

# Discourse on the Political Economy of Public Corruption in Ethiopia: Meles Zenawi Revisited

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## 1. The Encounter

Last year by this time, I participated in an international research conference in the city of Algiers, Algeria, organized by the Algerian Customs Authority in collaboration with the World Bank. The objective of the workshop was to exchange experiences in Customs and Tax Management Reforms among scholars from particularly emerging economies in the world. My paper was on the ‘Tax Reform’ and emerging trends thereof in my country. Before my presentation, one expert from Thailand, American in citizenship, was on the stage presenting his paper. His main argument was that corruption in public customs and tax administration was more rampant and structural in developing states than developed ones. To support his argument with official sources, the researcher exposed a ‘public corruption map’ that divided world countries into four, from the worst to the best in ascending order. The map marked what it identified as worst and structurally corrupt-countries with red color, in which Ethiopia was one.

The study instantly confused me particularly on the question of how it had that much precision about Ethiopia while I, the citizen at the heart, was there. My mind raised a host of theoretical and practical questions. Of course, I could not be confident enough to argue that Ethiopia was a better country in controlling public corruption as compared to other developing countries. This was because I did not have convincing data even though I made several visits in Africa and outside, and had the impression that my country was better, in general, but worse in some specific sectors than developed states I saw.

However, I had the strong conviction that double-digit growth in my country for consecutive eight years would have been impossible under structural corruption<sup>1</sup>. Secondly, Ethiopia has had to earn the brand of an ‘emerging country’ as much out of structural public inefficiency and ineffectiveness as out of poverty, the fight against which, could also generate, side by side, the undesirable material conditions of public corruption. Nonetheless, I note that rapid economic growth marred by equally growing public corruption is a precedent to anomalous growth of a socioeconomic structure, which Young<sup>2</sup> calls the ‘*hyphenated society*’—polarized income inequality. Thirdly, even if there was appreciable incidence of public corruption in my country, it must have had its own describable levels peculiar to Ethiopian realities. Thus, without such a study, any caricature of Ethiopia as a ‘structurally corrupt state’ would methodologically be hasty and gross overgeneralization. I finally changed these views into questions and asked the researcher.

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<sup>1</sup> Palmer, M. (1992) ‘Controlling corruption’ in P. Moir and H. Eijkman (eds) *Policing Australia*. South Melbourne: Macmillan.

<sup>2</sup> See Young, A. 1997. *Conflict and Peace Studies*.

The expert gave me two answers in the way I did not expect. Firstly, the baseline assumption of marking Ethiopia in red color did not found itself on empirical studies about actual incidences and reports of public corruption. It was a report of *perception* assessments across ordinary citizens. Citizens simply expressed their perceptions about the wide possibility of public corruption in Ethiopia. Most said there was corruption but almost none of them had evidences. Secondly, the study considered government inefficiency, dissatisfaction of the people and their poor trust in state institutions, and delayed reforms as part of public corruption. The answers did not satisfy me at all, even though they left big assignments in my mind on the following fundamental enquiries.

- Do we Ethiopians have a minimum of baseline conceptual parcels, at least, at elite level, in our views about the nature, meanings, incidences and measurements, consequences and controlling mechanisms of public corruption?
- How much do the Ethiopian government and the populace understand each other on public corruption, in general, the respective values and norms each holds about the relation between political authority and corruption in a developing country working hard for rapid development?
- How much is the anticorruption regime sure that its responsibilities and actions go beyond pursuing bold Articles of the Criminal Code to develop a broad based, intergenerational, multi-sectored and paradigmatic anticorruption coalition and rational grassroots arousal?

I argue that one may find oneself under challenges to undertake such a complex task without revisiting and rediscovering, the late Prime Minister, Meles Zenawi, his written and spoken values and views about public corruption, in general, and in Ethiopia, in particular.

## **2. Studying Public Corruption: Meles Zenawi in Spotlight**

Meles intensively and extensively dealt, in his lifetime, with the serious concern of public corruption in his three capacities—as a Party leader, government organizer and Chief Executive in a presidential and premiership roles as well as a regime creator, and finally as a scholar. This would best help us to rediscover the political and intellectual personality of Meles by meeting three questions scientifically, even though this paper could not cover all of these in detail.

Firstly, how much epistemologically refined and consistent to his country's realities was Meles's knowledge about public corruption and the social coalition of corrupt actors, which, ex-President of America, Bill Clinton once called, *the evil alliance*, vis-à-vis the developmental coalition in the battle for socio-economic development?

Secondly, what theoretical, value, and practical traditions did Meles introduce, nurture and leave as his legacies in the war against *the evil alliance*? How did Meles design the sword sharp enough to behead culprits as much as his care *not to let the sword stab and spill innocent bloods*?

Thirdly, what are the scholarly contributions of Meles in locating public corruption in the complex process of socio-economic transformation, resource and wealth distribution and redistribution, etc, against the basic structural differences between developed societies and those of developing states?

Let us first study Meles in his first capacities, generally as a politician vis-à-vis the agenda of public corruption in Ethiopia.

### **2.1. The Politician Meles Zenawi vis-à-vis Public Corruption**

Meles<sup>3</sup> granted substantial space for the problem of public corruption in many of his policy documents and public speeches, press releases, parliamentary explanations and so on. Meles repeatedly identified and noted '*selfish desire to get enrichment through corrupt shortcuts*' as the cause of public corruption in Ethiopia. On the profile of perceived actors, Meles in his last parliamentary question-answer occasion, identified and underlined the common front of what he called '*thieves within his government*' and '*robbers within the people*' were the main actors. On the dangerous effects of public corruption, Meles emphasized<sup>4</sup> '*possible reversal of the development process because of distorted income structure and unproductive economic activity or eating one's own body like a wounded hyena*' as compared to other societies in the developed world.

On the nature of public corruption in Ethiopia, Meles repeatedly used such terms as '*rent seeking*' along with theft, corruption, robbery of public wealth and others. Obviously, Meles frequented using the term '*rent seeking*', probably influenced by the terminology of economists with contextualized applications to Ethiopian realities. Meles also identified and strongly marked what he called the key spots of public corruption to include *land administration*, the *taxation regime*, the zone of *public purchase and supplies* as well as the *import-export frontier* as the main ones. Land, for Meles, was most critical because it is not only a scarce resource but also the property of the people. He focused on corruption in public tax administration because, Meles argued, its adverse implications meant that the state would grow constrained in its development and self-reliance efforts. Both public purchase and import-export corruptions were equally serious for Meles because they were crimes against equity, equality and fair distribution of national wealth among regions, households and citizens, in general.

