

Impacts of Corruption in Public Sector

The Case of Nekemte City Administration Government Offices

A Thesis Submitted to the Graduate Faculty of Indira Gandhi Open
National University in Partial Fulfilment of the Requirements for the
Masters of Social Work

BY:

Alemu Hafa Jano

Adviser:

Dessalegn Negeri (MSW, PhD candidate)

June, 2013

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DECLARATION

I hereby declare that the dissertation entitled The Impacts of Corruption in Public Sector submitted by me for the partial fulfilment of the MSW to Indira Gandhi National Open University, (IGNOU) New Delhi is my own original work and has not been submitted earlier, either to IGNOU or to any other institution for the fulfilment of the requirement for any other programme of study. I also declare that no chapter of this manuscript in whole or in part is lifted and incorporated in this report from any earlier work done by me or others.

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ACRONYMS AND ABBREVIATIONS

BPR	Business Process Reengineering
CoST	Construction Sector Transparency Intuitive
CPI	Corruption Perceptions Index
CS	Civil Service
CSOs	Civil Society Organizations
CSR	Civil Service Reform Program
DI	Foreign Direct Investment
ECA	Economic Commission for Africa
FEACC	Federal Ethics and Anti-Corruption Commission
GTP	Growth & Transformation Programme
LIL	Learning and Innovation Loan
MDGs	Millennium Development Goals
NGO	Non-governmental Organisation
NSA	Non-State Actors
TI	Transparency International
UNDP	United Nations Development Program
WB	World Bank

Abstract

There has been increasing public concern about the impacts of corruption in public sectors of Nekemte City Administration. Hence, the purpose of this study was to assess the impacts of corruption in the public sectors of the City of Nekemte. To this end, the study used primary and secondary data sources: public sector users, civil servants and public sector officials were primary data sources whereas previous empirical studies and government policy directives were secondary data sources. The primary data were collected through questionnaire, interview, and focus group discussion. The secondary data were obtained through observation and Desktop review. The data were analysed using Component Factor Analysis and Multiple Linear Regressions.

The finding of the study confirms that corruption in public sector of Nekemte City Administration is pressing social problem that every household faces after poverty. At 95% ($p < \alpha = 5\%$) certainty, there is a significant correlation between public sector corruption and economic, meritocracy, and socio-political variables. However, the survey concludes that economic variables are the major factors that account for the increasing trends of corruption in public sectors of the City Administration under the study.

The government's vision of producing an ethical, motivated, competent, and non-corrupt civil service may come about with fundamental improvements in developing realistic pay levels and job security. The study also has confirmed that all the explanatory variables which were included in the model are account for only 57.4 % of the variations suggests that future studies need be conducted to explore some other explanatory variables of corruption to take comprehensive campaign against corruption.

Key words: corruption, impact, public sector, nepotism, e-government

I.CHAPTER ONE: INTRODUCTION

This paper contains five chapters. Chapter I presents background, statement of the problem and the rationale for the study. Specific Research Questions and some operational definitions of key terms are also given in this chapter. Chapter II comprises the Conceptual and Analytical Framework, Empirical Determinates, Measurements, Indicators, Consequences of corruption in Public Sector and Remedial Measures of Corruption. Chapter III deals with the Design of the Study. Chapter IV consists of a results and summary of the findings and answers for the initial basic research questions. Chapter V provides conclusion and recommendation for practitioners and future researchers.

1.1. BACKGROUND OF THE STUDY

Corruption comes from a Latin word ‘*corrumpere*’ which means to break something and during the action of corruption, the law, legal rule , a moral norm and in worse situations communities and human personalities are broken (Farida,2006). A broad definition of public sector corruption is the abuse of authority by bureaucratic officials who exploit their powers of discretion, delegated to them by the government, to further their own interests by engaging in illegal, or unauthorized, rent-seeking activities(Blackburn, Bose, & Haque, 2005).The World Bank extends the definition of office corruption to include the offering, giving, receiving or soliciting, directly or indirectly anything of value to influence the action of a public official in the procurement process or in contract execution (World Bank, 2004).

Corruption affects almost all parts of society. Like a cancer, as argued by Benon (2009), corruption “eats into the cultural, political and economic fabric of society, and destroys the functioning of vital organs”. Like terrorism, the drug menace, AIDS, and environmental degradation, corruption is one of those problems that have no respect for

national boundaries (Myint, 2000). Approximately one trillion dollars (\$1,000,000,000,000) is wasted on corruption around the world each year (Stapenhurst et.al 2006).As such, the need for an international response to it has become evident (Klitgaard, 1998).

Corruption lowers the standard of living and decreases the amount of wealth in a country by undermining trust in government, working in favour of the rich and against the poor, worsening the quality and reliability of public service delivery, and discouraging business thereby hurting a nation's development (Thai, 2008). Corruption can be disempowering to the people and encourage their sense of alienation by undermining respect for authority and increasing cynicism about leaders at all levels of society (Mastruzzi,2005). Political scandals have sparked public outrage against political corruption in countries across the globe, and in every continent at least one incumbent regime has been forced out of office under a cloud (Mauro, 1995).

Corruption can cause environmental degradation, and can harm relations with international aid agencies that might have otherwise provided seamless development assistance (Pope, 2008). Corruption as robbery, fraud and other form of crimes against property and people undermine the investment climate and stifle entrepreneurial activity [...], misallocates talents, lowers quality of infrastructure and of public service, quality of legal system is reduced and confidence of its users is compromised(Al-Sadig, 2009).

According to World Bank (2005), corruption is “the single greatest obstacle to economic and social development. It undermines development by distorting the role of law and weakening the institutional foundation on which economic growth depends.” Similarly, Transparency International (2011) regards corruption as “one of the greatest challenges of the

contemporary world. It undermines good governance, distorts public policy, leads to the misallocation of resources, harms the public and private sectors development and particularly hurts the poor.” When countries tackle corruption, they increase their national incomes by as much as four times in the long term and business can grow by as much as 3% faster, and child mortality can fall as much as 75% (Stapenhurst et.al. 2006.)

Corruption in Africa has been blamed for the development challenges facing the continent (Basheka, 2009). Corruption is recognized as a major impediment to sustained development and the creation of an enabling environment for good governance in Africa (Kaufmann, 2003). Oliver de Saradan (1999) noted that in almost all African countries, corruption has become a common and routine element of the functioning of the administrative machinery. One of the fundamental problems with corruption is that it results in reduced tax revenues and thus reduces the government budget (Chetwynd. 2003).

