

U4 Helpdesk Answer 2018:24

Overview of corruption and anti-corruption in Ethiopia

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Sustained corruption and human rights violations have caused widespread unrest in Ethiopia since 2015. A change in the country's leadership in 2018 provided Ethiopians with hope of a change to the status quo. Corruption exists in various forms, including but not limited to clientelism, kleptocracy, rent seeking and state capture. While anti-corruption laws remain strong in principle, they are not implemented adequately. The executive maintains control over the judiciary and legislature.

Query

Please provide an overview of corruption and anti-corruption in Ethiopia: the political abuse of anti-corruption efforts, the link to human rights and the situation with political clientelism.

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Background

Ethiopia is Africa's oldest independent country. It is unique among African countries in that the ancient Ethiopian monarchy maintained its freedom from colonial rule, with the exception of the 1936-41 Italian occupation (CIA 2018). A coup in 1974 ended the monarchy (BBC News 2018a; CIA 2018).

The country was a founding member of the United Nations (BBC News 2018a), and the constitution of the Federal Democratic Republic of Ethiopia was adopted in 1994 (CIA 2018).

According to The Economist in its 2017 Democracy Index, Ethiopia is an “authoritarian regime” with a score of 3.42 (out of 10) and a rank of 129 out of 167 countries. The authoritarian one-party system in Ethiopia largely excludes the public from any genuine and autonomous political participation (Freedom House 2018).

Ethiopia's economy has experienced strong, broad-based growth, averaging 10.3% a year from 2005/06 to 2015/16, compared to a regional

Main points

- Ethiopia remains a closed political space, with the ruling coalition retaining all federal and regional parliamentary seats, and silencing any opposing voices.
- Corruption remains a pervasive issue, and the new prime minister has pledged to make addressing it a priority.
- Widespread human rights violations and ensuing impunity of the abusers seems to be the norm.
- The government of Ethiopia's commitment to anti-corruption needs to be backed up by investing in building the capacity of institutions with anti-corruption mandates.

average of 5.4%. Despite being the fastest growing economy in the region, the country is also one of the poorest. The main development challenges that Ethiopia faces is sustaining its positive economic growth and accelerating poverty reduction, which requires progress in job creation and improved governance (World Bank 2018b).

Despite its astonishing and successive economic growth, Ethiopia still faces a lot of economic challenges. The main ones over the past couple of years include inflation, rising foreign exchange rate, forex shortage as foreign trade has not grown

at the desired level, increasing burden of foreign debt, increasing disparity between domestic saving and investment, and corruption, among others. These have, in turn, affected the lives of the population (Hailu 2018).

Early in 2018, after the unexpected resignation of Prime Minister Hailemariam Desalegn, Abiy Ahmed, Ethiopia's first leader from the Oromo ethnic group, was chosen to lead the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) coalition (BBC News 2018a; The Guardian 2018). The resignation was unprecedented in the east African country, and occurred amid widespread unrest that started in 2015 as demonstrations broke out against political restrictions and human rights abuses (The Guardian 2018).

There was no specific trigger for these mass protests. It was more of an accumulation of years of frustration from ethnic groups who have been marginalised by the government (BBC News 2016). Nevertheless, land rights, corruption, unemployment and bad governance have come up as reasons for the widespread protests (BBC News 2017). Demonstrations by the Oromo tribe against expansion of capital city Addis Ababa into Oromo lands then flared in 2016 (Heritage Foundation 2018).

Ethiopia's government is known to "keep a tight grip on the country", and there has been no unrest on this scale in the last 25 years (BBC News 2016). By 2017, 669 people had died as a result of the anti-government protests led by activists from the Amhara and Oromia regions (BBC News 2016). The government's response was to declare a ten-month long state of emergency and to set up a human rights commission to take charge of the situation (Freedom House 2018). Accusations of security forces using live ammunition on protesters were

made by the then UN High Commissioner for Human Rights. However, the Ethiopian government did not allow any international observers to investigate (BBC News 2017).

However, Abiy's efforts have been acknowledged by the international community as improving respect for human rights, reforming the business environment and making peace with Eritrea (Beech 2018).