Meles also tried his level best to create development-permissive social values of anticorruption in many of his policy writings and speeches. After he made reshuffles of Anticorruption Officials for the Federal Commission in 2002, Meles expressed his dissatisfaction with the '*poor and short-sighted strategic visions and constrained*

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<sup>3</sup> Meles Zenawi, 2012, (unpublished) African Development: Dead Ends and New Beginnings. Monograph of PhD Dissertation.

- \_\_\_\_\_ Policies and Strategies of the FDRE Government, 2002, Ministry of Information. Addis Ababa, Ethiopia.

<sup>4</sup> Meles said this specifically to taxpayer businesspersons in Addis Ababa, 2010, in his office while he held discussions on underpayment and tax evasion crimes. Though embittered he was over fiscal corruption, it was time, in my view, when Meles's popularity and legitimacy reached their peak in Ethiopia.

*involvements of former Commissioners'* as a justification for his measure.<sup>5</sup> Some six years before this, Meles again warned, on the parliamentary moment of purging his guerrilla time close comrade and colleague Tamrat Layne from all of his capacities for organizationally appraised public corruption crime, that there was no one in Ethiopia who was above Tamrat<sup>6</sup>. The message was this: my government never tolerates anyone even a close friend of worst times as far as the blunder is corruption.

Meles has had the critical insights into the special and most problematic nature of public corruption, in the words of economists, '*corruption as an indirect variable.*' In other words, corruption is not a crime like pick-pocketing or nighttime open burglary. The fight against it has to, at the same time, avoid unintended and undesired consequences, particularly on innocent citizens. Meles used two variant prerequisites critically important in the fight against rent seeking alliance—*evidences as well as witnesses*, in the legal sense of the terms. What a leader! As I pointed out elsewhere, Meles openly warned against campaigns, rush-ups, haphazardness, personal grudges or other *incivilities* to escort anticorruption efforts in almost all speeches of him on good governance.

Meles bitterly protected his governmental authority against state level robbery and tricks. His comrades, Addisu Legesse, for example, three days ago, was telling the Ethiopian people that Meles used to opt more for merciless debate than opportunism as was his position during the Eritrean war. Addisu said Meles preferred peace for sound economic and development rationales. By this, I understood Addisu as saying that Meles never gave any chance for state level fraud and immorality like printing false money, unofficially diverting development resources to war effort and so on, in order to tackle temporary crises. In 2009, Meles faced, as the first Ethiopian Chief Executive, the adverse report of the Federal Audit Commission that his government borrowed money from National Bank in excesses of legal limits. Meles soon organized a fact-finding team that found out that the report bore gross technical errors. By this, he demonstrated his commitment to fiscal discipline as part of his legacy.

On building anticorruption alliance, Meles emphatically argued that public corruption is more rampant and serious among people, who marginalized themselves from political participation. Meles was usually drawing a parallel between two faces of the Ethiopian people with direct regard to the fight against corruption. One face was that the people were the last host of corrupt public officials and individuals as they lived among and within the people. In short, there is nothing on earth, which the people do not know. The other face was that the people were the ultimate losers from the harms of public corruption. By this, Meles brought the chances and possibilities in the successes or failures of the anticorruption battle to the very hands of the people.

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<sup>5</sup> One can see that this remark must have had a deep theoretical foundation at its backgrounds. In 2011 again, Meles promised to go taking drastic anticorruption measures in approval of corrective steps taken by Addis Ababa administration in connection with abuses of land administration but warned that this should not be held as a campaign because such a hasty measure could also harm innocent citizens. he said this in an interview he held with a reporter from the Ethiopian television.

<sup>6</sup> Former Prime Minister during the Transitional Period and later Minister of Defense, Tamrat Layne was the Chairman of the Amhara National Democratic Movement since from 1981 until he vacated it in 1989. Tamrat now leads a private life after he served the penalty of an eighteen years of imprisonment.

Meles injected the ideal of ‘good governance’ as the strategic remedy to the public corruption malaise while he underscored the growth of anticorruption public values as the last solution across generations.<sup>7</sup>

As a government leader, Meles was well aware and extremely sensitive over public service corruption as a sharp blade struggling to cut threads of government-citizen communication and mutual trust. Meles, in addition to elaborating about ten points of the ideal public service sector in Ethiopia based on Max Weberian<sup>8</sup> attributes of the modern bureaucracy<sup>9</sup>, he pioneered the establishments of an Anticorruption Commission in 1999, the revision of the Criminal Code of 1955 in 2005 to include anticorruption provisions, and other supportive roles.

Let us next see how Meles Zenawi understood, explained and adapted academic approaches and discourses on public corruption and anticorruption issues into African contexts as a case study, and Ethiopia, as an empirical case of investigation.

## 2.2. The Scholar and Researcher Meles

Without exaggeration, it is at this face of Meles Zenawi<sup>10</sup> that one could discover the vibrant theoretical and paradigmatic basements of his entire views and expositions of

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<sup>7</sup> Meles Zenawi said on parliamentary forum in 2000 that his party, EPRDF, took severe anticorruption measure to the extent of popular impression across the board that went saying: ‘EPRDF given authority is like a sleep on the tree.’ Meles also detailed the meanings of ‘Good Governance’ in the Policies and Strategies of the FDRE Government, 2002, Ministry of Information. Addis Ababa, Ethiopia. and its differences from democracy but both as ideals and practices that enforce each other as part of democratization.

<sup>8</sup> Max Weber, 1925, the Spirit of Capitalism and Protestant Work Ethic, Germany. In the seminal book, Max Weber listed *Rules of Body of Laws, Hieratical Arrangements, Impersonality/Impartiality, Merit and Professionism, Service Delivery* and other ideal features as characteristics of the modern bureaucracy.