Corruption hurts poor people in developing countries disproportionately. It affects their daily life in many different ways, and tends to make them even poorer, by denying them their rightful share of economic resources or life-saving aid. Corruption puts basic public services beyond the reach of those who cannot afford to pay bribes. By diverting scarce resources intended for development, corruption also makes it harder to meet fundamental needs. It creates discrimination between the different groups in society, feeds inequality and injustice, discourages foreign investment and aid, and hinders growth. It is, thus, a major obstacle to political stability, and to successful social and economic development. (Annan, 2003, p.3)

As stated in the Transparency Corruption Perceptions Index (CPI) of 2011, Ethiopia scored 2.7 and was ranked 120 out of the 182 assessed countries, suggesting widespread and endemic corruption. Poor governance, lack of accountability and transparency, low level of democratic culture and tradition, lack of citizen participation, lack of clear regulations and authorization, low level of institutional control, extreme poverty and

inequity, harmful cultural practices and centralization of authority and resources are the major impacts of corruption in Ethiopia (Tsfaye, 2007).

Family and ethnic loyalties and obligations, blurred distinction between private and public interests, privatization, weak financial management, inadequate accounting and auditing, weak legal and judicial systems, over-regulated bureaucracy, deterioration of acceptable moral and ethical values, unsound policies and an inefficient civil service system have also been cited as the primary causes of corruption in Ethiopia (Ibid). According to the corruption survey conducted by the Addis Ababa University in collaboration with the Federal Ethics and Anti-Corruption Commission (FEACC) fraud, trickery, embezzlement, extortion, nepotism and theft are believed to be the principal features by which corruption has manifested itself in Ethiopia (FEACC, 2007).

1.2. STATEMENT OF THE PROBLEM

The World Bank Study in Ethiopia found that corruption is the most challenging problem that all households face after poverty (WB, 2005). During the Imperial and the Dergue Regimes, corruption is said to have resulted in undermining the legitimacy of the governments and weakening their structures, reducing productivity, hindering development, worsening poverty, marginalizing the poor, creating social unrest and finally speeding up their downfall (Tsfaye,2007).

Corruption negatively affects the on-going poverty reduction programme and democratization processes of the country (Eberlei, 2009). Violating building codes through the connivance of corrupt officials and building contractors has resulted in loss of human

lives, road accidents and collapse of buildings. Failure to observe proper fire prevention and safety regulations has caused supermarkets, hotels and discos, filled with shoppers and customers to go up in flames (Tesfaye, 2011). Ethiopia is slipping back far behind the GTP(Growth &Transformation Programme) and MDG(Millennium Development Goals) goals set for 2015 so that the Government needs to do more to fight corruption to attain at least the average score (UNCTAD, 2010).

Several prominent figures and celebrities, including the former Deputy Prime Ministry, from the party and government, and reputations of well-respected organizations and business firms have been badly tarnished on account of corruption. Allegations and charges of corruption now play a more central role in the country than at any other time a case in point, in three months alone (February to April, 2011), the Federal High Courts handed out jail terms to 110 corrupt public officials (FEACC, 2011). Such corrupt practices in the regional states were described as working along similar lines (FEACC, 2011). When grand corruption is practised by politicians and senior officials, their comportment sets the standard for the people under them, and corruption can become syndicated with each member of an entire hierarchy playing a role and sharing in the proceeds of corrupt practice with in a government organisation (Brown et.al 2010).

It is believed that corruption in public sector of Nekemte City Administration has become rampant and dwarfed the overall development of the City. Lack of adequate shelter, poor sanitation, insufficient and unsafe water supply, inappropriate defecating facilities and inadequacy of basic amenities, high cost of living, poor infrastructure, and ineffective public service delivery and absence NSA (Non-State Actors) were attributed to corruption.

The oxymoron of the development priority by the City Administration such as building International Stadium before having a well-built local road and domestic flight is attributed to the corrupt behaviour of the administration. Some government documents indicate that despite the fact that NGOs is the leading NSA that reaches over 40 million beneficiaries across Oromia regional state, the share of East Wollega Zone including Nekemte City Administration is about 1 % (Raya Abagodu, 2008).

Likewise, the level of FDI (Foreign Direct Investment) inflow is not consistent with the Nekemte City's potential attractiveness to investors. With a wide range of natural resources, and geographic location that gives relatively easy access to different parts of the regions, Nekemte has a higher opportunity to receive interest from various regional and national investors, but the city's corrupt behaviours and bureaucratic red tape hinder investment inflow and business operations in Nekemte City Administration(Nekemte Urban Municipality, 2008) .

1.3. RATIONALE FOR THE STUDY

The first step in combating corruption is to know its underlying determinants impacts (Kaufmann et.al.2003). Anti-corruption enforcement measures [...] will not be effective in the absence of a serious effort to address the fundamental impacts of corruption through research Paldam (2002). In order to fully define and diagnose the depth and breadth of the corruption problem, and a country's general governance performance, and to develop solutions for tackling these problems, researchers must develop the capacity to measure good governance and corruption (Burki &Perry 2008). While investigating and sanctioning corrupt practices are critical, an emphasis on enforcement and punishment will not achieve

sustainable results unless accompanied by efforts to correct underlying causes (Robert, 1998).

Although much theoretical and empirical research has been conducted that so far has yielded some insights into the problem, admittedly there are still wide gaps in the current state of information and knowledge on the matter and much more remains to be done to yield fresh and contextual insights. Claims concerning the impacts of corruption are conditional, and the robustness of the findings is open to question. Although new and innovative regulatory initiatives have been taken in many countries to strengthen the detection of corrupt behaviours and to improve supervision of financial institutions to limit the scope of corrupt behaviour, time and again, corruption has been able to stay one step ahead of the best regulatory measure that can be devised to control it, and the fight is turning out to be an uphill struggle. At the same time, further research should be conducted on the reasons why corruption persists on in many developing countries including Ethiopia even though people throughout the world view it with disfavour. These factors have prompted the researcher to investigate the impacts of corruption in Nekemte City Administration.

1.4. **OBJECTIVES OF THE STUDY**

This paper aims at examining the extents and impacts of public sector corruption in Nekemte City Administration. Objectives of the study are to:

- ◆ assess the extent of corruption in public sector of Nekemte City Administration ;
- ◆ investigate the sources of corruption in public sector of Nekemte City Administration ;
- ◆ to recommend for policy making process.

1.5. RESEARCH QUESTIONS

The fore-going discussion suggests that the extent and sources of corruption need a close investigation and explanation within the entire social system with its corresponding political, organizational, economic, and social environments. Accordingly, the following basic research questions have been formulated:

- ◆ What is the extent of corruption in public sector of Nekemte City Administration?
- ◆ What are the sources of corruption in public sector of Nekemte City Administration?
- ◆ What remedial measurements should be taken to curb the problem of corruption in public sector of Nekemte City Administration?

1.6. SIGNIFICANCE OF THE STUDY

This study may be helpful to raise the awareness of people regarding the impact of public sector corruption on political, economic, environment, and social development, and to deepen Government's understanding of corruption risks so government bodies to become aware of the crucial factors giving rise to bureaucratic corruption in Nekemte City Administration in such a way they will take measure to curb the identified difficulties. It also could serve as a stepping stone for scholars who need to pursue further research on the issue.

