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Corruption kills.  
But it can be stopped.



Fight corruption. It's your world.



**CORRUPTION  
MAKES US POOR  
LET'S PROTECT IT!**



## Editorial

### A LOT EXPECTED FROM THE NEW CITY ADMINISTRATION

Democracy requires usually adherence to the rule of law, and notably the peaceful change or continuance of government in the form of competitive, free and fair elections. Only in this way, could government become accountable to the citizens it rules, and responds effectively to their demands and needs.

A few months ago, the Federal Democratic Republic of Ethiopia conducted local and by-elections all over Ethiopia, with the exception of the Somali regional state. The elections were held to elect candidates who would play pivotal role in the implementation of government policies in the country in general and local level in particular. Furthermore, the elections were designed to provide regional and local governments with a popular mandate.

In the election conducted in Addis Ababa City Administration, the ruling party (EPRDF) won for the Addis Ababa City Council. Accordingly, the new Administration under the newly elected mayor, Ato Kuma Demeksa, was instated replacing the care taker administration.

Given the city machinery having been badly functioning after the May 2005 election crisis and the resulting multi-faceted problems it has faced such as widespread corruption and lack of good governance, the elections in Addis Ababa triggered high expectations amongst the public. The ex-mayor have also been repeatedly mentioning the problems the city administration faced.

As we all are aware, there has been this suggestion that unprecedented level of corruption has wrecked Addis Ababa, where bribery has become the norm to get things done at the Kebele and district levels. Due to lack of detailed and clearly laid out laws and directives, corrupt officials were able to use this loopholes and enrich themselves through corruption in the city. For instance, a study conducted in five sub-cities of Addis Ababa, by the Federal Ethics and Anti-Corruption Commission (FEACC) on land administration issues, uncovered many cases of corrupt practices. Needless to state, it was nearly impossible to get land without bribing city administration officials. Similarly, people used to construct houses without permission and there were extensive illicit land transactions and land grabbing practices. The same abuse is mentioned with regards to land leasing.

Therefore, whereas the government appears to be more active and adamant now about stamping out corruption, there still remains more work. In this regard, the new leadership of the city administration should make strong commitment to combat corruption and give all support to anti-corruption measures. More importantly, it must institute measure that increase transparency, accountability, good governance and processes that are democratic as these are a prerequisite to prevent corruption and foster development. It is through such credible, tangible and visible measures that the new administrators can realize their promises and serve the interests of the people. Transparency Ethiopia (TE) hopes that the new administration would give strong attention to good governance practices which will eliminate corruption and enhance transparency and accountability.

## CORRUPTION IN THE PRIVATE SECTOR

In Ethiopia, the practices of corruption is recognized to be rampant in many sectors of the state deterring the social, economic and political development of the country and becoming causes for the declining of integrity in public life. Now-a-days, corruption has become a hydra-headed monster ravaging not only the public sector but also spreading its poisonous tentacles to the private sector. In other words, the private sector is part of the problem.

Considering this fact, the incumbent government has been recognizing the key role Ethiopia's private sector in investment, exports and redistribution under the guiding principle of a free market economic system. There is now no ceiling on the size of domestic private capital to be used. There is also no limitation on the number of business activities that individuals may undertake. As a result, there are currently scores of small and big private businesses across the country and especially in big cities like Addis Ababa making significant contribution for the creation of jobs and the national economy as a whole.

Despite this fact, the private businesses have been gripped with poor business practices that are growing at alarming rate. One example to this is deception of customers. Deceptions by business entity in the market take two forms. The first type is imitation which means the existence of products which do not bear the same commercial name of the original product but imitate all the external features in packaging and colour and usually have a lower price due to its poor quality and non compliance with safety specifications.

The second type of deception which is also becoming more eminent now is the forged products which bear the same name of the original product and have the same external specifications and appearance so that it becomes impossible for the consumer to know the difference between them until he uses these products. There are even people who send a sample of well-known products to certain Asian countries so that it could be forged there. Then they bring some distant relatives from the rural areas, make them have importers license and they order few containers of these forged products. The imported products will be sold in big markets to merchants who think they purchased the original products for a cheaper price. Many other products with very low quality enter the country all the time. Usually the forged products have the same price of the original although they have no effective materials or specifications and use bad and cheap materials which are harmful to the health of consumers.

The practice of forgery becomes more troubling when it comes to items such as basic food stuffs. For example,

## NEWS highlights

### RADIO PROGRAMME OF TE

Transparency Ethiopia on the 20th of April has begun transmitting a weekly Amharic radio program on corruption issues. The program is transmitted on radio Fana, FM 98.1, from 5 PM to 5: 30 PM every Sunday.