<sup>9</sup> These Meles redefined attributes of Public Service in Ethiopia in the policy and strategy document on the ‘Affairs of Building Democratic Order in Ethiopia’ and other papers include: 1. Strict observance of merit principles, professionalism and technical efficiency reasonably enough to leverage the development mission of the state. 2. Good understanding of the fact the public sector has no any right to pick one and reject the other policies of government selectively except implementing them as descended by the government. 3. Discharging, as a public institution, and not as individual citizens, the duty of being neutral from ideological and political commitments. 4. Impartiality from any of sectional and in-secular partisanships based on cultural, sex, kinship and other criteria against the Constitution and its pillars. 5. Representing the Ethiopian people as a cultural, regional, social, etc, miniature and not allowing domination of a particular social or cultural group, particularly for the federal bureaucracy. 6. Moral foundations and identity manifested in the unquestioned commitments of providing loyal service to the people. 7. Growing good understanding of the fact that the ultimate purpose and defining rationales of the public sector are not to exercise mastership over the people but serving them. 8. Unquestioned accountability to one’s decisions, the duty not only to be free from corruption but also to fight it. 9. Insuring uninterrupted growth of developmental values to produce efficiency, effectiveness, public satisfaction and confidence in state institutions. 10. Broadened and widened base of efficient social capital for continued and competitive staffing of the bureaucracy.

<sup>10</sup> Meles Zenawi, 2012, (unpublished) African Development: Dead Ends and New Beginnings. Monograph of PhD Dissertation.

public corruption, in general. Meles's monograph paper preceding his dissertation, 'African Development: Dead Ends and New Beginnings' is wholly or partially a dialogue on the possibilities of African growth in face of the challenges by public corruption. In this paper, one can see that Meles approaches public corruption not as a sectional challenge to good governance simply but as a burning ideological concern with a potent force of determining the option either to poverty or to rapid development in developing countries.

Meles succinctly applied theoretical bases, which scholars call Structuralism and Systems in his analysis about the place of public corruption in the operations of the Developmental State. Meles studied Public Corruption in direct contrast with the theoretical positions of neo-liberal scholars, who argue that engaged or activist state in poor countries is inherently corrupt, patrimonial and inefficient as compared against the 'limited state'.

Structurally, Meles does not deny the empirically appreciated truth that public corruption towers as a real danger more in poor societies. However, he counter argues that a scholar should not take this as an excuse to justify the flawed view of the state in developing countries that its has to be limited and should not pioneer socio-economic development. for Meles, rents-seeking becomes the case or otherwise depending on the nature of the state. Meles so writes on this specific point:

.....we have argued that inhibiting rent seeking, behavior does not depend on the size of the state on the degree of its activism in economic matters but on the nature of the state without however defining the nature of the state, which can be an activist state at the same time as inhibiting socially wasteful rent- seeking activity. Similarly, we have argued that developing countries face formidable market failures and institutional inadequacies which create vicious circles and poverty traps, which can adequately be addressed only by an activist state. We have shown that the historical practice bears this out. We had not however defined what sort of an activist state is required.

The question here is: what does Meles mean by the 'nature of the state' and not by the size or the degree of the involvement of the state, that public corruption occurs or declines? This question is important because it bases itself on the apparently plausible arguments of the neo-liberal school of thought for a limited government as a natural solution for public corruption. Their justification goes on saying that a government involved in economic management opens up permissive holes through which government officials walk on freely to plunge into predatory activities. One safely, of course, can pile up several historically unquestioned evidences to support the relevance of this line of thought to the reality of poor countries.

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-\_\_\_\_\_Policies and Strategies of the FDRE Government, 2002, Ministry of Information. Addis Ababa, Ethiopia.

Firstly, extreme shortages of capital in these societies lend a chance for a few of those who possess it somehow to wield a strong financial and resource powers to overwhelm the demands of the majority in advancing their own self-interests, horizontally. Secondly, these few capital owners have all the influence that money can by to bring government officials who command over public resources to serve exceptionally them at the disadvantages of the majority poor. Thirdly, the public administration apparatus in poor states is the growth of internal socio-economic realities. Its top leaders, middle level managers, experts and workers at all occupations, have comparatively meager income sources and bases, but enjoy un-proportionately larger official and legal latitudes of power to decide on public resources. This paradox, more often than not, tempts them toward appetites for easy fortune making through public corruption.<sup>11</sup>

The argument in its empirical field also tends to support the above view. Most state leaders and public officials who illegally and in corrupt ways siphon and deposit big sums of money in foreign currency forms at international banks were from poor states, particularly Africa. Most of these leaders have makeshift villas and apartments expensively built and preserved on the soils of developed states. Many of these leaders have their own private business companies operating in monopolizing national markets and well competing in international market through subsidies from public wealth. These leaders lead unbelievably luxurious manners of life incomparable in any degree with the majority of their poor populations. In short, leave alone poor states with less empowered populations, even relatively better developing states like Singapore, Nigeria, Malaysia, and others have been seats of crony capitalism, prebendalism, patron-clientele networks, and so on.<sup>12</sup>

Meles accepts these possibilities, in principle, but skillfully refurbished his insights back into what he seriously underline as the '*nature of the state*' again on explaining the structural causes that tend to characterize most developing states, in his following argument:

We can thus conclude that in the end, development is a political process first and economic and social process later. It is the creation of a political set-up that is conducive to accelerated development that sets the ball of development rolling. Only when there is a state that has the characteristics of a developmental state can one meaningfully discuss the elimination of rent-seeking behavior. In its absence rent-seeking will be rampant no matter what the size of the state might be. Only in the context of such a political environment can one debate about development policy in a meaningful manner. In its absence all government policy and action however limited and timid it might be will be riddled with rent-seeking behavior and this particularly so in developing countries as these countries will be coming out of a social and political environment where vertical, patron-client networks are pervasive.

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<sup>11</sup> Hellman, Joel S., and Daniel Kaufmann (2004), *The Inequality of Influence*, in Janos Kornai and Susan Rose-Ackerman (eds.), *Building a Trustworthy State in Post-Socialist Transition*, Palgrave Macmillan, New York;

<sup>12</sup> See The Economist, the Globe succumbing to the Swiss Bank or Swss Bank succumbing the Globe— Good beginnings, September, 2011.