1.7. DELIMITATION AND LIMITATION OF THE STUDY

The study limited its scope to investigate the extent and impacts of corruption in public sector of Nekemte City Administration in the past 3 years based on public perception.

Perception surveys have their limitations. There is always the risk that using public perception as the basis of policy recommendations would detract from the validity of the research. Even some times public sector officials may tend to protect the image of their organisations. Nonetheless, it is clear from the responses that the perception of petty corruption appears to have been increasing from time –to- time compared to research carried out by World Bank prior to 2008.

Besides, sometimes, the sequence of questions in a survey may substantially affect the respondents, as they tend to answer questions in line with their answers to previous questions. Sometimes what is believed by the respondents may not reflect what actually happens as far as corruption is concerned. Among the respondents, seven from public sector officials and three from civil servants of the same sectors failed to return the questionnaire paper. While the data is complete for the most part, there is a missing/incomplete response for some questions that does not permit more detailed and revealing analysis. However, there appears to be an overall tendency with some more sensitive questions where respondents opted not to provide answers straight forward. In spite of the researcher contacting each public sector by submitting a formal letter, and making follow up calls, one of the institutions refused to allow access to their staff members without giving any specific reason.

1.8. OPERATIONAL DEFINITION OF KEY TERMS

- ◆ *‘Public sector’ means any office of the government in which any government activity is performed.*
- ◆ *‘public servant’ includes department heads, directors, heads of public offices and public enterprises, and other employees having equivalent or higher ranks, advisors of appointees, employees of public offices performing licensing, regulating or tax collection functions, prosecutors, investigators, traffic police officers, other employees of public offices and public enterprises*
- ◆ *‘good governance’ refers to demonstrating a sense of accountability of government representatives based on transparent procedures, legitimately elected governments, the rule of law, public institutions committed to the common good, respect for human rights, freedom of opinion and of the press, and scope for participation*
- ◆ *‘Court’ in this paper, includes both legal structure (judges, prosecutors, lawyers), and political organization (police, courts and administration).*

CHAPTER II: REVIEW OF RELATED LITERATURE

This chapter reviews conceptual definition of corruption, its measurements, indicators, and sources in the context of local government. It also touches upon its forms, consequences, and presents some thoughts on how to address the corruption issue and bring it under control.

2.1. CONCEPTUAL DEFINITION OF CORRUPTION

In the first approach, any activity of administrative official is considered as improper when it goes against the public interest. The second approach believes that corruption is what the public thinks it is (Gibbons, 1989). According to the third approach, the corrupt acts are (i) violate some specific rules through which the public duties should be performed (ii) illegal exchanges of political goods for private benefits (Manzetti, 1996). (iii) Corruption is behaviour adopted by public officials that deviates “from the norms actually prevalent or believed to prevail” (Sandholtz 2000), or from “accepted norms” or it is “political conduct contrary to political norms” (Morris, 1991). Corruption may also manifests itself in the private aspects of life such as looting, cheating, lying, manipulation, stealing, appropriation, and disclosure of threats and exploitation of others and situations for private gains at the expense of the common good of the society. Transparency International (TI) defines corruption as “the misuse of entrusted power for private gain.”

From the above definition we can deduce that corrupt behaviour would include bribery, extortion, fraud, embezzlement, nepotism, cronyism, appropriation of public assets and property for private use, and influence peddling. In view of that, this study conceptualises corruption according to the Anti-Corruption Act (No.236/2001) of the Laws of Ethiopia,

“corruption Offence” means any offence committed in relation to government or public service or public interest in violation of the duties proper to a government or a public service by seeking, exacting promise, or receiving any gratification or advantage for himself or for other person or group of persons, or inflicting harm on another person; and includes corruption practices, acceptance of undue advantage, traffic in official influence, abuse of power, maladministration, appropriation and misappropriation in discharge of duties, extortion and disclosure of secret and other things.

Drawing upon the concepts described above, a corruption equation can be set out as: $C = R + D - A$; where, ‘C’ stands for corruption, ‘R’ for economic rent, ‘D’ for discretionary powers, and ‘A’ for accountability. The equation states that the more opportunities for economic rent ‘R’ exist in a local government, the larger will be the corruption. Similarly, the greater the discretionary powers ‘D’ granted to administrators, the greater will be the corruption. However, the more administrators are held accountable ‘A’ for their actions, the less will be the corruption; hence, a minus sign is put in front of ‘A’. In other words, the equation tells us that a fertile ground for growth of public sector corrupt arrangement will emerge in public sectors when the following conditions are fulfilled.

When officials are granted large discretionary powers to decide with respect to interpreting rules, to whom and in what manner they are to be applied;

- ◆ When a number of restrictive measures are complex and opaque and applied in a selective, secretive, inconsistent and non-transparent way;
- ◆ When there are no effective mechanisms and institutional arrangements in the system to hold officials accountable for their actions. The discretionary powers of officials are large, with poorly defined, ever-changing and poorly disseminated rules and regulations making the situation worse.

2.2. Measurement of Corruption

The three widely used scientific measurements of corruption can be applied to analyse corruption in public sectors. According to Farida (2006) the general perception methodology, the incidence-based methodology and the transparency international expert evaluation methodology are the three methods that hold value in achieving the goal of estimating the spread and map of corruption. Among these three, the general perception and the incidence-based methodologies were used in estimating the spread and map of corruption in public sector of Nekemte City Administration. Hence, most corruption indicators in this paper are perceived and incident-based ones the actual level of corruption, but corruption.

2.2.1. Qualitative Analysis

Considering how governments are put into place, there is a measurement for the input citizens have in the election of their leaders. If there is a true democracy with transparent voting mechanisms, a citizen has impact in an election results. If there is any incidence of voter fraud, citizen impact declines. If there is only a one-party system, tyranny, or dictatorship, virtually there is no citizen impact in the election results as they were pre-arranged for the power-seekers interests only.

To measure how well the government can make and implement sound policies, a researcher might consider the accountability of political leaders to the citizens they represent. Do political leaders follow through with the promises they present during their election campaigns? Do they consider the perspectives of their constituents above their own personal interests? Are government policymakers knowledgeable about the governance process, items

of debate, the budgeting process, etc.? When government is not well skilled in policymaking and when people do not have faith in their government leaders, citizens may react negatively.

How much respect people have for the government is another factor that helps a researcher to qualitatively evaluate whether there is corruption in an organization. Is there confidence in government systems? Can constituents easily access their policymakers for information, questions, or concerns? Are policymakers inaccessible to people who are not in positions of power? Is information about them, their office, and their positions on items of debate, and budget fully transparent and available to public scrutiny? Is there consumer confidence in public sector? Is there more or less faith in the private sector? The stability of the government or the amount of violence in a country can help a researcher measure corruption since these can be used to evaluate whether people think the government selection process is legitimate.