The overall aim of the program is to educate the public on the essence, manifestations and adverse effects of corruption, and consequently contribute to the creation of a corruption intolerant society in our country. The program is also expected to constitute an important forum for a multi-polar discussion (mainly involving public, government, private sector and civil society) on the issue of corruption.

Transparency Ethiopia invites readers to listen on this weekly radio program and write on matters they wish to comment on.

### TE HOLD ANNUAL GENERAL ASSEMBLY MEETING

On the 10th of May 2008, Transparency Ethiopia (TE) hold a half day Annual Regular General Assembly Meeting (GAM). In the meeting held at Ghion Hotel, members have discussed on three agendas. These were annual performance report, the 2007 audit report and draft membership development policy of the organization.

After having discussed the two reports thoroughly, the meeting has come to terms with the points raised and approved both reports. Similar discussions undergone about the membership development policy and approved by acclamation with some corrections.

Due to the repeatedly reported corruption scandals and the seemingly deteriorating ethical values in Ethiopia, the General Assembly has passed resolutions that to be announced to key government and non-government organizations and other stakeholders.

### Private Sector...

because of the circulation of many unsafe food products, the healthiness of many people in Addis Ababa who consumed these products has been endangered. These have been reported by various media. One can cite the case of the recently poisoned cooking oil which killed some persons while imperilling others' health who consumed it in some parts of Addis Ababa.

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## YOUR VOICE

Transparency Ethiopia (TE), during a film screening to Addis Ababa University students, has distributed questionnaires in order to evaluate their perception on the issue of corruption in Ethiopia. A total of 234 students were asked six questions including their acquaintance to TE. In this edition, we present the students' response for questions asked with reference to their understanding of corruption in Ethiopia, its trend, the root causes and the way forward to minimize it.

About their understanding of corruption in Ethiopia, most of the students, 100 (44%) was of the view that corruption is more or less getting attention and need to be improved. On the other hand, some students assumed that corruption in Ethiopia did not get the attention it should deserve. Similarly, 69(30%) of the respondents were of the view that corruption in Ethiopia is a current agenda in need of greater attention but neglected. In short, the information shows that the fight against corruption was not effective as it should have been. But still one-fifth of the respondents have said that corruption in the country is getting much attention, while 12(5%) of students answered that corruption in Ethiopia could not be that much worrisome for our country.

Regarding a question on the trend of corruption in Ethiopia, the highest number of students 100(43%) perceived that it is prevalent than before. It is quite clear from the response of the majority of students that the level of corruption is getting alarming. The response of the students seems to conform with a

number of cases of corruption allegations that have been reported in the press. To mention, corruption related to land administration issues in Addis Ababa City Administration, the scandal of NBE in gold exchange, CBE and DBE irredeemable loans, the Ethiopian Telecommunications procurement alleged abuses are few examples. There are also widespread grand and petty corruptions in the private sector. In light of this, one can admit that corruption is prevalent than before. Thus, the growth of corruption practices is justified by the majority of the respondents. On the other hand, 68 or 30% of respondents reflected their view that the trend of corruption in the country has not shown any change. All the same, 62(27%) of the students have mentioned that corruption has minimized before.

About the root causes of corruption in Ethiopia, 81 (36%), 51(23%) and 50 (22%) of the students tried to relate the cause with weak rules & regulations; weak penalty; and low salary, respectively.

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## Corruption Measurement Tools

Demand for diagnostic data on and analysis of corruption and governance continues to grow. This type of research is starting to have an impact not only on awareness-raising, but also on advocacy and policy-making processes.

In addition to the extensive empirical work conducted at the international level to develop cross country instruments, increased efforts have more recently been initiated, either at the country level or in the context of multi-country initiatives, to collect data at the local/national level. A diverse range of such tools, both in terms of typology as well as objectives and impact, has been emerging.

Transparency International (TI) has devised reliable quantitative diagnostic tools regarding levels of transparency and corruption, both at global and local levels. The idea of measuring corruption was acknowledged worldwide for the first time after the first publication of the Corruption Perception Index (CPI) of Transparency International in 1995. Similarly, TI has developed other tools useful for the measurement of corruption; [Corruption Perception Index \(CPI\)](#), [Global Corruption Report \(GCR\)](#), [Bribe Payers' Index \(BPI\)](#), and [Global Corruption Barometer \(GCB\)](#) are the major ones.