Meles continues from this thesis to nail down the scientific path toward the establishment of such a state that effectively combines the activist roles of development along side equally with the elimination struggle of rent-seeking behavior. Meles searches for theoretical and practical justifications in his criticism of the argument that underpins public corruption as a behavioral phenomenon of poor and developing states. He lists a set of values and lessons that a state in a developing country should learn, systemize and adequately apply in order to materialize the type and nature of state and government. This state through its government could effectively discharge these double missions--insuring a rapid socio-economic development together with fighting against public corruption to its last drop of blood.

For Meles<sup>13</sup>:

*Democracy* is one pillar of the type of state in developing states that plays the two critical roles above. Such a state scales up its capacities of activist development and effective elimination of rent seeking through use of democratic channels that help to undermine agents of public corruption. Democracy can contribute toward this goal, for Meles, because it helps to place rent-seeking officials and individuals as well as patronage networks under public views and control. However, democracy, for Meles, should not be a separate and a self-contained project but part and parcel of the entire developmental engagement;

*The state is a result of human action* as much as public corruption itself. Thus, a state determined to stamp out rent seeking has to design creatively and consciously its state structures in direct, consistent and firm negation of values and practices of public corruption. Some states are best cases of declined incidences of public corruption not by accident or any other miracle but as the direct outcome of best combinations of appropriate anticorruption values with squarely fitting state and government institutions and structures. If there were practices of public corruption before the establishment of this type of state, then, that means, that society has also experiences of economic growth. This takes the debate to another direction;

*Starting from ground-zero*, this type of state, which he repeatedly calls, the developmental state, has the best and more feasible chances of creating a government largely free from corruption for convincing reasons. Firstly, it is a new type of state and structure completely different from any previous states and governments as well as their lingering corrupt values. Second, public corruption for this type of state is a new experience as much as robust socio-economic growth, which is its creation and result. As such, this state, developmental state, never grows out of past practices of public corruption that it has both the values and the commitment to inhibit it at its start.

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<sup>13</sup> Meles Zenawi, 2012, (unpublished) African Development: Dead Ends and New Beginnings. Monograph of PhD Dissertation.

-\_\_\_\_\_Policies and Strategies of the FDRE Government, 2002, Ministry of Information. Addis Ababa, Ethiopia.



At, this point, Meles reverts to the reconciliation of the two opposite pressures—activist or interventionist state versus government capable enough to inhibit public corruption--through the formation of the developmental state apparatus in negation of the neoliberal argument for a limited state as a remedy for public corruption, Meles so writes

Historical practice has shown that state intervention has been critical in the development process. Economic theory has shown that developing countries are riddled with vicious circles and poverty traps that can only be removed by state action. The theory of the developmental state completes the alternative paradigm by showing what type of state can intervene in the economy to accelerate growth while at the same time limiting socially wasteful rent-seeking activities.

Once, he completes the conceptual construction of the developmental state, in his systems approach, Meles's argument signifies for development economists, that public corruption is a systemic box blending value and material inputs into the decision-making regime in competition with socially beneficial government plans<sup>14</sup>. Firstly, at the threshold entrance, there is an alliance of corrupt officials shaking hands with rent-seeking individuals and groups among the people. Secondly, the corrupt official in exchange for corrupt benefits abuses one's official powers by diverting the direction of resources away from the development channel to flow into the private pockets of the actors in the rent-seeking alliance. Thirdly, at the outcome point, outputs designed to benefit the entire people falter to achieve their objectives through challenging the state's capacity to fund development projects as planned.

If this is public corruption, then the above type of developmental state has inherently inbuilt structures and mechanisms, which antidote these corrupt tendencies and practices among the entire public regime. The developmental state insures adequate enabling conditions for the people to vote for candidates who, their party qualifies, are potential leaders with proven record of having nothing, in the material sense, but only the commitment to the development goal. These leaders handle the dual tasks of fighting existing corruption encouraging social values and replacing them with social norms rewarding developmental commitments.

In case the rent-seeking block, *the evil alliance*, survives breakages and demise by these top-down and bottom-up anticorruption pressures, then, the developmental state applies toughest legal and moral sanctions. For Meles, the capacity of the developmental state to cause and achieve rapid economic successes is no different from its capacity to under control rent seeking.

### **3. Revisiting Meles through the Ethiopian State**

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<sup>14</sup> Meles Zenawi, 2012, (unpublished) African Development: Dead Ends and New Beginnings. Monograph of PhD Dissertation.

\_\_\_\_\_Policies and Strategies of the FDRE Government, 2002, Ministry of Information. Addis Ababa, Ethiopia.

One can rightly see that the late Meles Zenawi has made significant contributions to the praxis as well as epistemological growth of understanding and fighting public corruption in Ethiopia and, of course, in all other developing states in two capacities. As observers from inside and outside openly and confidently remark, only a few have attained such a golden historical chance in the world. Meles's contribution as a politician and scholar is no less than is his enormous impact on the moral standards of his colleagues and the people where he set himself a role model of disciplined and self-less services. In my assessments of web comments and criticisms even by his politically and ideologically stark enemies from domestic Ultras to International NGO giants, no one could pick public corruption as Meles's weakness at all.<sup>15</sup>

Back to his two prominent capacities, Meles's contributions include two key areas of the issue. One, he sets a methodological framework to identify structural differences in the meanings and operations of public corruption between developed and developing states. Two, he erects parcels bordering between the physiological and anatomic locations in the origins of public corruption in developing states. These contributions, in their turn, pave intellectual ways to appreciate the distinct dual roles of the developmental state in fostering development as well as inhibiting the values and practices of public corruption, and determining levels of public corruption. Now, let us make ourselves the interpretation and the practical application of Meles to the context of Ethiopia further.

### **3.1. Structural differences**

As compared to the situation in developed and industrialized states, the major sanctuary of public corruption in the special realities of Ethiopia is the state, represented by the government. There are three structural justifications supporting this argument through revisiting of Meles..