The Emerging Political Settlement

Recent events have fundamentally restructured the power balance in the ruling coalition, resulting in the election of the new prime minister. This has meant that the political settlement that has been in place since 1991 is no more and a new one is still emerging. An interesting departure is that the new Prime Minister (PM) has adopted a more aggressive tone towards corruption, replacing euphemistic vocabulary with more direct terms that indicate its criminal nature. For instance, instead of the word 'rent-seeking,' he insists on using the word 'theft' instead of corruption and insists that corrupt persons should be called thieves.

Key factors that are shaping the emerging political settlement include the apparent trend towards increased political liberalism, as evidenced by the release of political prisoners, the lifting of a ban on some exiled political parties and opening-up of the media landscape. The ruling party has announced that it is considering an alternative to its hitherto strongly held ideology of revolutionary democracy and commissioned a team to conduct a study that will inform a new approach to development. This suggests that the overwhelmingly statist approach to development could be coming to an end and that the liberalisation of some key sectors will soon be under way. This changed approach has several implications for corruption, especially since it is

widely perceived that state-owned enterprises and monopolies engage in grand corruption. The diminishing of state-owned enterprises will significantly change the nature of corruption risks in the country as well as the anti-corruption strategies needed to mitigate these risks.

As part of the ongoing transition, Ethiopia has commenced comprehensive Law and Justice Sector reform. The priority areas for this initiative include civil society and media laws. The existing laws in these areas are draconian and contributed to the crisis that preceded the change in government. The work of civil society organisations, including those working on anti-corruption advocacy, was severely curtailed by restrictions on receiving foreign funding. The on-going reforms should create a more conducive environment for civil society advocacy through the removal of this restriction.

Another priority is instituting an access to information legal and institutional regime. The lack of legislation in this area has made the work of investigative journalists working to expose corruption all but impossible.

Despite the positive developments, a major downside to the recent changes in the country relates to the release of “political prisoners”. Because the government is widely perceived to have used anti-corruption law for politically motivated prosecutions, corruption charges against high profile government officials and business people alleged to have been involved in grand corruption schemes have been discontinued and those convicted have been pardoned. Many believe that most of the cases were not without merit. There is a fear that these actions will reinforce a culture of impunity.

Overview of corruption in Ethiopia

Prime Minister Abiy Ahmed has stated that Ethiopia is facing an existential threat from the proliferation of corrupt activities, adding that "the lack of proactive media role in uncovering corrupt practices and ineffectiveness of government institutions to root out corrupt practices is endangering the country's political structure". The prime minister has also said that the fight against corruption would be his administration's top priority (Xinhua 2018).

Corruption in the country ranges from petty to grand, and acts as an impediment to its development and further exacerbating poverty. Lack of accountability and transparency, low levels of democratic culture and tradition, lack of citizen participation, lack of clear regulations and authorisation, low level of institutional control, absence of punishment, and centralisation of authority and resources are some of the factors that contribute to corruption thriving in the country (Ayferam, Bayeh and Muchie 2015; Teshome 2016).

Corruption, smuggling, tax fraud, and trafficking in narcotics, persons, arms and animal products are the key proceeds-generating crimes (US Department of State 2017b).

Extent of corruption

Ethiopia ranks 107 out of 180 countries in Transparency International's 2017 Corruption Perceptions Index (CPI) (Transparency International 2018).

The Worldwide Governance Indicators (WGI) by the World Bank (2018c) accord the following scores in percentile rank¹ to Ethiopia:

Indicator	2016 percentile rank	2017 percentile rank
Control of corruption	39.9	33.2
Government effectiveness	28.8	23.6
Political stability and absence of violence/terrorism	7.6	7.6
Regulatory quality	11.5	13.9
Rule of law	33.7	33.7
Voice and accountability	9.4	9.9

The 2017 TRACE Bribery Risk Matrix places Ethiopia in the “high” risk category, ranking it 178 out of 200 surveyed countries. Similarly, Ethiopia's Doing Business rank for 2018 is 161/190 with a Distance to Frontier (DTF)² score of 47.77 (The World Bank 2018a).

Ethiopia's economic freedom score is 52.8, making its economy the 142 out of the 170 surveyed in the 2018 Index of Economic Freedom by the Heritage Foundation. Its overall score has increased by 0.1 point, with an increase in investment freedom (which nonetheless remains poor), and

¹ Percentile rank indicates the country's rank among all countries covered by the aggregate indicator, with 0 corresponding to lowest rank, and 100 to highest rank (World Bank 2018c).