2.2.2. Quantitative Analysis

For the purpose of research and measurement, corruption is defined by the frequency of occurrences that indicates its existence e.g. bribery, or the lack of incidents that define its anecdote, good governance e.g. accountability. When collecting data, corruption and good governance researchers might focus the surveys towards firms, public officials, and individuals, as well as views of outside observers. As with ordinary economic evaluations, indicators are used to predict future trends in corruption among a population. Indicators describe policy-relevant statistics that contain information about the status, quality or performance of a government system.

2.3. The Indicators

Researchers will develop mechanisms for translating the concepts that describe and define corruption into mathematical and statistical measurements. In the process of estimating corruption through data, indicators effectively track and measure corruption or good governance. A study by the World Bank (2005) has comprised a worldwide corruption measurement and Governance Indicators into six important benchmarks. They are:

2.3.1. Voice and Accountability

The extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media demonstrates how citizen voice is necessary for allowing democratic participation. When the people organize themselves, accept responsibilities and become involved in local decision-making, they are true participants. Participation is primarily concerned with increasing the role of citizens to choose the leaders who represent their needs.

Civic participation encompasses three inter-related elements:

3. Open and transparent government, involving citizens in its activities and decision-making processes;
4. Consistent and persistent flow of information from the government to its citizens and vice-versa;
5. Efficient ways of informing citizens to understand their roles and responsibilities to participate as equal partners. The most obvious example of civic participation is the election process, the most common and powerful form of accountability.

2.3.2. Government Accountability

Government accountability is the second part of this important indicator. Political parties can be powerful tools for accountability when they work well at the local level. They are designed to uncover and publicize wrongdoing by the party in power and to continuously present an alternative set of public policies to the voters. Civil society organizations can be a good vehicle for allowing citizens to articulate their reaction to local government and solicit accountability. Citizens can also learn about government and articulate their reactions. If citizens are to hold their governments to account, they must be able to find out what they are doing.

2.3.3. Political Stability and Absence of Violence

Political instability and violence are other causes for corruption; countries that are less violent have less corruption. Politically & economically destabilized government are more likely to be overthrown by corruption and violent means, including terrorism.

2.3.4. Government Effectiveness

The quality of public services, the quality of civil service, and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies also determine whether a country will be vulnerable to corruption. An effective government is basically characterized as one with good social and economic policies that guarantees and respects the freedoms and civil liberties of its citizens, with a competent public administration that facilitates the delivery of goods and services to its citizens.

2.3.5. Regulatory Quality

Regulatory Quality is another indicator for good governance that focuses on policies, including market-unfriendly price controls, inadequate bank supervision, and burdens imposed by excessive regulation on foreign trade and business development. Rather, in good governance situations the system should provide a productive environment for saving and investment domestically. Through equality, transparency, and accountability, translating clearly defined property and labour rights, free but well-regulated exchanges in the marketplace, just settlement of contract disputes, and fair taxation.

2.3.6. Rule of Law

The final indicator that measures corruption is the rule of law. Rule of Law includes several indicators that measure the extent to which agents have confidence in and abide by the convention of society. These include perceptions of the incidence of crime, the effectiveness and predictability of the judiciary, and the enforceability of contracts. Rule of law implies equality before the law, equal protection of the law, and that nobody is above the law. Rule of Law also says that violations of the law should result in punishment, and that the innocent must not be punished. Lack of active rule of law creates opportunities for rest-seeking.

2.4. Forms of Corruption Found in Local Government

Local governments may be more susceptible to corruption because interactions between private individuals and officials happen at greater levels of intimacy and with more frequency at more decentralized levels. Some the following forms of corruption are found in local government systems.

2.4.1. *Bribery* is the offering of something which is most often money but can also be goods or services in order to gain an unfair advantage. Common advantages can be to sway a person's opinion, action, or decision, reduce amounts fees collected, speed up a government grants, or change outcomes of legal processes.

2.4.2. *Extortion* is threatening or inflicting harm to a person, their reputation, or their property in order to unjustly obtain money, actions, services, or other goods from that person. Blackmail is a form of extortion.

2.4.3. *Fraud* is an act of misrepresentation or deception. Charging for goods or services never delivered, changing the specifications or timing on goods and services and their expiration dates, or overpricing goods and services to cover the cost of bribes is considered to be *fraud*. Fraud results in the loss of state revenue. The public sector is involved in fraudulent activity by overlooking altered or missing documents or by receiving bribes to "ignore" illegal activity.

2.4.4. *Embezzlement* is the illegal taking or appropriation of money or property that has been entrusted to a person but is actually owned by another. In political terms this is called graft which is when a political office holder unlawfully uses public funds for personal purposes.

2.4.5 *Nepotism* is the practice or inclination to favour a group or person who is a relative when giving promotions, jobs, raises, and other benefits to employees. This is often based on the concept of feminism which is believing that a person must always respect and favour family in all situations including those pertaining to politics and business.

2.4.6. *Patronage systems* consist of the granting favours, contracts, or appointments to positions by a local public office holder or candidate for a political office in return for political support. Many times patronage is used to gain support and votes in elections or in passing legislation. Patronage systems disregard the formal rules of a local government and use personal instead of formalized channels to gain an advantage.

2.5. Sources of Corruption

The literature suggests many variables to explain the phenomenon of corruption in public sector .Serra (2004) conducted a sensitivity analysis on the impacts of corruption involving 16 variables. In that study, 4 variables were economic, 5 were social, and 7 of the variables were political. Similarly, Alt and Lassen, 2003) identified four broad classes of underlying sources of corruption, namely (1) economic , (2) political, (3) social , and (4) organization impacts .

2.5.1. Economic Factors

Economic factors consist of a wide range of economic variables. The economic impacts include economic freedom, international integration (globalization), education level, the average income and income distribution .Income is a commonly used variable to explain corruption (Damania et. al. 2004). Local wealth is a significant predictor of corruption even

though Kaufmann et al. (1999) and Hall and Jones (1999) question the causal relationship between corruption and income. As Paldam (2002) puts it, “A skew income distribution may increase the temptation to make illicit gains”. Wei and Wu (2001) have presented evidence that countries with capital controls have higher corruption and receive less foreign investment and are more prone to financial crisis. Economic development increases the spread of education, literacy and depersonalized relationships each of which raises the probability that an abuse by a public tax official will be noticed and challenged. Moreover, economic development permits better compensation for public tax officials thereby lowering their incentive to rent seek-out additional payments from the taxpaying public (Toye & Moore 1998).

2.5.2. Political Factors

The political impacts capture the democratic environment of a given country, the effectiveness of its judicial system and the origin of its legal system. The role of democracy has been highlighted in several studies of corruption. It is widely believed that corruption is related to the deficiencies of the political system. There is a consensus that democracy reduces corruption.