Firstly, while the Ethiopian state agenda is 'development' within a brief spark of time, the primary agenda of developed states is preserving the statuesque. It is a success for the government of a developed state if it only insures a minimum of growth rate and implements social welfare programs through fiscal mechanisms. Following from this, while the general trend in developed states is that neo-liberalism and market rule significantly limit the day-to-day powers of government in the involvement of the economy<sup>16</sup>, the Ethiopian state is inherently responsible for surrogating rapid socio-economic development. This, therefore, brings the Ethiopian state, as the sole and efficient development host, to the position of the biggest repository of huge national wealth, collector of revenues and payer of vast expenditures.

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<sup>15</sup> See opinion by Kenneth Roth, the Executive Director of Human Rights Watch, September 2012, who openly hated Meles for, of course, Ideological Reasons. This man wrote many negative stories about him almost on the proportion of an Ethiopian Opposition Leader but could never deny that Meles was corruption free.

<sup>16</sup> See Acemoglu, Daron, and James A. Robinson (2000), *Why Did the West Extend the Franchise? Growth, Inequality, and Democracy in Historical Perspective*, Quarterly Journal of Economics, 115, pp. Beck, Thorsten, George Clarke, Alberto Groff, Philip Keefer, and Patrick Walsh (2001), *New Tools in Comparative Political Economy: The Database of Political Institutions*, World Bank Economic Review,

As Meles once said, there are specifically extremely expensive zones of socioeconomic development in Ethiopia, which developed states from Europe to the United States and world financial institutions (World Bank and IMF) never support with a single penny. These partners declined financing and assisting these development projects, even when they heartily admire and assist the overall development advance in Ethiopia, solely for ideological reasons. In tune with the neoliberal tradition, data show that these states and world financial institutions exclude totally by policy from their support lists such areas of social investments like Universities<sup>17</sup> and technical colleges, Referral Hospitals, major infrastructures like electric generating plants including hydroelectric projects. Their policy rationales are that, as per the standard western practice, these projects are reservations for the corporate business by private sector.

Many African countries succumbed to this neoliberal logic and pursued similar path while the Ethiopian state under Meles set out to shoulder the burden by itself in congruency with the commitments of the developmental state. The challenge is that these areas of the rapid economic growth greatly tend to breed, in parallel, the formation of the rent-seeking alliance. Rent seekers in this zone exploit such legal camouflages as inflationary pressures destabilizing the prices of building materials, shortages of infrastructural services, unwarranted design revisions, the urgency of government need in the completion of the projects, and many others.<sup>18</sup>

Secondly, from among the three branches of government again, the Executive and the Judiciary stand as most vulnerable sectors of public corruption as compared to the situation in developed states. The quality and type of laws made by the Legislature, for instance, in the United States, extremely matter in the relations between the biggest private sector, the corporate business, and the state. The central concern of these parties behind law making is tax, competitive capacity in the market and environment. A proposed law negatively affecting the interests of these companies could motivate them to embark on creating rent-seeking pressures where they seek ways of buying the favor of individual legislatures to vote against the proposal.<sup>19</sup>

As such, public corruption manifests itself mainly as a Legislature-Corporate domain there in which the former decides on revenues and their sources. In Ethiopia, in contrast, where lobbying at parliamentarians is a least likely chance because of the parliamentary structure of government, the focus of public corruption is rather the Executive and the Judiciary. These branches of government attract the alliance of rent seeking officials and individuals for three obvious reasons. One, while the Parliament decides on the ceilings of national budget, the Executive is the frontline state organ determining the twin aspects

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<sup>17</sup> .FDRE Government Education and Training Policies and Strategies, 2002, Ministry of Information Addis Ababa.. Ethiopia

<sup>18</sup> See Addis Admas, November 2011, special reports on the excessive delays in the construction of makeshift Condominium houses for those displaced due development works in Adis Ababa.

<sup>19</sup> See Damania, Richard and Per G. Fredriksson (2000), *On the Formation of Industry Lobby Groups*, Journal of Economic Behavior & Organization.; Esteban, Joan, and Debraj Ray (2004), *Inequality, Lobbying and Resource Allocation*, New York University, mimeograph;

of fiscal administration—revenue and expenditure. Moreover, the Executive is the seat of political, professional, technical and administrative decisions on national resources encompassing factor endowments from land and minerals to water and environment as well as on most titles of payments. The Judicial branch comes next due to its exclusively vested adjudicative powers with its relative autonomy over its decisions on conflicts over material resources involving expensive assets and monetary wealth.<sup>20</sup>

Thirdly, the critical location of actual and potential public corruption in developed states is the operation of the free market while it is, in Ethiopia, more of the development process itself than the free market. Corporate bodies in developed states tend to corrupt ways as a guarantee to take advantages over other competitive corporate firms in the free market by paying tremendous sums for the election of their favorite Legislators. For this reason, public corruption in the United States, for example, is legal.<sup>21</sup> In Ethiopia where the free market is at its nascent stage of growth, the focus of public corruption is the development agenda and process for reasons implied above. One additional reason why development financing attracts the rent-seeking alliance is that expenditure turnover is as rapid as the demand for the projects by the state. As Meles once remarked, flies abound where there are wounds pointing out to the Renaissance Dam as a possible attraction for theft. Generally, praxis of rapid development somehow also encourages confusions out of which rent-seekers could find fault-lines easily.<sup>22</sup>

Fourthly, there is a fundamental difference in the manners of community participation in public corruption between developed states versus Ethiopia. The political calculus of voters in developed states, more often than not, seriously takes perceived advantages in the free market in relation to the political views and programs of individual candidates and parties for voting. This is a general political trend, mainly in America, for instance. As the result, voter turnout in developed states is usually between 20% and 30% depending on the market situation. In Ethiopia, as Election 2005 and 2010 evidently show, distributive justice and equitable development have stood as the grand criteria of voter decision. This is because, the EPRDF-led regime has initiated development from ground zero level among people who have the labor and the demand for growth but have no the capital to pay in exchange for corrupt public services. Thus, while most voter community in developed states is, in the words of John Tulock<sup>23</sup>, ‘rent seeking society’, in Ethiopia, the voter mass, in the words of Graham Hancock, is development seeking society having all justifications to align against the rent-seeking camp;

Though I find it difficult to accept, there is an argument by some scholars that public corruption could also a fact of ‘community failure’. In other words, according to these

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<sup>20</sup> See Division of Powers among the three Branches of the Government of the Ethiopian Federal Democratic Republic as provided by the FDRE Constitution in 1995.