² The distance to frontier (DTF) measure shows the distance of each economy to the “frontier”, which represents the best performance observed on each of the indicators across all economies in the

improvements in judicial effectiveness and monetary freedom offsetting declines in business freedom, labour freedom and trade freedom. Ethiopia is ranked 27 of 47 countries in the sub-Saharan Africa region, and its overall score is below the regional and world averages (Heritage Foundation 2018).

Bertelsmann Stiftung's Transformation Index (BTI) 2018 ranks the country 113 out of 129 countries. It adds that corruption poses a serious and multifaceted problem to the overall wellbeing of the population and its economy. The report further states that there is a problem of capacity to control corruption at all levels, negligible political will, and diminished legal commitments to hold accountable powerful actors implicated in corruption and those who facilitated massive capital flight. According to Global Financial Intelligence, Ethiopia lost US\$26 billion to illicit financial outflows between 2004 and 2013 (Bertelsmann Stiftung 2018).

Freedom House, in its 2018 Freedom in the World report, on the other hand, accords the status of “Not Free” to Ethiopia, with an aggregate score of 12/100. According to the 2018 Ibrahim Index of African Governance (IIAG), Ethiopia ranks 35 out of 54 with a score of 46.5 out of 100 in Overall Governance.

Forms of corruption

Political corruption

The widespread propagation of political corruption in Ethiopia has significantly aborted the country's democratisation process, eroded the rule of law, led to the politicisation of the country's civil service

Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190 (World Bank 2018a).

system, as well as the monopolisation of the country's economy (Kebede 2013).

Parliament and the judiciary are not independent institutions that can use their constitutional authority to hold the executive accountable. The executive uses various ways of controlling or coercing parliamentarians and the judiciary to ensure the harmonisation of judicial and legislative decisions with the government's anti-democratic and repressive policies (Bertelsmann Stiftung 2018).

All of the 547 seats of the parliament are controlled by the EPRDF, that abides by unforgiving party discipline of democratic centralism (Kebede 2013; Hassan 2015; Freedom House 2018). The EPRDF "leadership discuss and decide beforehand what they want to be decided by parliament". In the current Ethiopian political culture, the party and the executives are fused, creating conditions of state capture (Kebede 2013; Hassan 2015). The regime has been accused of being kleptocratic, while reportedly being involved in no-bid contracts, embezzling from donor aid and demanding bribes (Hassan 2015). Opponents of the EPRDF find it nearly impossible to operate inside Ethiopia. Authorities frequently invoke anti-terrorism legislation against dissenters (Freedom House 2018).

In 2017, as part of an anti-graft drive (partly as a response to 2015-6 unrest), dozens of government officials, including the state minister for finance, were arrested on suspicion of corruption. Officials from the Ministry of Finance and Economic Cooperation, the capital's housing development agency, the state-run Ethiopian Sugar Corporation and the Ethiopian Roads Authority were also arrested, on charges including embezzlement and the siphoning off of billions of Birrs (Maasho 2017).

Petty and bureaucratic corruption

Ethiopia's bureaucracy is also considered to be complex, creating opportunities for officials and staff to attempt to circumvent rules, and therefore be more open to giving and receiving bribes to secure contracts (Wheatland 2015).

The power, tax, investment and transport sectors have been identified as having the highest level of corruption, according to a study under the Federal Ethics & Anti-Corruption Commission (FEACC) (Mulatu 2014).

Petty corruption seems to exist in almost every office. Officials from the traffic police, court, customs and trade licences office, land acquisition department, licensing, and tax collection, as well as government procurement, have faced allegations of bribery (Mulatu 2014).

Sectors affected by corruption

Energy sector

Ethiopia enjoys a vast amount of renewable and non-renewable energy resources, ranging from hydro- and solar-power to biomass and natural gas (Wheatland 2015).

It is estimated that between 2005 and 2015, US\$3.4 billion was required for Ethiopia to meet its electricity development capacity. Such high levels of investment in this sector create a number of opportunities for bribery and corruption, as the huge investment sums can allow officials to skim money from budgets by overcharging for goods and services (Wheatland 2015).

It has been suggested that the Ethiopian government has intentionally violated procurement and investment guidelines to maintain investment in its energy sector. For example, the government directly awarded construction contracts to the

Italian company Salini without competitive bidding procedures (Wheatland 2015).

