



POLICY Brief

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The State of Corruption in Ethiopia

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1. Executive Summary

Corruption has far-reaching consequences, ranging from economic growth and welfare to social and political dimensions. It undermines trust, weakens institutions, distorts markets, and hinders economic and social development. It is a widespread issue that negatively impacts economies and societies worldwide. Corruption can lead to inefficiencies, increased costs, poverty, and inequitable distribution of resources and services.

Numerous legal and regulatory frameworks, as well as conventions, have been developed at national, regional, and global levels to address this problem. However, despite the implementation of anti-corruption policies, laws, and institutions, the prevalence of corruption continues to rise globally. Institutions entrusted with public responsibilities are increasingly implicated in corrupt activities. This policy brief assesses the extent and involvement of entrusted bodies in corruption and identifies Ethiopia's relative position in public sector and multidimensional corruption.

Over the past decade, global efforts to combat public sector corruption have largely failed, with 90% of people perceiving high or very high levels of corruption while in Ethiopia the figure is 86.5%. State and local authorities, business executives, and public service providers are widely viewed as corrupt. Over 50% of Ethiopians believe that most entrusted bodies are corrupt. The rise of organized corruption in Ethiopia's public sector coupled with ineffective anti-corruption laws have greatly hindered socioeconomic development and governance. This underscores the urgent need to revitalize and enforce anti-corruption policies and institutions.

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2. Rationale for Action

Corruption has become beyond individuals' orientation, practices carried out by individuals, often for personal gain and is moved towards systemic corruption (Alcazar & Andrade, 2001). Systemic corruption, where corruption is deeply embedded and widespread within a society or institution, is practiced in a well-organized way (Myint, 2000). Systemic corruption is a complex phenomenon encouraged by multiple interrelated factors such as weak governance and institutions, economic inequality and poverty, lack of transparency and accountability, political instability and conflict, and concentration of power.

Systemic corruption, unless controlled, has the capacity to bring wide-ranging and profound effects on various aspects of the society, the economy, and governance. In its economic effect, corruption can lead to reduced economic growth, inefficient allocation of resources, increased costs of investment, and worsened inequality (Dong, 2010).

Systemic corruption can have various political, social, and environmental effects as well (UNDP, 2008). Politically, it can lead to eroded trust in government, political instability, and the entrenchment of power. Socially, it results in the deterioration of public services, erosion of social norms and values, and increased poverty. Environmentally, corruption causes environmental degradation and the compromise of environmental policies.

Sustained corruption can result in stunted development, brain drain, and a loss of foreign aid and investment for countries. Therefore, it is crucial to urgently identify and implement appropriate remedial solutions to combat these negative impacts. To develop effective, context-specific solutions, it is necessary to conduct investigative research in the field, highlighting the importance of studying this issue.

3. The State of Corruption in Ethiopia

This policy brief presents major findings using three measures of corruption: Public sector corruption (corruption perception index), level of corruption, and multidimensional corruption index. Ethiopia's position against the global average regarding these measurements is presented.

3.1. Public sector corruption

Public sector corruption varies greatly across different regions globally. Western Europe is the least affected by this issue, while Sub-Saharan Africa (SSA), East and Central Asia, and the Middle East and North Africa (MENA), in their order of occurrence, are among the most corrupt. The global average for public sector corruption has remained relatively unchanged over the years.

In Ethiopia, corruption has been managed somewhat more effectively than the Sub-Saharan Africa (SSA) average, with steady improvements in public sector corruption management up until 2021. However, from 2021 to 2023, there has been a sharp rise in corruption levels. In 2023, Ethiopia was ranked 98th with a Corruption Perceptions Index (CPI) score of 37 percent, signifying a very high level of corruption. Domestic conflicts and political violence, which have been widespread since 2019, are expected to foster an environment conducive to corrupt practices.

3.2. Level of corruption

The overall level of corruption is perceived to be high or very high by a significant majority (90%) of respondents worldwide, with 45% considering it very high. In Ethiopia, 76.3% of respondents share the perception that corruption is very high. This indicates that the perceived level of corruption in Ethiopia is higher compared to the global average. Only a small minority of respondents in Ethiopia view corruption as medium (8%) or high (11.2%). Overall, these results suggest that corruption is widely seen as a major issue globally. In 2020, Ethiopia was ranked 15th with a total corruption level of 85.65. This places Ethiopia among the highly corrupt countries in the sample.

Although Ethiopia is recognized as having a very high level of corruption, the distribution of corruption varies slightly across its regional states. In the SNNP region, corruption is high, but it exceeds 80% and is very high in all other regions. Corruption is especially severe in the urban areas of Dire Dawa, Addis Ababa, and Harari. Overall, this indicates that corruption in Ethiopia is generally very high across both regions and urban centres.

3.3. Multidimensional corruption

The perception of respondents in Ethiopia aligns with those from around the world. Globally, a strong majority (85.6%) believe that most (63.7%) or all (21.9%) state and local authorities, business executives, and journalists are involved in corruption. Similarly, 80.4% of Ethiopians think that most or all of these groups are engaged in corrupt activities. In 2020, Ethiopia was ranked 35th with an MCI of 59.7%, indicating that most of the entrusted bodies in the country are involved in corruption.

Globally, state authorities show a relatively higher involvement in corruption (65.6%), followed by business executives (63.4%) and local authorities (63.3%). In Ethiopia, the involvement of entrusted bodies in corruption is not significantly different from the global average. However, corruption rates in Ethiopia exceed the national average (59.9%) among state authorities (63.8%), local authorities (63.6%), and business executives (62.3%).

4. Policy Recommendations

Corruption is a pervasive issue that impacts economies across various dimensions. Efforts to combat corruption at national, regional, and global levels have generally proven ineffective. Despite initiatives by governments and other stakeholders worldwide, corruption levels have either increased or remained largely unchanged over the years.

Drawing on empirical evidence, the study recommends a multifaceted approach to combating corruption, including the following measures:

1. **Awareness Creation:** Initiating anti-corruption campaigns to create awareness about the state and dynamics of multidimensional corruption in Ethiopia.
2. **Strengthening Institutions:** Building robust, transparent, and accountable institutions to prevent and combat corruption.
3. **Legal Reforms:** Implementing and enforcing strong anti-corruption laws and regulations.
4. **Promoting Transparency:** Enhancing transparency in government and business practices to reduce opportunities for corruption.
5. **Empowering Civil Society:** Supporting civil society organizations and the media to hold authorities accountable and promote a culture of integrity.
6. **Stakeholders Engagement:** The government and anti-corruption agencies in Ethiopia should involve stakeholders at all levels in combating corruption. A supportive legal and regulatory framework is needed to engage the public, private sector, civil society, religious institutions, and other relevant parties to foster national integrity in the fight against corruption.

Addressing corruption is a long-term process that requires commitment and cooperation from all levels of the society.

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Conflict of Interest

There is no conflict of interest between researchers.