The main reason why democracy tends to reduce corruption is that political liberty imposes transparency and accountability, provides checks and balances within the political system. Political participation, political competition, and constraints on the chief executive increase the ability of the population to monitor and legally limit politicians from engaging in corrupt behaviour (Ackerman, 2005). It is often found that democratic systems are politically more stable.

The rule of law is intended to be a safeguard against arbitrary rulings in individual cases (Brunetti & Weder 2003). Li (1997) provides evidence which shows that a strong rule of law reduces the level of fiscal corruption across countries. Strong legal foundations and efficient legal systems with well-specified deterrents protect property rights and so provide a stable framework for economic activity. Failure of the legal system to provide for the enforcement of contracts undermines the operation of the free market and, in turn, reduces the incentives for agents to participate in productive activities (Dreher & et. al 2004).

Adsera et al. (2002) find that political instability leads to higher corruption levels. Corruption levels are linked to the strength of civil society, freedom and independent of the press. A major factor is that linked to corruption is the quality of the country legal system, to the existence of effective anti-corruption laws and to the capacity to enforce laws. corruption also takes place where the ethical value is neglected; people who commit corruption neglect their dignity and follow their egoism.

2.5.3. Social Factors

This group of factor captures the social and cultural characteristics of a country that may impact upon the pervasiveness of corruption in a given society. For example, culture and norm shape social attitudes towards social hierarchy and family values and thus may determine the acceptability of corrupt practices (Dreher & et al 2004). In more hierarchical systems challenges to the status quo are less frequent than in more equalitarian or individualistic religions (Ibid). Ethnic and linguistic fractionalization of a society may also contribute to the pervasiveness of corruption in a given institution. Alesina *et. al.* (2003) have presented evidence that ethnic and linguistic fractionalization has a statistically significant

impact on corruption. Societies that are ethno-linguistically diverse are associated with higher perceived levels of corruption.

2.5.4. Organizational Factors

The quality of bureaucracy is a crucial factor influencing corruption. The lack of meritocratic recruitment and promotion and the absence of professional training in the bureaucracy are found to be associated with high corruption (Rauch and Evans, 1997). Tax law complexity is a potential source of fiscal corruption across countries (Mc Nab 2000). In setting with higher regulatory and bureaucratic interventions in the economy, the incidence of corruption tends to be higher. Where government imposes a large number of rules and regulations, there is greater opportunity for public officials to exploit or subvert them.

As discretion increases and accountability declines, the potential for corruption grows. Where there is a large disparity between public and private sector wages, public servant are more tempted to engage in corrupt practices. In general, it can be said that corruption flourishes where the institutions of government are weak, where a government's regulatory regime provides scope for, where oversight institutions are marginalized or corrupted themselves (Toye & Moore ,1998).

2.6. CONSEQUENCES OF CORRUPTION

Corruption poses a serious development challenge. Corruption is the abuse of public office for private gain. It encompasses unilateral abuses by government officials such as embezzlement and nepotism, as well as abuses linking public and private actors such as bribery, extortion, influence peddling, and fraud. Corruption arises in both political and bureaucratic offices and can be petty or grand, organized or unorganized. Thus, the

consequences of corruption have many dimensions related to economic, political, social and environmental effects.

2.6.1. Economic Consequences

Corruption has adverse impact on the individual community and country. Corruption leads to the depletion of national wealth. It is often responsible for increased costs of goods and services, the funnelling of scarce public resources to uneconomic high profile projects at the expense of the much needed projects such as schools, hospitals and roads, or the supply of potable water, diversion and misallocation of resources, conversion of public wealth to private and personal property, inflation, imbalanced economic development, weakening work ethics and professionalism, hindrance of the development of fair market structures and unhealthy competition there by deterring competition.

Large scale corruption hurts the economy and impoverishes entire population. Corruption becomes focused on the highest bribe, thereby denying the public advantage of a competitive marketplace. The poor bear the heaviest burden in such situation, reinforcing gaps between rich and poor. Corruption results in tax evasion and significant losses of revenue for the State. Corruption causes major misallocation of scarce resources. Instead of meeting basic needs such as food, health and education, resources are sometimes used to finance purely prestige projects with no economic value. Corruption is at root of under-development and poverty.

Corruption undermines economic development by generating considerable distortions and inefficiency. In the private sector, corruption increases the cost of business through the price of illicit payments themselves, the management cost of negotiating with officials, and the risk of breached agreements or detection. Where corruption inflates the cost of business, it also distorts the playing field, shielding firms with connections from competition and thereby sustaining inefficient firms. Corruption also generates economic distortions in the public sector by diverting public investment away from education and into capital projects where bribes and kickbacks are more plentiful. Officials may increase the technical complexity of public sector projects to conceal such dealings, thus further distorting investment.

2.6.2. Political Consequences

In political sphere, corruption impedes democracy and the rule of law. In a democratic system, public institutions and offices may lose their legitimacy when they misuse their power for private interest. Corruption may also result in negative consequences such as encoring cynicism and reducing interest of political participation , political instability , reducing political competition, reducing the transparency of political decision making, distorting political development and sustaining political activity based on patronage, clientelism and money, etc.

Corruption is menacing, attacking the quality of governance and national stability by undermining the legitimacy of the political process. It fosters contempt for the public service and leads to cynicism about politics. It distorts decision-making, resulting in the wrong projects, prices and contractors, substandard delivery, and promoting of

corruption at lower levels. Corruption in the election has also serious consequences. Because of the election campaigns are expensive, candidates and parties rely on funding from wealthy individuals or corporations.

In the political realm, it undermines democracy and good governance by subverting formal processes. Corruption in elections and in legislative bodies reduces accountability and representation in policymaking; corruption in the judiciary suspends the rule of law; and corruption in public administration results in the unequal provision of services. More generally, corruption erodes the institutional capacity of government as procedures are disregarded, resources are siphoned off, and officials are hired or promoted without regard to performance. At the same time, corruption undermines the legitimacy of government and such democratic values as trust and tolerance.

2.6.3. Social Consequences

In Social sphere, corruption discourages people to work together for the common good. Frustration and general apathy among the public result in a weak civil society. Demanding and paying bribes becomes the tradition. It also results in social inequality and widened gap between the rich and the poor. corruption demoralizes the population and leads to a lack of confidence on the State Institutions. If it is allowed to expand, corruption erodes political legitimacy. Corruption also causes unequal distribution of public assets and funds to different social class. Uncontrolled corruption also undermines the credibility of democratic institutions and works against good governance. The most visible consequences are poor public services, increased social polarization, disinvestments and exclusion.

Corruption on its most basic level is the diversion of public finance and material resources away from the public use for which they are intended. Corruption is simply the private benefit of a few powerful officials at the expense of the mass people. Money that should go to the treasury in order to provide for the people, through corruption is instead going into the pockets of the senior officials. Pervasive corruption, a suffocating bureaucracy and weak law enforcement are crippling the growth of private business, rendering them uncompetitive global economy. Corruption often facilitates criminal activities such as drug trafficking, money laundering, and prostitution.