Judiciary

While the judiciary is formally an independent branch of the government, mechanisms that allow for checks and balances in Ethiopia are weak, courts are overburdened, and the executive branch exercises great influence over the judiciary. It is fairly common for the government to interfere in the application of the law and even in the enforcement of court orders (Martini 2015; Business Anti-Corruption Portal 2017; US Department of State 2017a; Bertelsmann Stiftung 2018).

In practice, political influence and not merit determines the appointment and removal of judges (US Department of State 2017a). There have been cases where judges who refused to act in accordance with the government were disciplined or dismissed, in fact, since 2005, several judges have fled the country, claiming government interference (Martini 2015).

Moreover, in the name of “developmental democracy”, the government has transformed its courts into another security apparatus whose job is not to question the government, but merely to rubber-stamp decisions made by the government and its security apparatus (Bertelsmann Stiftung 2018).

Corruption within the judiciary at the local level is severe, but rarely reported. The judiciary fails to prevent violence in prisons. Civil rights and individual liberties are systematically violated because the judiciary and other national human rights institutions are controlled by the ruling party (Bertelsmann Stiftung 2018).

Police

Local police are often known to act on their own, and security forces, by and large, have impunity against their transgressions throughout the country (US Department of State 2017a).

During the recent state of emergency (SOE), an executive body called the Command Post managed security policy, holding broad powers, including the ability to detain individuals, restrict speech and restrict movement. Individuals, including children, arrested by security forces during the SOE temporarily were held incommunicado. Police investigators used physical and psychological abuse to extract confessions (US Department of State 2017a).

Corruption within Ethiopia’s police is perceived to be rampant, and the solicitation of bribes by police officers remains a widespread problem. Companies are also known to pay the police for their security (Business Anti-Corruption Portal 2017).

Land administration

There is a high risk of corruption in Ethiopia’s land administration with petty corruption, land-grabbing, corruption in the auctioning process, and state capture being common in the sector (Lindner 2014; Business Anti-Corruption Portal 2017). The country’s legal and institutional structure, with regard to land administration, has been criticised for being unnecessarily complicated (Lindner 2014).

There are a number of elements in Ethiopia’s current land administration system that can create potential entry points for corrupt activities to occur. These include: lack of clear policies, weak institutions, lack of transparency, limited public participation and capacity challenges (Lindner 2014).

Social Services (Health and Education)

The 2012 World Bank report on corruption in the health sector found that the sector does not suffer from pervasive corruption compared to other sectors or countries. However, the existence of corruption in the health sector cannot be denied. Corruption and fraud in the health care delivery is one of the barriers to implementing policies of health care financing (Ethiopian Public Health Institute, 2014).

In the second corruption perception survey done in 2012, household respondents were asked to assess the quality public health institutions that they had used and 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 perception report added that “the fact that almost two-fifths reported either a static situation or deterioration in the quality of services should be cause for concern to health officials” (Federal Ethics and Anti-Corruption Commission, 2012). 6.2% of the respondents answered that they had been asked to pay gratification in *Woreda* health offices/bureaus. 39.6% and 39.1% respondents of household and business respondents considered public health institutions as honest or very honest respectively.

Another area in the health sector where risks were identified was in the referral of patients from public to private health facilities. Referral of patients from public to private health institutions is open to abuse as “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” (FEACC, 2012).

Corruption in the education sector includes fraud in examinations, falsification of qualification, teacher absenteeism, and favouritism towards members of the ruling party both in teacher recruitment and in student selection and assessment (FEACC, 2012). In the past years, there have been huge investments in the education sector increasing corruption risks in procurement, management and delivery of stock (building equipment, and so on) (FEACC, 2012).

Nonetheless, education establishments in Ethiopia are perceived as relatively honest institutions, with 57% of the respondents in the 2012 perception survey concurring. Out of these respondents, however, only two (2) out of the 22 public institutions on the list were considered as honest by more than 50% of the respondents (FEACC, 2012). Only 2.7 % of respondents said they had been asked to pay bribes in this sector. Within the business community, the public education sector is considered as honest or very honest by 46.6% of respondents (FEACC, 2012).

Legal and institutional anti-corruption framework

International conventions

Ethiopia signed the United Nation Convention against Corruption in 2003 and ratified it in 2007 (UNODC 2018).