<sup>21</sup> Damania, Richard and Per G. Fredriksson (2000), *On the Formation of Industry Lobby Groups*, Journal of Economic Behavior & Organization, Esteban, Joan, and Debraj Ray (2004), *Inequality, Lobbying and Resource Allocation*, New York University, mimeograph;

<sup>22</sup> Meles said this while he held a direct and live electronic interview with Ethiopians outside and inside on the occasion of the first anniversary of the quick off the Renaissance Dam Project in February 2012 through the Ethiopian State Television.

<sup>23</sup> See George Tulock, 1986, *America: the Rent Seeking Society*, Washington D.C.

scholars, unless there is a supportive social value at the backgrounds among the people, government officials have no venue to commit corruption. This argument, in the Ethiopian context, lacks logical adequacy for two reasons. First, in principle, populations under corruption free and disciplined state, Meles recalls historical evidence, tend to nurture themselves in exactly similar moral codes against corruption. Second, Meles justifies, government in Ethiopia is simultaneously an investment on positive social values, too. Saying it in differing terms, the developmental state, in praxis, is the bitterest battlefield between the values of corruption versus the values of development.

In this battle, one can reasonably assume that the majority of poor Ethiopians have no convincing reasons to support actively or passively public corruption as a major governing norm amidst fast truck development.

### **3.2. Anatomy and Mechanics of Public Corruption**

‘Public corruption’ in Ethiopia, revisiting Meles again, by its implication, is one category of potential ‘government failures’ in its mission and engagements to bridge ‘market failure’. While ‘market failure’ signifies the structural current incapacity of the private sector to provide most popular demands of development, ‘government failure’ refers to the incapacity and inefficiency of the state to fill this gap. At this point, the public sector abuses its power to divert development resources illegally and immorally away from general expectations.<sup>24</sup> Thus, in explicit, terms, public corruption in Ethiopia’s socio-cultural context is nothing else but the potential merger between ‘public authority’ and ‘private selfish interest’, the *evil alliance*.

Secondly, in its direction, any actual or potential public corruption is both a top-down and bottom-up phenomenon in the sense that corrupt officials divert, extort, or avert wealth that the government has designed to percolate from the state to the people or to generate from the national economy among the people. In both directions, public corruption is intrinsically hierarchical in that it pursues ladders of public authority within the state structure. High profile elected or appointed political officials are at the top peak of this hierarchy vested with authority to exercise the sovereign rights of the state. Next come the middle level public service staffed by a range of assigned officials and professionals vested with technical privileges to exercise rights of saying ‘No’ or ‘Yes’ over demanded government services to customers. Third, this level includes those entrusted with Administrative responsibilities and functions of furnishing logistical enabling grounds for the above two to undertake their assigned tasks. This corruption front structure replicates and reproduces itself at each level of government in Ethiopia from the base of locality to the federal government<sup>25</sup>

Thirdly, in its form, public corruption in Ethiopia greatly involves material benefits and the manner of their transfer. In its content, it organically occurs at points where officials give decisions, which makes decision-making power the crux of public corruption in

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<sup>24</sup> Merton, R.K. (1958) *Social Theory and Social Structure*. New York: Free Press.

<sup>25</sup> Remember Meles Zenawi’s last parliamentary speech, which was almost an exclusive focus on public corruption as a stumbling block for good governance.

Ethiopia. As such, any practice of public corruption in Ethiopia, as a rule, needs, at least, three actors for its commission—decision maker, illegal beneficiary<sup>26</sup>, and a victim loser. In its arrangement, this corrupt chain of actors always occurs under the cover of the legal and formal state structure and within the process of social service delivery in the name of the state. While decision makers are government personnel, illegitimate beneficiaries may involve either the decision maker official oneself or another private citizen. As an avoidable rule of fact, losers are the state and the general populace;

Fourthly, in its substance, public corruption in Ethiopia always involves decisions over any one of two positions that naturally incur *opportunity costs* to the active and passive actors.<sup>27</sup> The government places an official to undertake a corruption-free decision by paying salary and other entitlements for the goal of development as a creation of opportunity. When this official abuses one's power for the goal of corruption, the government in behalf of the state pays and sustains, at least, three tangible and intangible costs: one, the loss of *public goods*, two, causing equitable distribution national wealth, three, eroding public confidence in state institutions<sup>28</sup>. The aggregate outcome of these costs, in extreme cases, could lead to entire loss of the precious public good, *peace and stability*. On the part of the corrupt official, while the diverted wealth is one's calculated benefit, running risks of poor self-confidence at work, subsequent jail and consequent popular disrespect constitute her/his opportunity costs. In general, there could never be a public corruption act in Ethiopia with out illegitimate and parallel losses and gains of expensive opportunities;

Finally, in its visible and invisible effect, public corruption in Ethiopia is the practice of *rewarding the greedy by snatching from the needy*. As compared to the general mass of Ethiopians, the ultimate targets of rapid development, the corrupt official is at an advantage because he/she earns salaries and other fringe benefits from the taxpayer through the government. The corrupt official has always a better job and a guarantee of permanent job tenure, chances of promotion, and rights to compensation at losses during work time, and other attractive entitlements. The clear and sole purpose of public corruption is nothing but a selfish, greedy and, in extreme cases like medical, judicial, security, etc, corruption, cannibalistic act of sacrificing the survival rights of others. As such, public corruption an inside out crime involving both law and morality murders for the sake of selfish fulfillments of illegal niceties of life, in Meles's words, '*tricked into the sugar*'.

Thus, one can critically iron out three basic conclusive rules of public corruption in the context of Ethiopia:

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<sup>26</sup> Martimort D. and S. Straub (2005), "The Political Economy of Private Participation, Social Discontent and Regulatory Governance", mimeo, Inter-American Development Bank, Washington D.C.

<sup>27</sup> Davis, F., O. Rossowski, T. Richardson and S. Barnett, (2000), "Fiscal and Macroeconomic Impact of Privatization", International Monetary Fund. Occasional Paper No. 194. Washington, D.C.

<sup>28</sup> Merton, R.K. (1958) *Social Theory and Social Structure*. New York: Free Press.