2.6.4. Environmental Consequence

Corruption also lowers compliance with construction, environmental, or other regulations; reduces the quality of government services and infrastructure; and increases budgetary pressures on government.

2.6.5. Consequences on Service Delivery

Bribes can influence who gets the contract, the terms of the contract, as well as terms of subcontracts when the project is implemented. Bribes can influence the allocation of monetary benefits such as credit subsidies and favoured prices and exchange rates where price controls and multiple exchange rates exist. Bribes can also be responsible for obtaining licenses and permits to engage in lucrative economic activities such as importing certain goods in high demand and in short supply.

Moreover, bribes can be employed to acquire in-kind benefits such as access to privileged schools, subsidized medical care, subsidized housing and real estate, and attractive ownership stakes in enterprises that are being privatized. Bribes can be used to reduce the

amount of taxes, fees, dues, custom duties, and electricity and other public utility charges collected from business firms and private individuals. It is also not difficult to think of a really awful situation where rules and regulations, and the way they are applied, are so complex and burdensome that the only way left to get things done is to pay money to avoid them. Bribes can be used to provide incentives to regulatory authorities to refrain from taking action, and to look the other way, when private parties engage in activities that are in violation of existing laws, rules and regulations such as those relating to controlling pollution, preventing health hazards, or promoting public safety as in the case of building codes and traffic regulations. Similarly, bribes can be given to favour one party over another in court cases or in other legal and regulatory proceedings.

2.7. Remedial Measures

Corruption arises from institutional attributes of the state and societal attitudes toward formal political processes. Institutional attributes that encourage corruption include wide authority of the state, which offers significant opportunities for corruption; minimal accountability, which reduces the cost of corrupt behaviour; and perverse incentives in government employment, which induce self-serving rather than public-serving behaviour. Societal attitudes fostering corruption include allegiance to personal loyalties over objective rules, low legitimacy of government, and dominance of a political party or ruling elite over political and economic processes.

Possible responses to these underlying sources of corruption include institutional reforms to limit authority, improvement of accountability, and realignment of incentives, as well as societal reforms to change attitudes and mobilize political will for sustained anti-corruption interventions. Strategy choices must be made after taking into account the nature

of the corruption problem and the opportunities and constraints for addressing it. Because a strategy must be tailored to fit the particular circumstances of a local government, designing a strategy requires assessing the level, forms, and sources of corruption for the country as a whole and for specific government institutions. In particular, strategy formulation requires taking a hard look at the level of political will for anti-corruption reform in government and civil society.

Opportunities for reform can stem from reformists' tendencies within the government, a change in government, public outrage over scandals, an opposition movement, an economic crisis, or external pressure. It is also essential to take careful stock of potential supporters and opponents within the ruling parties, the opposition, the judiciary, and the military, among others. The assessment must consider each party's interests and motivations and how these might play into an anti-corruption strategy. If there is little or no opening to work in anti-corruption, the strategy should focus on societal measures to increase awareness of the problem and develop a constituency for reform. However, if openings are partial or significant, the strategy should combine societal reforms to institutionalize political will with targeted institutional reforms. The strategy should target institutions where the problem of corruption is serious. Coordination with other multilateral and bilateral organizations and NGOs is critical to curb corruption problem.

Like many developing countries, Ethiopia has tried several strategies in an effort to minimize levels of bureaucratic corruption. These include societal, legal, market, and political strategies. All those approaches to corruption clean up represent the manipulation of outcomes within a given set of rules and presuppose the existence of efficient counteracting

institutions. The evidence shows, however, that most judiciary systems and police forces in the African countries are not properly constrained by the law and that most civil servants (including judges and police officers) were themselves corrupt.

As a result, most clean-up programs in the country have been unsuccessful. Public corruption is an outcome generated within a given set of rules. An effective normative evaluation of such an outcome can only be undertaken after a thorough understanding of the rules that generate the outcome. Thus, to understand why people engage in corruption requires an examination of the rules that regulate the socio-political behaviour of individuals. Since these rules determine how individuals behave and relate to each other, they also determine the outcomes to be generated in the post-contractual society. Since the rules determine the incentive system that will prevail in the post-contractual society, society can effectively impose the outcomes it wants through rules design.

For example, the problem of overgrazing of agricultural lands can be minimized by establishing private property rights in land during rules selection. Usually, the establishment of political rules and a political order precede the establishment of an economic order. The rules of political order include the "definition of the rights of persons, [and] can be legitimately derived only from the agreement among individuals as members of the polity" (Brennan and Buchanan 1985: 26). The rights of persons are not defined by the government. Instead, individuals or members of society form governments to protect and guarantee their rights as defined and agreed upon in the social or constitutional contract. Any attempt by the government to modify or abrogate those rights invariably violates the basic rules. It is important to note that problems of control in the post-constitutional society do exist. In

establishing the polity, the government is granted the power to monopolize legitimate force. Once established, government may try to exceed the limits of the authority delegated it by the people--and if it does, it may render itself illegitimate.

Gary Becker (1994: 18) remarked that "corruption is common whenever big government infiltrates all facets of economic life, never mind the political and business systems." If the country's rules make the political system the primary determinant of firm profitability, then entrepreneurs are likely to devote most of their resources, including their time, to rent seeking. For example, if state subsidies, discretionary tax relief, and other forms of regulations--instead of managerial expertise, business acumen, and competition--become the primary impacts of the profitability of firms, rent seeking, including bureaucratic corruption, would become pervasive.

Entrepreneurs in such an economy will devote a significant portion of their activities to lobbying and bribing politicians and civil servants in an effort to maximize profit levels. Given the incentive system provided by existing rules, legal strategies and other forms of corruption clean-ups are unlikely to be effective. In addition to the fact that manipulating outcomes within the rules is not an effective way to secure the outcomes desired by society, these strategies can only function effectively if the counteracting agencies and those who manage them are properly constrained by a rule of law and are free of corruption. Many of the police officers and judges who are called upon to clean up corruption are themselves beneficiaries of the corrupt system of resource allocation. It is unlikely that those individuals will perform their jobs effectively. An effective corruption clean up strategy must fundamentally weaken the link between the government and the economy.

CHAPTER III: THE DESIGN OF THE RESEARCH

This chapter describes the setting of the study, primary and secondary data sources, the development of data gathering instruments, the sample size and sampling techniques. Conceptualization and operationalization of variables and method of data analysis are also delineated in this chapter.