The country signed the African Union Convention on Preventing and Combating Corruption in 2004 and ratified it in 2007 by the (African Union 2018).

Domestic legal framework

The legislative framework to prevent and sanction corruption in Ethiopia is strong on paper; however, the government does not implement these laws effectively, and the judiciary is known to be

politically influenced (Business Anti-Corruption Portal 2017).

Since May 2016, important powers of the anti-corruption commission – corruption crimes investigation and prosecution – have been granted to the Federal Attorney General. Under the new law, all the rights and duties given to the Federal Ethics and Anti-Corruption Commission related to investigation and prosecution are transferred to the Federal Attorney General as per article 22 (2) of the proclamation. Therefore, the current legal regime of anti-corruption includes, Proclamations, No. 433/2005, 434/2005, the amendments to these proclamations No. 883/2015, 884/2015 and the Federal Attorney General Establishment Proclamation No. 943/2016.³ The fact that the Attorney General has taken over the investigation and prosecution powers of the FEACC makes a big portion of the existing anti-corruption laws inapplicable. These recent changes therefore necessitate the revision of the commission’s powers and obligations.

The [Revised Federal Ethics and Anti-corruption Commission Establishment Proclamation of 2015](#) and the [Revised Anti-Corruption Law of 2015](#) criminalise attempted corruption and extortion, while the Criminal Code of 2004 criminalises active and passive bribery, money laundering and bribing a foreign official. Private sector corruption, including bribery and embezzlement, is criminalised, although there are no known cases of prosecution in the private sector. Facilitation payments are also illegal (Business Anti-Corruption Portal 2017).

Asset disclosure is another anti-corruption measure adopted by the government. The Disclosure and Registration of Assets Proclamation

³ However, the Regional Ethics Anti-Corruption commissions retain these powers.

of 2010 requires that all “appointees, elected persons and public servants of the Federal Government and the Addis Ababa and Dire Dawa city administrations” must declare and register assets owned by them and their family members. The Federal Ethics and Anti-Corruption Commission (FEACC) is responsible for registering the declaration as well as for verifying whether the content is accurate. Implementation of the law is, however, assessed as relatively slow, and only a small percentage of officials had their assets registered according to the timeline prescribed by the law. Moreover, the extent to which the FEACC has the necessary capacity and resources to effectively verify the content of the registered declarations remains unclear (Martini 2015).

Tax rules in Ethiopia are very complex and often contradictory, making it difficult for citizens and companies to understand their obligations and allowing officials to apply the rules unequally. Moreover, there is also the perception that tax and custom rules in Ethiopia are not always applied equally, with well-connected businesses and individuals benefiting from tax breaks or other incentives (Martini 2015).

Despite some legislative efforts (Article 444 of the Criminal Code, and the Proclamation on the Protection of Witnesses and Whistleblowers of Criminal Offences) to protect employees and citizens who report crime and corruption, Ethiopia lacks a comprehensive system to shield whistleblowers from retaliation and prosecution. Only a few whistleblower cases have been reported publicly in recent years (PPLAAF 2018).

Ethiopia asserts a constitutional guarantee of the right to information (RTI) in the public interest in Article 29 of the constitution and a Freedom of the

Mass Media and Access to Information Proclamation 2012. The reality of RTI, however, is different. Ministerial guidelines to actualise the access to information law are yet to be published, and the enforcement of national laws, such as the Mass Media and Freedom of Information Proclamation adopted in 2008, undermine RTI guarantees. The mass media law allows for the prosecution of any member of the media for defamation against the state, also the government criminalises dissent through the use of broad definitions for “terrorist acts”, ambiguous offences such as “moral support and encouraging of” “terrorist acts” (Jalipa 2014; Martini 2015).

Although Ethiopia’s anti-money laundering (AML) legal framework has improved in recent years, being largely in accordance with international good practice and standards, it is on the Financial Action Task Force (FATF) list of countries that have been identified as having strategic AML deficiencies (ESAAMLG 2015; Martini 2015).

Recent studies show that Ethiopia is among the top 10 African countries by cumulative illicit financial flows (IFFs) related to trade mispricing. This amount may be much higher if funds from corruption and other criminal activities are considered (Martini 2015).

According to the Report of the High Level Panel on Illicit Financial Flows from Africa, Ethiopia, features in the top 10 African countries by cumulative illicit financial flows from 1970 to 2008 (AUC/ECA n.d.).

