and rigorous efforts on ethical education for civil servants in general and especially those working in regional public agencies. The low level of trust by most respondents, individuals as well as business owners, in public institutions predicts a potentially high level of corruption. The courts, the police, Agency for the Administration of Government Houses and

Housing Development Agency were among those public agencies rated as the least honest.

5. Current efforts to improve transparency in public sector procurement systems need to be continued. Despite significant improvements over the past few years, the survey results indicated a wide credibility gap with the government procurement processes among the country's business community. Not only business respondents but also government officials and civil servants acknowledged that business operators do sometimes pay bribes in order to win government contracts.
6. Education and awareness campaigns by the FEACC and other anti-corruption bodies need to give more emphasis on reporting mechanisms and witness protection in order to assure citizens against the risk of reprisals. Although a majority of the respondents in each sample group reported that the government was indeed committed to combating corruption, there was reluctance among the public to get involved in anti-corruption efforts mainly due to fear of reprisals in whatever form they may take.
7. Community participation in anti-corruption – both the FEACC and the regional commissions should consider providing training to selected representatives of religious institutions and faith-based organisations specifically on corruption issues so that they can incorporate them within their curricula on morals and ethics, among other topics that they cover with their diverse target groups.
8. Improving business practices for the private sector – working closely with business associations, the FEACC should encourage and facilitate training in good business practices including proper record keeping, shifting from cash to cheque payments, use of the banking system so that transactions are traceable, as well as generally encouraging compliance with rules and regulations in order to reduce areas for connivance and corrupt practices between government officials and the business community. The training should include small and medium enterprises.
9. The government as a whole should continue to broaden the media space in the country, for both the public and private media, so that they are able to expose cases of corruption without fear of reprisals, litigation for criminal defamation (unless justified) or muzzling by the politically powerful and well-connected. Among the various institutions and agencies involved in the fight against corruption, the media was considered among the most active by all categories of respondents because of their role in exposing corruption. Experience elsewhere has also shown that a free and professional media, coupled with legislation guaranteeing freedom of information, are effective tools in strengthening transparency and accountability in public institutions.

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Appendix 1: Distribution of Questionnaires by Regions, Zones and Woredas

Region	Selected zones	Selected towns and rural woredas	Number of questionnaires										
			Household heads		Public officials & civil servants	Business enterprises	Professional associations & CSOs	NGOs	Religious institutions				
			Urban	Rural									
Tigray	Central	Axum	14	-	13	84	7	25	18				
		Ahiferom	-	79	13								
		Kola Temben	-	71	13								
		Were Lehe	-	68	13								
	Western	Welkayit	-	68	13								
	Mekele Town Special	Semen Mekele	40	-	15								
Amhara	S. Wollo	Dessie	24	-	6	112	15	40	18				
		Kalu	-	33	5								
		Legambo	-	32	5								
		Dessie Zuriya	-	32	5								
		Tenta	-	32	5								
		Debresina	-	30	5								
		N. Shewa	Debre Berhan	13	-					6			
	Basona Werana		-	24	5								
	Minjar Shenkora		-	24	5								
	Merhabete		-	23	5								
	Menz Gera Midir		-	22	5								
	Kewet		-	20	5								
	Mida Woremo		-	17	5								
	East Gojjam	Debre Markos	13	-	6								
		Hulet Ej Enese	-	49	5								
		Enarj Enawga	-	31	5								
		Enemay	-	30	5								
		Goncha Siso	-	29	5								
	Bahir Dar Special	Bahir Dar	32	-	7								
	Oromiya	Arsi	Gololcha	-	23					15			
Limuna Bilbilo			-	22									
Munesa			-	21									
Shirka			-	21									
Sude			-	20									
Robe			-	20									

		Digluna Tijo	-	18	15	140	15	50	18
		Asela	17	-					
	Ilu Aba Bora	Darimu	-	19					
		Chora	-	14					
		Dedesa	-	12					
		Borecha	-	10					
		Alge Sachi	-	10					
		Gechi	-	9					
		Metu	17	-					
	West Shewa	Jeldu	-	26					
		Dendi	-	20					
		Meta Robi	-	19					
		Cheliya	-	19					
		Ambo Zuriya	-	15					
		Ambo	17	-					
	Adama Special	Adama	19	-					
	Bale	Ginir	-	16					
		Sinana	-	16					
		Gololcha	-	14					
		Meda Welabu	-	14					
		Agarfa	-	13					
		Robe	17	-					
	Borena	Bule Hora	-	32					
		Dugida Dawa	-	20					
		Abaya	-	14					
	Finfine	Finfine	-	-					
SNNPR	Gurage	Enemorna Ener	-	39	6	112	13	30	18
		Meskan	-	35	6				
		Sodo	-	29	6				
		Cheha	-	26	6				
		Butajira	27	-	6				
	Gedeo	Yirgachefe	-	44	6				
		Gedeb	-	32	6				
	Wolayita	Boloso Sore	-	40	6				
		Sodo Zuriya	-	39	6				
		Damot Gale	-	31	6				
		Sodo	27	-	6				

	Silti	Alaba Silti Lanfuro	- - -	49 39 25	6 6 6						
	Hawassa	Hawassa	28	-	16						
Afar	Zone 1	Chifra Mile	- -	83 77	8 8		42	7	17	6	
	Zone 3	Amibara Bure Mudayitu	- -	36 32	8 8						
	Zone 1	Samera Town	44	-	8						
Somali	Korahe	Kebridehar	-	46	6		42	7	17	6	
	Fik	Fik Hamero	- -	50 25	6 5						
	Afder	Weyib Bare Bdolobay	- - -	38 36 33	6 6 5						
		Jijiga	Jijiga Town	44	-	6					
Benishangul Gumuz	Kemashi	Mao Komo Spe Pawe Special	- -	49 37	13 13		42	7	17	6	
	Asosa	Asosa Town	16	-	14						
Gambella	Nuwer	Jikawo	-	86	20		42	7	17	6	
	Gambella Town	Gambella Town	16	-	20						
Harari	Amir Nur	Kebele 01	37	-	20	Regional bureaus = 20	84	7	17	6	
	Aboker	Kebele 11	36	-							
	Sofi	Ow Umer	-	63							
Dire Dawa	Kebele 01	Kebele 01	62	8 to each of the 11 rural kebeles	40	City admin = 40	140	7	17	18	
	Kebele 04	Kebele 04	62								
	Kebele 07	Kebele 07	61								
Addis Ababa	Nefas Silk Lafto	Woreda 2 Woreda 5 Woreda 6 Woreda 8	35 35 35 35	- - - -	City admin = 165	Federal = 165	560	93	83	65	

	Lideta	Woreda 1 Woreda 5 Woreda 10	29 29 30	- - -						
	Addis Ketema	Woreda 2 Woreda 5 Woreda 7	37 37 38	- - -						
TOTAL			3,401		1,000		1,400	185	330	185
Category			Households		Public officials & civil servants		Business enterprises	Professional associations & CSOs	NGOs	Religious institutions