

# U4 Expert Answer



## Sources of information on corruption in Ethiopia

### Query

**Please provide me with sources of information on corruption in Ethiopia.**

**Note:** *This query was treated as an urgent query and provides preliminary information on the topic of interest.*

### Content

1. Sources of information on corruption in Ethiopia
2. Sources of information on anti-corruption efforts in Ethiopia

## 1 Sources of information on corruption in Ethiopia

### Background information

There are a number of reports and publications which give an overview of Ethiopia's political, legal and institutional background. Those include information on the state of corruption and anti-corruption, providing useful information on underlying causes of corruption in Ethiopia.

#### **Countries at the crossroads (Freedom House 2007):**

*Countries at the Crossroads* is an annual survey of government performance in 70 strategically important countries worldwide that are at a critical crossroads in determining their political future. The analysis examines government accountability, civil liberties, rule of law, anti-corruption efforts and transparency. It also identifies areas of progress and highlights areas of

concern that could be addressed in diplomatic efforts and reform assistance.

<http://www.freedomhouse.org/template.cfm?page=140&edition=8&ccrpage=37&ccrcountry=156>

#### **Freedom in the world – Ethiopia 2009:**

Freedom House publishes a flagship comparative assessment of global political rights and civil liberties in a wide range of countries worldwide. The 2009 *Freedom in the World* publication includes a report on Ethiopia.

<http://www.freedomhouse.org/template.cfm?page=22&year=2009&country=7606>

#### **Bertelsmann Transformation Index (BTI) 2010:**

The *BTI* is a global ranking of transition processes (namely the state of democracy and market economic systems, as well as the quality of political management) in 125 transition and developing countries, including Ethiopia. The BTI country report provides an overview of the state of democracy, as well as the quality of political management in the country, including some elements of information on corruption related issues and how government addresses those.

<http://www.bertelsmann-transformation-index.de/bti/laendergutachten/laendergutachten/oestliches-und-suedliches-afrika/ethiopia/?type=98>

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### **One Hundred Ways of Putting Pressure: Violations of Freedom of Expression and Association in Ethiopia, (Human Rights Watch, 2010):**

This report documents the ways in which the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) has systematically punished opposition supporters. The report also documents how recently enacted laws severely restrict the activities of civil society and the media.

<http://www.hrw.org/node/89128>

### **World Bank/IFC's Doing Business 2010:**

"*Doing Business in Ethiopia 2010*" explores the regulations that promote business activities and those that constrain it, summarising the key indicators for each topic and benchmarking them against regional and high-income economy (OECD) averages.

<http://www.doingbusiness.org/ExploreEconomies/?economyid=66>

### **World Bank's Investment Climate Assessments 2007:**

The World Bank compiled an investment climate investment assessment report for Ethiopia in 2007 entitled "Building competitiveness through better investment climate in Ethiopia".

<http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/ICLP/0,,contentMDK:21448887~pagePK:64156158~piPK:64152884~theSitePK:461150,00.html>

**OECD Country risk classification 2010:** The classification of countries by risk category aims at providing OECD countries with a basis for calculating the premium interest rate to be charged to cover the risk of non-repayment of export credits. Countries are placed in risk categories 0 - 7, with 0 being the lowest risk category and thus the least expensive. Conversely, premium group 7 is the highest risk category. Each classification is comprised of 2 components: 1) an assessment of the country's economic/financial situation, and 2) its overall political stability. Ethiopia was rated 7.

[http://www.oecd.org/document/49/0,3343,en\\_2649\\_34169\\_1901105\\_1\\_1\\_1\\_37431,00.html](http://www.oecd.org/document/49/0,3343,en_2649_34169_1901105_1_1_1_37431,00.html)

### **US Department of State's Investment Climate Statement Ethiopia 2008:**

Investment Climate Statements provide a thorough description of the overseas business environments, covering general characteristics, such as openness to

foreign investment and treatment of foreign investors, as well as details about procedures for licensing and similar administrative matters.

<http://www.state.gov/e/eeb/afd/2008/100861.html>

## **Extent of corruption**

A number of sources of information and data provide recent information on the scope of corruption and the general state of governance in the country.

### **Transparency Corruption Perceptions Index (CPI)**

The *CPI* is an "index of indices" composed of nine different sources that all provide a ranking of countries based on expert assessments and opinion surveys. In 2009, Ethiopia scored 2,7 and was ranked 120 out of the 180 assessed countries, suggesting widespread and endemic corruption.