3.1. Description of the Study Setting

The study was conducted in Nekemte City Administration in 2012. Nekemte City Administration is located at a distance of 328 km west of Finfinne (Addis Ababa). Nekemte is the principal City Administration of East Wollega Zone in Oromia Regional state with the total land area estimated to be 5480 hectare. East Wollega zone is one of the 14 zones in Oromia state. It is bounded to the east by West Shawa zone, to South by Jimma zone, to west by West



Wollega zone, to the North by Amara and Benishangul Gumuz Regional States respectively. The native ethnic population in the City Administration is Oromo; and the official language is Afan Oromo. With 102,034 total populations, Nekemte City Administration constitutes 4.36 per cent of the zonal population. Nekemte City Administration is located between 8° 57'N- 9° 31'N latitude and 36° 26'E- 36° 44'E longitude.

3.2. **Source of Data**

This study used both primary and secondary data sources. Public sector customers, civil servants and public sector officials were considered as primary data sources whereas previous empirical studies, related literatures, official documents, journals, articles, government policy directives, and internet resources were used as secondary data sources. The primary data were obtained through structured questionnaire, interview schedule, and focus group discussion. The secondary data were reviewed from the secondary data sources mentioned above.

3.3. **Sample Size and Sampling Technique**

As a sample is a representative of its total population, it should be comprehensive and statistically acceptable in its range and size. Thus, sound generalization could be made about the universe. In order to determine a statistically acceptable sample size for this study, unknown population sample size calculation formulae was applied as follows.

Based on the above scientific formulae, the computed sample size 'n' was 150 persons with 95% confidence level and 58% (50+8) confidence interval. Having determined the acceptable sample size, individual informants were

Determine Sample Size

Confidence Level: 95% 99%

Confidence Interval:

Population:

Sample size needed:

selected using purposive sampling technique. Purposive sampling technique was preferred to

eliminate certain individuals who don't fit the requirements to be selected as sample. The requirements to be selected as sample were being consistent public service user, public servant or public sector officer. Purposive sampling technique was used to gather useful data and information because of that it would not have been possible using probability sampling techniques which require more formal access to lists of populations.

As a purposive sampling is selecting the people who have been selected with a particular purpose, the results of purposeful sampling are usually expected to be more accurate than those who were selected with an alternative form of sampling. Besides, this sampling technique is selecting a particular people who have exposure and experience to contribute important information about corruption. Purposive sampling also has other research advantages such as obtaining basic data and trends regarding the study from concerned and willing individuals without the complications using a randomized sample, and to detect relationships among different phenomena.

3.4. **Development of Data Collection Instrument**

Structured questionnaire and interview schedule were used as the main instruments of data collection. The questionnaire was anonymously developed after reviewing relevant literatures and similar empirical studies. The questionnaire was given special attention as it was the instrument that supposed to best fit for such highly sensitive issue that needs informants', willingness, confidentiality and freedom. Besides, as 95% (Table 4.1) of the respondents were literate, almost all of them could read the questionnaire and respond to it properly.

The questionnaire consists four parts. Part I was about demographic profile of the respondents. Part II and part III were designed to collect data pertaining to the extent and impacts of corruption in public sector respectively. These questions used a five-point Likert scale response set (Likert, 1932) rating from 1-5. Part IV was developed to collect suggestions on what remedial measures should be taken to combat corruption from public sector of Nekemte City Administration. Interview questions were developed to explore interviewee responses. The interview questions were structured and prepared beforehand; however, the interviewer was open to new issues on the responses and willingness of the interviewee. Both questionnaire and interview were pre-tested, standardized and translated into the mother tongue of the informants i.e. Afan Oromo. Moreover, to secure the advantage of triangulation and FGD (Focus Group Discussions) were conducted with key informants.

3.5. Conceptualization & Operationalization of the Variables

The extent of perceived corruption as a dependent variable was associated with its determinants by constructing appropriate indicators. The sources of corruption taken from four broad dimensions namely political, organizational, economic and social were entitled as independent explanatory variables that could predict the prevailing corruption in public sector of Nekemte City Administration. Thus, Likert scale was used to generate the extent of perceived corruption in public sector of the City under the study. The respondent's position with respect to specific items was identified by numerical value and given to them to rate on the scale ranging from 1 to 5 for each indicator, where 1 was for instance, 'Strongly Disagree, 2 was for 'Disagree, 3 was for 'Undecided' 4 was for 'Agree' and 5 was for 'Strongly Agree'.

Table 3-1.Conceptual Relationships among Basic Determinants, Variables and Indicators

Determinants	Variables	Indicators
Political	Decision-making access and power law enforcement political commitment to fight corruption opening up of political space in the region	1. very un important 2. unimportant 3. important 4. fairly important 5. important 9.undecided
Organizational	Meritocracy, Transparency and Accountability subsidiary and intra-contradicting regulations buying position rent-seeking networks utilization of Suggestions Box and ICT	1. Never 2. Seldom 3. Sometimes 4. Most times 5. Always 9.DK
Economic	Higher cost of living + low salary, price inflation in consumptions / goods peer pressure, materialism, supplier induced bribes presence of many taxes widening of the rift between social class	1. Completely disagree 2. Disagree 3. Indifferent 4. Agree 5. Completely agree 9. DK
Social	educational levels of the society less females participation societal toleration of corrupt behaviour nepotism kinship networks of civil servants	1. Very effective 2. Quite effective 3. Useful, not effective 4. Not necessary 5. Actually harmful 9. DK

As it can be seen (in the table 3.1) the organizational variables include lack of a merit-based system to appoint, promote and discipline individuals, customers’ lack of information on taxation rules and regulations, lack of transparency and accountability in the service system, improper utilization of “suggestions box”, inefficient utilization of advanced information and communication technologies , the existence of subsidiary and intra-contradicting organizational legislations and regulations, involvement of the personnel in rent-seeking networks,.

The economic variables include insufficient salary of the civil servants, price inflation in consumptions and goods, widespread materialism, the presence of many taxes, supplier

induced bribes and vulnerability of civil servants to bribe. Social variables comprise societal toleration of corrupt behaviour, nepotism, less females' involvement in key organizational activities, kinship networks of civil servants, and educational levels of the society. The political variables include a weak judiciary system to punishment offenders, absence of political commitment to fight corruption, the opening up of political space in the region, and lack of participation in decision-making.

3.6. **Data Analysis**

The study employed qualitative and quantitative data analysis approaches. The data were collected from September 2012 to November 2012. The collected data were categorized and coded on a pre-drafted coding sheet and were entered into SPSS version 17.0 in preparation for analysis. Descriptive statistics were used to estimate the extent of perceived and incident-based corruption in public sector while multiple linear regressions were used to identify the crucial variables in determining the prevailing corruption in public sector of Nekemte City Administration. Responses to open-ended questions were analysed in line with the method described by Guerin and Hennessy (2002). Data from focus group discussion were paraphrased and used for augmenting the quantitative data. The entire data were recorded and grouped under each theme based on the objectives and the basic research questions, and Summarized in Chapter IV.