The main sources of illicit proceeds-generating activity in Ethiopia are corruption (specifically involving administration of land, procurement, tax, telecommunications and pharmaceuticals), tax fraud/evasion, human trafficking and migrant smuggling, arms trafficking and smuggling of contraband (coffee, “khat” and livestock outbound;

foreign exchange; textiles, electronics and pharmaceuticals inbound) and the profit made from providing illicit financial services. It is not entirely clear how these proceeds are laundered (ESAAMLG 2015).

Institutional framework

Federal Ethics and Anti-Corruption Commission (FEACC)

FEACC was established in 2001 to provide an institutional mechanism to counter corruption and enforce anti-corruption laws (FEACC 2018). It accepts reports and information from the public, but it lacks a formal role in protecting whistleblowers, and its role in investigating disclosures and retaliation complaints is unclear (PPLAAF 2018).

Under article 3(2) of the 2005 Revised FEACC establishment proclamation, the commission was directly accountable to the Prime Minister, but this has now changed and the commission accountable to the Parliament. This has been regarded as a positive development that will give it more independence from the executive.

The 2005 revised proclamation also establishes Ethical Liaison Units at all levels of Public Offices and Public Enterprises. Their duty is to coordinate ethical issues and advise the heads of the concerned bodies. The Liaison’s task is to ensure that employment, promotion, and transfer are corruption free and transparent, and to tackle one of the most dominant forms of corruption - embezzlement in public institutions. In a recent development, the government is drafting a new bill to mandate liaison offices at government institutions to directly report to the FEACC.

The FEACC has prosecuted a number of individuals, including high-ranking government

officials. In 2013/14, the FEACC investigated 3,918 cases, prosecuted 2592 of them and achieved 1265 convictions (UNODC 2015). However, its integrity as an institution of truth-seeking and justice has been seriously compromised by the perception that high-ranking officials prosecuted were victims of a political witch hunt by the regime. Scrutiny and accountability has never reached the higher echelons of Ethiopian officialdom (Bertelsmann Stiftung 2018).

Federal Auditor General

The Federal Auditor General was established under Article 101 of the constitution: “The Auditor General shall audit and inspect the accounts of ministries and other agencies of the Federal Government to ensure that expenditures are properly made for activities carried out during the fiscal year and in accordance with the approved allocations, and submit his reports thereon to the House of Peoples' Representatives.”⁴

The Federal Auditor General makes two types of audits. The first one is a general one, which is done in a regular basis. The other happens when there is suspected mischief based on information from whistle blowers or informants. General audits rely on random sampling whereas special audits are more thorough and involve a full audit. Audits focus on government ministries and agencies that are closely related with the Growth and Transformation Plan.

The Office of Federal Attorney General

As mentioned previously, since May 2016, important powers of the anti-corruption commission – corruption crimes investigation and prosecution – have been granted to the Federal Attorney General. Under the new law, all the rights

and duties given to the Federal Ethics and Anti-Corruption Commission related to investigation and prosecution are transferred to the Federal Attorney General as per article 22 (2) of the proclamation.

Financial Intelligence Centre (FIC)

Established in 2009 and tasked with the prevention and enforcement of anti-money laundering rules, FIC is regarded as an independent body but is under the responsibility of the Office of the Prime Minister. However, the body misses key essentials, such as policy, planning and research functions, education, risk management and compliance roles, as well as capacities in money laundering and terrorist financing prevention (Martini 2015).

Ethiopian Human Rights Commission (EHRC)

The EHRC works to ensure that constitutional human rights and fundamental freedoms are well protected through human rights advocacy; counselling; monitoring; conducting research into the country's human rights situations; investigating and addressing human rights violations; as well as paying particular attention to vulnerable groups (Human Rights Connected 2017).

Focus areas

Political abuse of anti-corruption efforts

The success of anti-corruption measures depends on the quality and commitment of the staff in watchdog agencies. Staff members of such agencies should be of highest quality in terms of skills, experience and ethical behaviour (Alam and Onsamo 2017).

In contrast to these requirements, the trend for most government officials in Ethiopia is to toe the

⁴ Article 101 (2)

line of party loyalty and politics (Freedom House 2018; Bertelsmann Stiftung 2018).