[http://transparency.org/policy\\_research/surveys\\_indices/cpi/2007](http://transparency.org/policy_research/surveys_indices/cpi/2007)

### **World Bank Governance Indicators 2009**

The *Worldwide Governance Indicators (WGI)* produced annually by the World Bank Research Institute consists of six aggregate indicators of governance including: 1) voice and accountability 2) political stability 3) regulatory quality 4) rule of law, and 5) control of corruption. The World Bank compiles these for 200 countries, combining cross-country data from 30 organisations including the sources used for the CPI. The Ethiopia country report 2009, showing trends from 1996-2008, is accessible at :

<http://info.worldbank.org/governance/wgi/pdf/c72.pdf>

### **Index of Economic Freedom - Ethiopia 2010**

In 2010, Ethiopia's economic freedom scored 51.2 in the Heritage Foundation's index of economic freedom, making its economy the 136th freest in the 2010 *Index*. Its overall score fell 1.8 points as a result of deteriorating trade freedom, monetary freedom, and investment freedom. Ethiopia is ranked 28th out of 46 countries in the Sub-Saharan Africa region, and its overall score is just below the regional average.

<http://www.heritage.org/index/country/ethiopia>

### **Ibrahim Index of African Governance 2009**

The Ibrahim Index of African Governance is a comprehensive ranking of African countries according to governance quality. It uses indicators across four

main pillars as proxies for the quality of the processes and outcomes of governance: Safety and Rule of Law; Participation and Human Rights; Sustainable Economic Opportunity; and Human Development. <http://www.moibrahimfoundation.org/en/section/the-ibrahim-index/scores-and-ranking>

#### Global Corruption Barometer (GCB) 2005

Transparency International's GCB is a survey that assesses general public attitudes toward and experience of corruption in many countries around the world. Ethiopia was last included in the GCB in 2005. [http://www.transparency.org/policy\\_research/surveys\\_indices/gcb](http://www.transparency.org/policy_research/surveys_indices/gcb)

## Forms of corruption

#### Business Anti-Corruption Portal – Ethiopia country profile:

The [Anti-Corruption Business Portal](#) provides an overview of the various forms of corruption that are prevalent in the country, with sources of information substantiating the information. The portal especially points to risks of corruption in the following areas:

- Practices of corruption are increasingly taking the form of private-to-private corruption whereby private companies yield procurement contracts to other private companies in return for bribes, etc.;
- Land distribution and administration is reportedly a sector highly vulnerable to corruption, involving facilitation payments as well as bribes in order to keep land that is leased from the state;
- The tax system is generally considered to be very corrupt and to lack transparency;
- The customs authority lacks qualified staff, and customs laws are not exercised uniformly and without discrimination, which allows ample possibilities for corruption in interactions with customs officials.

The website provides specific information and references on levels of corruption in specific sectors, including the judiciary, the police forces, licences, infrastructure and public utilities, tax and custom administration, land administration, environment, natural resources and extractive industry.

<http://www.business-anti-corruption.com/country-profiles/sub-saharan-africa/ethiopia/corruption-levels/>

#### Corruption diagnostic baseline survey 2009:

This study conducted by Transparency International Ethiopia to gather data on citizens' confidence in public institutions in order to evaluate the quality of services rendered by these institutions (30 institutions). Respondents were asked to rate and rank socio-economic problems, the amount, frequency and severity of bribes.

[http://www.transparency.org/news\\_room/latest\\_news/press\\_releases\\_nc/2009/2009\\_03\\_06\\_ti\\_ethiopia\\_cdb](http://www.transparency.org/news_room/latest_news/press_releases_nc/2009/2009_03_06_ti_ethiopia_cdb)

#### Global Corruption Report (GCR) 2009: Ethiopia's country report:

The 2009 GCR report provides an overview of corruption risks in Ethiopia, with a special emphasis on private sector corruption.

[http://www.transparency.org/publications/gcr/gcr\\_2009#6.1](http://www.transparency.org/publications/gcr/gcr_2009#6.1)

#### Dealing with corruption in Africa (2006):

A 2006 issue of the World Bank Institute's Development Outreach specifically focus on fighting corruption and includes an article by Kebour Ghenna, the Director of Initiative Africa, which promotes public-private partnership against corruption in Ethiopia to monitor political leaders and insure transparency.

<http://www.devoutreach.com/september06/SpecialReport/tabid/1637/Default.aspx>

## 2 Sources of information on anti-corruption efforts in Ethiopia

### The legal framework

The legislative anti-corruption framework in Ethiopia is considered to be strong and comprehensive, including:

- The Federal Ethics and Anti-Corruption Commission Establishment Proclamations No. 235/2001 and No. A33/2005 (Anti-Corruption Law), which criminalises attempted corruption and extortion (an amendment was made to the Anti-Corruption Law in 2001 prohibits bail for anyone charged with corruption.);
- The Criminal Code 2004, which criminalises active and passive bribery, as well as money laundering.