A. *Poverty or low income or small salary and entitlements* could never justify public corruption in Ethiopia. There are many poor state servants, for instance, who guard large wealth but never conspire for corruption against their offices;

B. *Temporary weaknesses* in government structures, poor inspection and auditing could never cause or justify public corruption in Ethiopia. War time experiences of the present ruling party demonstrates that organizational trust ruled the behaviors of its cadres, leaders and fighters than strict rules and supervisions;

C. *The corrupt practice and enrichments of other* public officials, professionals and workers, whether they escape the law or penalty, could never justify public corruption on any grounds-social, moral or legal. A public servant can never justify the ‘order of higher officials’ as a reason to do corrupt practices.

In short, public corruption in Ethiopia, for key concern of rapid development, is a matter of political concern as well as a matter of value choice and decision by the actors.

#### **4. Levels of Public Corruption**

Public corruption could never be symmetrically a uniform phenomenon in Ethiopia. Four reasons explain why corruption manifests itself in differing levels.<sup>29</sup> First, public corruption is a situational phenomenon rising and falling in its extents and intensities depending on the overall political situation under the developmental state. Election periods, internal and external instabilities, and similar factors tend to affect it; second, public corruption tends to be dynamic in tune with changes in the economic performance. Peak periods in the influx of international capital and investment, increases or decreases in the volume of import-export trade, shortages or availability in the provisions of land, loan, and other facilities somehow affect public corruption; third, the expansion in public participation, information networks, civic arrangements and so on also tend to affect public corruption levels. Fourth, background values and practices that existed before the coming of the developmental state also manner in either weak or strong spill over effects.

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<sup>29</sup> Corruption study in Ethiopia suffers some behavioral and methodological limitations. Firstly, public corruption by its nature is a deliberate crime on the law, morality and the right of the people to justice, fair and equitable distribution. As a deliberate action, corrupt public officials practice corruption secretly, carefully and professionally by eliminating red traces leading to their demise. Secondly, even when discovered, actual corruption has a big tendency to establish corrupt chains between predators and preys where the former could fall trapped to tempting transaction prices by the latter. This is because the attempt to escape risks by heavily corrupt officials increases the cost of transaction; they are ready to pay as much as it tempts their chasers. Third, public corruption is extremely complex in the levels of its incidence, in the legal duty of producing evidences *beyond any reasonable doubt* when suspected and partially discovered, the fact that officials committing the corrupt practice are at the same time decision makers incumbent at doing the crime and several other factors.

Petty level of public corruption<sup>30</sup> in the Ethiopian context refer to what some call ‘*gateway corruption*’ to mean first level rent seeking actions a customer usually finds at points of entrance into public offices, or service posts in the ascending order of the overall chain of corruption. Others call petty level corruption ‘shortage-born’ corruption to refer to the fact that public servants get chances to solicit bribes from the society when shortage occurs in some publicly demanded goods at their deposal. Still others call petty corruption ‘passage’ bribes to mean that low ranking government workers get opportunities to say ‘No’ for customers who want to cross or pass through guarded passage ways. This includes late hour visits across parks, schools, markets and so on. Lawyers, on their part, understand petty corruptions as outcomes from citizens’ breaking of petty rules, including traffic regulations, and others.

The next higher level of public corruption, which, the World Bank and Federal Anticorruption Commission<sup>31</sup> agreeably found out as a growing concern in present Ethiopia, is what scholars call ‘*Grand Corruption*’ distinguished by, at least, six attributes. One, it is an occurrence in some special public sectors running huge public funds. Two, these sectors are usually heavily professional and technical difficult to trace and identify the legal practice from the illegal. Three, they involve occasional but deliberately calculated exchanges benefits of illegally decided; Four, the actors usually involve high profile experts, middle and upper level managers and high-income private citizens. Five, they affect the budget accounts of big public projects significantly.

These make grand corruption as much a matter of life-and-death for the actors in the *evil alliance*, as a top concern for the government. If the government discovers such an act and actors, both sides understand well that the punishment is assuredly severe. Thus, secrecy but loose horizontal and vertical networks are common in this level of public corruption.

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<sup>30</sup> One may reasonably assume that petty corruption could be the dominant form of public rent seeking for the following five reasons:

1. Petty corruption covers wide geographic area and massive actors in day-to-day activities of both the government and the people at large;
2. Petty corruption brings (even though I, like Meles, do not accept poverty or low income status as a cause of corruption) low income government workers with the opposite high income citizens, for example, a traffic police and a private car owner;
3. The benefit transferred through petty corruption is usually small that disadvantages the briber less, and, in contrast, benefits the corrupt worker from the aggregate;
4. The actors in petty corruption are free at the work place beyond the purview of their masters, but, in contrast, the customer is option-less except bribing them;
5. Petty corruption usually has the advantage of less government as well as public attentions as there are no corrupt networks involved and their meanings tend to get confused with tips (though tips or gifts are also illegal) and lending, at worst;

However, the danger associated with petty corruption is not always petty and small. In cases of illegal passages of terrorist elements, drugs, fugitives, and so on, its effect could cost priceless assets and public goods.

<sup>31</sup> World Bank Study in Cooperation with the Ethiopian Federal Anticorruption Commission, released in January, 2013.



The third level of corruption for some scholars is what they call ‘*endemic corruption*’ while it is ‘*kleptocracy*’<sup>32</sup> for other scholars. Endemic corruption occurs when petty and grand levels of corruption become too common, less dangerous in their legal and moral risks, horizontally and to a considerable degree vertically networked. The exception is still high profile public officials greatly refrain to involve in such acts but visibly feel weakness to control them effectively. If a political or elected official involves in this corruption, still, it would take sectional forms, in some sectors. The problem with endemic corruption is the logical contradiction it bears under conditions of a developmental state in that a corruption free government fails to control sectional public corruptions of high benefit transfer. While some argue that this must be the main, characterize attribute of corruption in present Ethiopia, as an academic, applying it to Ethiopia requires empirical researches.