As mentioned earlier, the prosecution of high-ranking officials has more to do with serving political agendas than to actually punish graft-seeking behaviour (Bertelsmann Stiftung 2018).

The abuse of the judicial system in Ethiopia has resulted in a situation in which the ruling party, instead of following the rule of law, has reverted to rule by decree and proclamation that is poorly drafted and serves the political exigencies of the day (Hassan 2015).

It has now become customary for Ethiopian courts to pass judgment against political opponents and journalists following the government's pronouncements. As experts attest, the regime passes highly restrictive laws to attack opposition parties and citizens who resist its repressive activities. The passing of restrictive laws in the guise of facilitating good governance and national security have allowed the regime to, for example, transform its potential political adversaries and the Ethiopian people as a whole as threats and potential terrorists and to rationalise, justify and legitimise its own violence against the people and the ones it labels as "terrorists", and condemn them to torture and long-term imprisonment (Hassan 2015).

A study of Ethics Liaison Units⁵ (ELUs) in countering corruption found that taking disciplinary measures and criminal sanctions on corrupt entities was beyond their capacity. Lack of sufficient resources, both human and material, absence of practical political leaders' commitment, and a lack of trust and confidence in people were

seen as major challenges which hinder the realisation of ELUs (Alam and Onsamo 2017).

Illicit Financial Flows⁶

According to Global Financial Integrity's estimates, between 2005 and 2014, an average of US\$1,259 million to US\$3,153 million dollars left Ethiopia as IFFs every year (GFI, 2014). From 1970 to 2012, the total capital flight from the country is estimated at USD 31 Billion. The average growth lost because of the capital flight is found to be about 2.2 percentage points per year, between 2001-2013. Additionally, had it not been for capital flight, poverty would have been reduced by about 2.5 percentage points in the last decade (Geda and Yimer, 2016). This makes the country among 10 African countries most affected by IFF. According to Yimer, (2017), the main sources of IFF in Ethiopia are trade mis-invoicing, informal remittance systems and illicit transfers by embassies and diplomatic officials. Ethiopia is also one of the countries that have a huge unaccounted-for flow of precious stones. For instance, most of the world's tantalum comes from Brazil and Australia, but some also comes from Ethiopia. A recently released map of IFFs also shows that the trans-Sahara drugs flow flows through Addis Ababa and that Cocaine also arrives via Addis Ababa, Ethiopia (Interpol & Global Initiative Against Illicit Flows, 2018).

Human rights

Abuse of Ethiopian citizens' human rights and impunity of abusers continues to be a stark reality in the country (Human Rights Watch 2018; Freedom House 2018).

⁵ They are the major agencies or networks of the commission at lower levels in both public offices and enterprises under the leadership of ethics officers who are in charge of maintaining the code of ethics and to prevent corruption (Alam and Onsamo 2017).

⁶ For more information on IFFs in Ethiopia, please refer to Roberto Martinez B. Kukutschka, *Illicit Financial Flows in Ethiopia*, U4 Helpdesk Answer, September 2018

Authorities regularly use politically motivated prosecutions to silence journalists, activists and perceived opposition party members (Human Rights Watch 2018). In fact, it was the continuous abuse of human rights that added to the widespread unrest of 2015 and 2016. However, it was during this period of protest that the government established an SOE in 2016, which led to severe human rights violations and the death of more than a 600 people (mostly protesters) (Busch and Roberts 2017).

Arbitrary arrests and detentions, unfair trials, extrajudicial executions and torture of prisoners remain the major human rights issues (US Department of State 2017; Amnesty International 2018; Bertelsmann Stiftung 2018).

The apathy on part of the government may be showcased by the following example. During the unrest, the police allegedly use live ammunition and tear gas. On one occasion, the aggressive use of tear gas at a festival triggered a stampede that killed dozens, and the head of the EHRC, Addisu Gebre-Egziabher, merely commented that the state actors were “negligent” (Busch and Roberts 2017).

Such is the impunity enjoyed by human rights abusers that the government has generally refused to investigate allegations of large-scale violations and other wrongdoing by security forces. In fact, in April 2017, the government even rejected calls by the United Nations and European Union for external investigations into the deadly crackdown on anti-government protesters in 2015 and 2016 (Freedom House 2018).

Although Ethiopia’s new prime minister, Abiy Ahmed, has stirred his country with a range of reforms since he took office in April, including the

release of hundreds of political prisoners, these measures are not enough to address the deep-rooted human rights issues (Burnett 2018).