For further information on legislation in Ethiopia, see the Lexadin 2008 World Law Guide: <http://www.lexadin.nl/wlg/legis/nofr/oeur/lxweeth.htm>.

Ethiopia is a state party to the following conventions:

- African Union Convention on Preventing and Combating Corruption (signed June 2004; ratified September 2007)
- UN Convention against Corruption (signed December 2003; ratified November 2007)
- UN Convention against Transnational Organized Crime (signed December 2000; ratified July 2007)

Ethiopia is also a member of the *Construction Sector Transparency Initiative* and has committed in 2009 to implement a two-year pilot phase of the Construction Sector Transparency programme which is designed to reduce corruption and enhance the effectiveness of public sector infrastructure projects. See '[Ethiopia joins the construction sector transparency initiative \(CoST\)](#)', 13 January 2009.

## Anti-corruption efforts in Ethiopia

### Global Corruption Report (GCR) 2009: Ethiopia's country report:

The above mentioned 2009 GCR report provides an update of the latest developments in anti-corruption efforts in Ethiopia.

[http://www.transparency.org/publications/gcr/gcr\\_2009#6.1](http://www.transparency.org/publications/gcr/gcr_2009#6.1)

### Global Integrity's Ethiopia Country Report (2008):

The Global Integrity Report is a tool for understanding governance and anti-corruption mechanisms at the national level. Ethiopia's 2008 country report points towards excessive executive control and influence over government and the media. As the assessment notes: "Rather than a question of regulations to promote accountability, the problem in Ethiopia is that the party and the state are virtually the same. Furthermore, state and/or party-owned business dominate key sectors of the economy." The courts remain under pressure from government and cannot review the constitutionality of laws; only the legislature has that authority, and it remains largely controlled by the ruling party. The report also states that financing of political parties and

candidates is virtually unregulated, and that the proposed "NGO Law" introduced in the fall of 2008 would make life even more difficult for independent media and anti-corruption groups, especially in raising funds from international donors.

<http://report.globalintegrity.org/Ethiopia/2008>

### Annual Report of the Federal Ethics and Anticorruption Commission (Addis Ababa: FEAC, 2008/2009):

The FEAC reports on efforts made in the field of public education, anti-corruption prevention, corruption investigations and prosecutions, coordination of the national ethics infrastructure, networking and coalition building, corruption research and studies, etc. For example, the FEACC reports conducting anti-corruption trainers' training, examining the working procedures and practices of specific areas (that were believed to be more susceptible to corruption) in a number of public offices and enterprises, establishing a National Anti-Corruption Coalition and various other coordinating forums, successfully investigating and prosecuting corruption cases, etc.

[http://www.feac.gov.et/web\\_collection/Com\\_report\\_english.htm#ed1](http://www.feac.gov.et/web_collection/Com_report_english.htm#ed1)

### Federal Democratic Republic of Ethiopia's Country Governance Profile (GCP) (AfDB, 2009):

The objective of the African Development Bank's CGP is to assess the strengths and weaknesses in Ethiopia's governance. The focus is on dimensions of accountability, transparency, participation, judicial and legal reform and anti-corruption, which are of particular concern to the Bank in the context of its development mandate and the Good Governance Policy of 2000. <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Ethiopia%20E2%80%93%20Country%20Governance%20Profile%20EN.pdf>

### Anti-corruption efforts in Ethiopia (Federal Ethics and Anti-corruption Commission, 2007):

This presentation to the "Global Forum V on Fighting Corruption" documents the major facts about the on-going anti-corruption campaign in Ethiopia, mainly in federal public offices and enterprise. It discusses the causes, manifestations and consequences of corruption and impropriety in relation to the Ethiopian context. It also illustrates the strategies and mechanisms being employed to curb corruption. The historical background of corruption in Ethiopia, as well as the reasons and

justification behind the establishment of Federal Ethics and Anti-Corruption Commission are also discussed. The commission's structural organization, its powers, duties, and objectives are also fully dealt with, as are achievements made and challenges faced.

[http://www.nacf.org.za/global\\_forum5/CVs/111.2%20e%20Shamebo.pdf](http://www.nacf.org.za/global_forum5/CVs/111.2%20e%20Shamebo.pdf)

**Business Anti-Corruption Portal (BAC) – Ethiopia country profile:**

Ethiopia's BAC country profile provides a comprehensive overview of public and private initiatives against corruption in Ethiopia, with links to major resources, reports and background materials.

<http://www.business-anti-corruption.com/country-profiles/sub-saharan-africa/ethiopia/initiatives/>