

By Tamrat G. Giorgis

The first time I heard about corruption, I was an elementary school student. The news on the state media radio was too loud and persistent, and the dumbfounded reaction of those around me too strong to forget my first exposure to a phenomenon that has become a subject of international concern today.

It was June 1985: Tesfaye Tikue, head of finance at a state farm, was convicted of embezzling 80,018 Ethiopian Birr (US\$40,000) over five years beginning in 1978.

The special tribunal established by the military government to try corruption cases decided that Tesfaye should not only pay back the money, plus a 3,000 birr (US\$343) penalty, but serve 13 years imprisonment without parole.

This affair came at the height of Ethiopia's first attempt to institutionalize the fight against widespread corruption. It became the effort's poster child . In a country where a top general's salary was not more than 4,371 birr (US\$500), people could hardly contain their disbelief that anyone could siphon off such a huge sum of money.

Until then, corruption was perceived as perfectly normal in Ethiopia, but limited to petty gifts to the bureaucracy or in the courts.

“Offering and receiving bribes and various forms of corruption on the one hand, and the disposition of public functions on a discretionary basis by favoring clients and supplicants on the other, were viewed as normal,” concluded a 2001 survey conducted by the Institute of Educational Research of the Addis Abeba University.

The Civil Service Agency, created by Emperor Haileselassies' government in 1942, was tasked with various administrative regulatory roles, including control of the traditional practice of accepting bribes. Once the public took to the streets protesting the corrupt practices of his ministers, however, corruption became a fact of the Ethiopian social fabric, for both rulers and the ruled.

Tesfaye's story was significant not only because it was one of the 3,487 cases the special tribunal tried in the mid-1980s, but also because the verdict came a year after the military government established the first institution solely responsible for fighting corruption. The Workers' Committee for Control (WCC) was created in 1984 with the authority to receive whistleblower tips and public complaints, as well as investigate and prosecute culprits.

Beyond Tesfaye, however, it was hardly a successful venture. No other significant case emerged before the collapse of the military regime in 1991. Many believe this was because corruption grew too deep a root during this period: investigators simply had run out of steam by the time the WCC imploded, along with the government that created it.

The Ethiopian public had to wait 20 years before another corruption case was brought to a court of law, again of astounding proportions. Abate Kisho, then president of the regional administration in southern Ethiopia, and Bitew Belay, a senior cadre of the ruling party assigned to the same region, were convicted by the Federal High Court for abuse of office in connection with contracts awarded to their "friends in the private sector."

Abate and Bitew were accused of violating the regional state's procurement directives when they placed orders to buy equipment worth 74.1 million Birr (\$US15 million) for the bureaus of Works and Urban Development, and Natural Resources Development and Environmental Protection. The first ruling found the defendants guilty and passed a six-year prison sentence for Abate and Bitew, who were tried in absentia but never returned to the country, and two years for Negussie, though an appeal ended up increasing his sentence.

The most high profile case waged in Ethiopia in the name of fighting corruption involved the former prime minister, and later defense minister, Tamrat Layne. He is serving an 18-year jail sentence after the federal high court found him guilty of stashing a state fund worth 16 million dollars in his personal Swiss bank account.

The new government created a new watchdog agency in 2001 called the Federal Ethics and Anticorruption Commission. It was followed by similar agencies in the regional states and the appointment of ethics officers in every state organization.

Despite these recent developments, corruption in today's Ethiopia spreads unabated. Public opinion suggests that Ethiopia is among worst in the world. Surveys compiled by Transparency International in 2005 ranked Ethiopia 137th out of 159 nations polled, alongside countries such as Cameroon, Liberia, Iraq, Azerbaijan, Uzbekistan, and Indonesia.

A businessman once cynically described Ethiopia as the land of "10 percent," meaning hardly anything can be accomplished without adding this amount as a kickback.

"Of late, going through [a transaction] without paying a bribe in Ethiopia is seen as an achievement by peers," wrote Kebour Ghenna, former president of the Addis Abeba Chamber of Commerce, and now director of Initiative Africa, a non-government organization.

His is not an isolated view. A 2001 survey conducted by the Institute of Educational Research on 600 firms across the regional states revealed that 78.5 percent believed corruption in the public sector negatively influenced their operations and growth, placing public sector corruption second only to unemployment in Ethiopia's 18 largest socio-economic problems.

More recently, nearly 40 percent of small and medium enterprises surveyed in 2005 by the World Bank Institute named corruption as one of the three major challenges to successfully running their businesses, along with problems in tax administration and access to land.

Corruption has reached a disastrous juncture, according to a retired civil servant with over 40 years of service spanning three regimes.

"Despite the creation of a commission, we haven't seen anything more than propaganda and educational materials," he said over a lunch hosted by the French Ambassador to Ethiopia.

He was partly referring to an evening airtime slot on national TV that attempts to educate the public on how corruption impoverishes society. According to Brehanu

Assefa, a senior public relations advisor to the Commission, the Commission has distributed 75,000 magazines, 48,000 posters, 265,000 brochures, and 120,000 fliers in the five years since its establishment, in addition to providing training to 267 federal offices and enterprises. Since its inception, prosecutors at the Commission have prosecuted 450 cases, of which 55 ended in convictions. There are now over 110 cases pending at the courts; the Commission received over 1,000 tips from the public last year and will prosecute 565 suspects, according to its chief, Ali Sulaiman.

But despite all these fliers, figures and pending cases, fighting corruption is widely perceived as an instrument employed by the ruling party to prosecute its political opponents.

The last minute amendment of the anticorruption bill hardly helped to persuade the public otherwise. Parliament amended the bill in 2001, one day after its ratification (a legislative speed unrivaled in Ethiopian history) after a court released Seyee Abraha on bail. Seyee was a senior politician within the ruling coalition who dissented from his colleagues during the major crises that followed the end of the bloody Ethio-Eritrean war. The amendment effectively denied bail to corruption defendants. Seyee arrested again, together with his brothers and a sister, on charges of abusing his high office by enriching family members, a charge he is still fighting in the Supreme Court from prison.

At about the same time, state security services arrested several top businesspeople, officials of the state privatization agency and 42 staff members of the state-owned Commercial Bank of Ethiopia (CBE), including its former chief, Tilahun Abay.

The bankers and state workers were charged with either advancing loans to the accused businesspeople, violating the Bank's lending policies or selling state-owned enterprises against privatization regulation. These cases are pending before the courts, five years after first emerging.

After this inauspicious start, the state's drive to fight corruption hasn't quite recovered its credibility.

Now corruption has become so pervasive that it is no longer limited to the public sector. "10 percent kickback" has become a keyword for private firms that award

procurement or project contracts to other private companies. Kebour Ghenna described this as “private-to-private” corruption.

“The fact that people talk less about it, as compared to the private-to-public corruption, may have led many outside the business world to think it is not significant,” he wrote in the World Bank magazine.

In fact, many believe private-to-private corruption is affecting their lives. According to the survey by the Institute of Educational Research, nearly 40 percent of the 600 firms surveyed said corruption in the private sector impedes their operations and ability to grow.