Political clientelism

Creating and sustaining upward accountability through a patron-client relationship allows the central political leadership of Ethiopia (i.e. EPRDF) to dominate political power and resources throughout society by positioning loyal clients at sub-national levels. Thus, clientelism⁷ in the country maintains central domination and regional fiscal dependence (Chanie 2007).

Another point to be noted is that a unique brand of ethnic federalism helps weave clientelism into the Ethiopian milieu. Competition for power and resources at the federal level has taken place along ethnic lines, and much of the violence that shook the country in 2015 and 2016 was tied to disputes between groups within the ruling party (Global Security 2017).

Other stakeholders

Media

Ethiopia’s media environment is one of the “most restrictive in sub-Saharan Africa” (Freedom House 2017). The government of the erstwhile prime minister, Hailemariam Desalegn, used the country’s harsh anti-terrorism law and other legal measures to silence critical journalists and bloggers both during the recent SEO and under normal circumstances (Freedom House 2017; Bertelsmann Stiftung 2018). In January 2017, Khalid Mohammed and Darsema Sori of the faith-based Radio Bilal were sentenced to several years in prison for inciting violence and attempting to depose the government, in connection with their

⁷ Clientelism can be viewed as a more or less personalised relationship among actors or set of actors commanding unequal

wealth status or influence, based on conditional loyalties and involving exchange transactions (Chanie 2007).

coverage of demonstrations by Ethiopia's Muslims (Freedom House 2018).

The persistent oppression and threats faced by journalists, bloggers and other media workers, force many into exile (PPLAAF 2018). Press freedom in Ethiopia is severely restricted. Ethiopia's media are dominated by state-owned broadcasters and government-oriented newspapers. Privately owned papers tend to steer clear of political issues and have low circulation, and journalists operating inside the country practice self-censorship. Defamation is a criminal offence. The law allows prosecutors to seize material before publication in the name of national security. The Ethiopian government maintains, and exercises, the ability to censor critical or opposition websites (Freedom House 2018).

Reporters Without Borders ranks Ethiopia 150 in the 2018 World Press Freedom Index, citing use of terrorism to laws to silence the media as an alarming reality.

However, things are looking up for Ethiopia's media after reforms championed by Prime Minister Abiy Ahmed. Imprisoned journalists were freed and exiled pro-opposition media and journalists began to return home. The government unblocked hundreds of mainly opposition websites (BBC News 2018b).

Civil society

The 2009 Charities and Societies Proclamation (CSP law) continues to severely curtail the ability of independent non-governmental organisations (NGOs). The law bars work on human rights, governance, conflict resolution and advocacy on the rights of women, children and people with disabilities by organisations that receive more than 10% of their funds from foreign sources (Human Rights Watch 2018).

It also bans anonymous donations (US Department of State 2017a). The law also limits the amount of money any NGO can spend on "administration", a controversial category that has included activities such as teacher or health-worker training. NGOs have struggled to maintain operations as a result of the law (Freedom House 2018).

Nevertheless, a noteworthy NGO contributing to the anti-corruption cause in the country is Transparency Ethiopia (TE), established in 2002. It is a chapter of Transparency International. In 2016, it established an advocacy and legal aid centre (ALAC) to provide legal advice and assistance to victims and witnesses of corruption.

Recently, in a bid to enable youth to actively participate in at the anti-corruption efforts, TE launched the National Youth Integrity Network (NYIN) which mainly aims to establish ethics and anti-corruption clubs at the Kebele level, the lowest administrative unit. Moreover, TE conducts research and organises awareness campaigns to sustain anti-corruption efforts throughout the country (TE 2018).

Conclusion

Even though there are few recent studies on corruption in Ethiopia, it is evident that corruption is a significant problem in the country, although it appears that it is not as rampant as it is in other countries in the region (World Bank 2012). Some anecdotal evidence suggests a widespread belief that in recent years the extent and sophistication of corruption has grown at an alarming rate. However, further research is needed to verify this perception.

The new government has taken a strong stance against corruption. However, this needs to be backed up by investing in the institutions that have anti-corruption mandate and ensuring that they

have the financial and human resources to do their jobs. In addition, a strong commitment to the observance of human rights will ensure the success of the reforms being undertaken.

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