### Corruption Perception Index (CPI)

It is the best known of TI's tools, widely credited for putting TI and the issue of corruption on the international policy agenda. The CPI ranks more than 150 countries in terms of perceived levels of corruption. It measures the degree to which corruption is perceived to exist among public officials and politicians. Composite index drawn on different polls and surveys from an independent institutions carried out among business people and country analysts, including local experts. Though different types of criticism have been focused on CPI, it still remains a widely accepted (and/or feared) reference tool regarding the levels of corruption worldwide.

### Bribe Payers' Index (BPI)

In subsequent years, TI has also sought to develop other corruption measurement tools to complement the CPI. The [Bribe Payers' Index \(BPI\)](#) evaluate the supply side of corruption—the propensity of firms from industrialised countries to bribe abroad and ranks corruption by source country and industry sector.

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Corruption is worse than prostitution. The latter might endanger the morals of an individual, the former invariably endangers the morals of the entire country.

Karl Kraus (1874-1936)  
Austrian satirist.

## TRANSPARENCY ETHIOPIA

**DEDICATED TO THE  
FIGHT AGAINST  
CORRUPTION!!**

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## NOTICE

BROWSE TRANSPARENCY ETHIOPIA'S WEBSITE THROUGH THE FOLLOWING ADDRESS:

[h t t p : / /  
www.transparencyethiopia.org](http://www.transparencyethiopia.org)

### RADIO PROGRAMME

LISTEN AND PARTICIPATE IN THE WEEKLY RADIO SHOW OF TE-EVERY SUNDAY@5:00 ON FM 98.1 - MUDAYI PROGRAMME

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## Private sector...

The allegations of corruption or acts of dishonesty in the private sector have also been traditionally a topic of public debate. Some investors in the private sectors amass wealth by way of such illegal means as tax evasion, obtaining bank loans or winning lucrative bids by infringing loan or bid procedures, bribery, smuggling, and swindling weak or uneducated out of their money. There are also persons who deliberately create shortages of essential commodities and make hoarding, rip off the public by charging very high prices during shortage in goods and basic food stuff, deceive in big business transactions, etc.

Given the above malaises, something needs to be done urgently to regulate the function of businesses in the private sector so as to protect the interest of the public and for the good of the country's economy. First and foremost, however, good corporate governance and corporate social responsibility should be considered as an important tool to tackle the problems. Good corporate governance is essential and in line with modern ways of conducting business and this has got wide acceptance. It is now the desirable trend for businesses to balance profit with issues of social responsibility and integrity as well as complying with business principles. From the global perspective, improvement in corporate governance has earned universal acceptance as one of the essential elements of underpinning and strengthening the foundation for sustained performance of countries and corporations.

## TOOLS...

### Global Corruption Barometer (GCB)

With the Global Corruption Barometer, TI goes one step further by evaluating how and where ordinary people feel corruption's impact. The Transparency International Global Corruption Barometer (the Barometer) is a public opinion survey that has been administered around the world each year since 2003. The Barometer explores how corruption affects the daily lives of ordinary citizens, asking about the general public's attitudes toward corruption, the extent to which they believe corruption pervades public institutions, their experience with petty bribery and their sense of how the fight against corruption will fare in the future. GCB is based on a household survey of more than 50,000 people in 64 countries, run by Gallup International as part of Voice of the People Survey.

At the international level, Corruption Perceptions Index (CPI) and Bribe Payers Index (BPI) are known to be survey instruments that emphasise awareness raising. Other global surveys, i.e Global Corruption Barometer (GCB) and National Integrity System (NIS) Country Studies provide more in the way of benchmarking.

At the national level, TI national chapters have focused on different measurement tools such as surveys that provide indicators for the fight against corruption. In this for example, the TI—Kenya Urban Bribery Index and the Mexican National Survey on Corruption and Good Governance can be cited.

## YOUR ...

Among the respondents 34(15%) have also attributed the root causes to lack of awareness about corruption.

With regard to the ways corruption could be minimized, 87 (39%) gave emphasis to the inclusion of ethics and anti-corruption courses in the curriculum. Indeed, it is not possible to fight corruption successfully in this country without the inclusion of ethics and civic education courses in schools up to the higher institutions. The students concern is therefore legitimate. Furthermore, corruption activities should be extended to the cross-section of the society as an approach to fighting corruption. Therefore, 69(31%) of them were in favor of the provision of ethical education and trainings. Twenty seven (12%) of the students have suggested public debate and forums to be the tools to minimize corruption, while 20(9%) have given priority to research and advocacy to bring about the desired result of low level corruption.