Kleptocracy is the worst last level of public corruption, which, in short refers to a political system that founded itself, in blanket fashion, of systematic public corruption. Under kleptocracy, corrupt public administration sector turns resources of socio-economic development into open bones of greedy contentions including among high-ranking government officials. Interruptions, delays, incompleteness, cancellation and extortions of development projects become normal. Under kleptocratic rule, public authority converges squarely not only with public corruption but also with predatory social norms. In plain English, *evil alliance* becomes more total than sectional. No one inspects any one else. I have no doubt this situation is unthinkable to explain Ethiopia.

In Ethiopia, two opposite policy pressures are at work perceptively to keep public corruption at the point between petty and grand levels. The first is the Meles designed and actively guarded policy of equitable distribution of resources and wealth. From assumed trends, one can see that women, novice and youth employees and elderly people, who have any amount of regularized income, have had low records of involvement in the *evil alliance*. Officials and professionals of better and modest official income category with incentives of upward mobility come next with a disposition that joining the *evil alliance* would rather cost them than benefit. Heavily educated top-level decision makers, managers and officers as well as experts with the maximum potentials and opportunities to change their knowledge into marketable skills (in a manner that is consistent with the law of interest clashes) also, in assumption, have reasons to be within the lowest temptation toward corruption.

Second, the strict material and moral consideration of the coalition building criteria of the ruling party also has assumable contributions for nipping any potentials of the *evil alliance*, to grow and expand beyond the border between petty and grand levels of corruption. This shows, in other ways, that the balance between rent seeking appetites and anticorruption values is very delicate and in bloody battle.

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<sup>32</sup> ‘Kleptocracy’ is originally a Latin term combined from *klepto*, meaning theft, and *cracy*, rule, which together means rule by thieves or rule of theft.

## 5. Art and Tools of Anticorruption<sup>33</sup>-Conclusive Remarks

Thus, one can now conclude that, revisiting Meles again, in general, that public corruption in Ethiopia has three aspects of manifestations. The first is that it could actually exist as a practice at the level discussed above, which is by no means above the controlling capacities of the people and the government. Secondly, public corruption could exist as a potential where the rent-seeking regime, the *evil alliance*, awaits opportune situations—crisis, government lenience, and so on. Thirdly, public corruption could also exist as mere public perception, and not as an actual happening. Unsubstantiated rumors, allegations and defamation, for example, by the private press, opposition parties, civil societies and individual opinion leaders among the people, without mentioning cynical public officials who portrait themselves as ‘neat’ by darkening the good names of others, could deliberately incite such perceptive public corruption values. Biased views of equating political authority with a proven chance to commit corruption from experiences and news of actual discovery of corrupt cases inside and outside could also strengthen perceptive corruption among citizens.

While precise explanation of public corruption always demands empirical research in Ethiopia’s context<sup>34</sup>, similar studies on fighting the perception, potential and actual practice in other fast developing countries satisfactorily reveal that building a strong and effective national information regime is by far the successful anticorruption project.<sup>35</sup> Such information regime against the alliance of public corruption from the experiences of India and China particularly proves effective, studies show, for three major justifications.

Firstly, it is an agreeable fact that the corruption alliance never disposes to rent seeking options of self-development in the absence of favorable conditions. The most known dominant bases and fertile conditions of public corruption, primarily, include **public ignorance** where a significant portion of the customer population lacks adequate and reasonable understanding public authority versus public corruption. Even when there is good awareness, **public indifference** or opportunistic by-stander position proves a tempting condition for corrupt officials to jump from potential to actual theft. **Public moral frailty** is the other condition where the grassroots population well know about corruption but extends to it passive support by regarding it as a way out of temporary economic and social challenges.

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<sup>33</sup> Palmer, M. (1992) ‘Controlling corruption’ in P. Moir and H. Eijkman (eds) *Policing Australia*. South Melbourne: Macmillan.

<sup>34</sup> Most research papers I collected have basic weaknesses. The quality and quantity of data they gathered were extremely scanty, opinion-dominated, inconclusive and inaccurate, even in figures and time calendars. Some students tried to triangulate the data among diverging interests—convicts in prison, persecutors, the surrounding people, etc. finally, they found out data reliability was so critical, it marred the validity of findings;

<sup>35</sup> India, for example, has achieved a significant success against corruption through its 2006 Information Act that compels public officials to explain any doubt per demand by any one in need, particularly, representatives of the people assigned formally or informally.

Against these background conditions, free and fast circulation of anticorruption information creates a social and moral environment in which the alliance of corruption fails to be confident and predict the actual state of affairs around it.<sup>36</sup>

Secondly, public corruption, as a necessarily group malpractice, has a corresponding theft-encouraging social values, legal breakage points, fragile institutional setup, procedural inadequacies, and other enabling factors at its background. Moreover, there are specific areas of development activities that best serve rent-seeking interests. More often, sectors and offices with unmanageable workloads, redundant concentration of aggregate demands by the people, technical complexities and professional turnovers, shortages in demanded services etc, are proven victims, from reports. As actors within the corruption alliance are well aware of everything in the environment, they accurately know when these gaps could guarantee safe theft. These gaps usually go beyond current capacities of the government to address out rightly that give additional chances for corruption. While information is the cheapest means to block corrupt officials not to exploit these gaps, it greatly minimizes chances of networking corrupt chains, as corrupt actors could not trace the roots and courses of anticorruption information.

Thirdly, the corruption alliance is a major producer and consumer of information that favor its practices. It utilizes all infrastructures of information possible before, during and after committing corruption. It uses information to disturb investigative and follow-up channels. In short, it has its own information regime—technology, technicality, sources, targets, circuit lines, users and so on. The anticorruption alliance should be equally an information regime in itself surpassing the former. This Information regime (least controlled and monopolized by a specific group of public officials) broadens the horizons of public insights into the day-to-day public-private transaction. This empowers the general populace with rationality, courage and self-confidence to control the behaviors of actors in the corruption zone;

In general, freely circulating anticorruption information bears within itself educative and promotional values and norms, legal rules and codes, which help the people to identify clearly between perception, potentiality and actuality situations of public corruption. As such, it compensates with expensiveness of socialization projects and time scarcities in the schedules of formal education.

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<sup>36</sup> Vicente, Pedro C. (2005), *Essays on Corruption and the Natural Resource Curse*, University of Chicago, unpublished Ph.D. Dissertation;