CHAPTER IV: RESULTS AND DISCUSSION

In this chapter, the data of experienced and perceived of corruption in public sector of Nekemte City Administration have been analysed and discussed. The study basically followed a survey study to explore the extent and impacts of corruption in public sector of in the study area. In doing this, in the first part of the analysis, the demographic profile of the respondents have been analyzed in percentile and frequency distribution and presented. In the second part, multiple linear regression analysis has been employed to identify the most crucial determines corruption. In the third part, percentile has been used to rank the proposed remedial measures to combat corruption in public sector Nekemte City Administration.

4.1. The Demographic Profile of Respondents

In line with the objectives of this research, sex, age, educational status, and service years were considered as the basic demographic profiles of the informants. A total of 150 persons participated in the survey, 100(67%) males and 50(33%) females whose ages ranged from 18- 60 years. This age range was chosen as it was assumed as socially and legally acceptable age range to provide as well as to obtain public sector service.

Table 4.1.Demographic Profile of the Respondents

Demographics	F	%	Demographics	f	%
Sex:			Educational status :		
Male	100	67	No education	7	5
Female	50	33	Literate	12	8
Age in year:			Certificate	16	11
18-20	3	2	College Diploma	61	40
21-30	27	18	First Degree	33	22
31-60	120	80	Second Degree	21	14
Service in Year:			Other qualification(If any)	0	0
3-5	36	24	Sector:		
6-10	81	54	public sector	33	22
Above10	33	22	private sector	117	78

In aspect of educational status, 95% of the respondents had attended formal education, so that they could read and properly responded to the questionnaire administered to them. About quarter (22%) of the respondents were civil servants including managers and police officials whereas the majority (78%) of the informants were frequent users of public sector services. The frequent users of public sector services included petty local traders, proprietors of firms, local brokers and licensed attorneys who work as legal consultants. Concerning the respondents' work experience, a minimum of 3 years of public sector service was considered to get information from last 3 years.

4.2. The Extent of Corruption in Public Sector

The first objective of this research was to assess the extent of corruption in public sectors of Nekemte City Administration. To attain this objective, public opinion survey was collected through questionnaire, interview, and focus group discussion, and the responses were discussed. The survey data provided information on both actual incident and perceived level of corruption. The patterns of corruption as perceived by regular public sector service

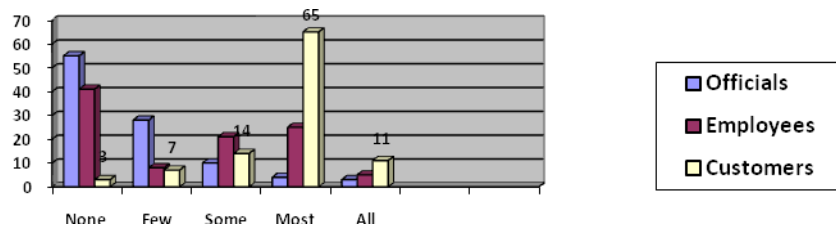
users, public servants, and public officials were explored in this section, and the patterns of actual experiences in the next section.

4.2.1. The Extent of Perceived Corruption in Public Sector

Even though perceptions of the level of corruption may be different from the reality, an understanding of these perceptions is still important since perceptions form the basis for decision-making as to promote development of an effective and well-informed strategy against corruption. Perceptions are often based on experiences and may therefore provide a useful lens through which to examine the actual levels of corruption in public sectors.

Figure 1. The Extent of Perceived Corruption in Public Sector

The three sample groups, public officials, public servants and public sector service users were asked to rate the extent of corruption they perceived in public sector of Nekemte City Administration and their responses are presented below.



The survey results show that corruption in public sector was perceived by the public to be widespread. About three-fourth (76%) of the public service recipients, and half (50%) of public servants believed that “most” public servants were engaged in corruption. However, Public officials reported markedly lower (7%) perceived level of corruption in public sector than reported by the public.

4.2.2. Incident- based Corruption in Public Sector

Although it is important to understand perceptions on the pattern of corruption, it is equally important to understand how corruption directly affects individuals, the business community, and the public officials themselves. Hence, public service users were asked whether they had been solicited to pay illegal money to obtain public sector services.

Table 4.2.Incidence of Corruption in Public Sector Nekemte City Administration

Have you been solicited to pay bribe to obtain service such ... in past 3 years?	Frequen	Never	At least once	No
Construction permits, wealth transfer records, housing and land valuations,...	44	4	32	8
birth / marriage certificate, ID card, piped water, electricity or phone	13	5	3	5
to avoid a fine passing a checkpoint, arrest , getting a judicial decision,	26	6	11	9
obtain a driving license, trade license, business	27	2	21	4
getting credit, enforcing contracts , receiving loans, advancing one’s file	23	5	11	7
job reservation, family transfer and promotion, securing /buying a position	15	5	8	2
Any other service(s)(specify)_____	2	0	2	0

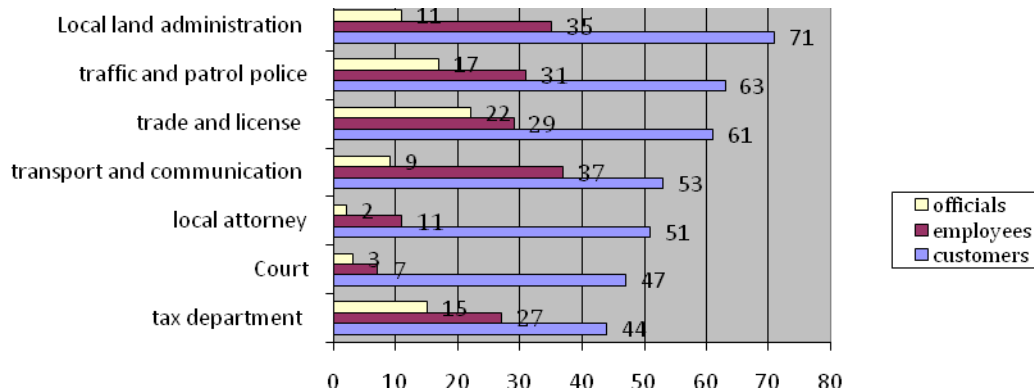
When public sector service users were asked whether they had been asked to pay illegal money to obtain public services, 59% of the respondents claimed that they were solicited by government officials and civil servants to pay a bribe to obtain their services at least once during the past 3 years. They explained that the amounts of solicitations were large and the cost of not meeting bribe demands was costly delay. One of the traders witnessed a type of extortion where senior government officer informed him that he had to carry out his assignment for a lower sum than agreed in the signed contract. If he hadn’t done do so, he should not have expected to be awarded future contracts.

The extent of perceived corruption was described by majority of the respondents as it was being pervasive at the public sector service delivery whether it was to obtain a driving

license, dealing with construction permits, land and wealth transfer records, housing and land valuations, and getting a judicial decision, trade license, getting local credit, enforcing contracts procedures, receiving private loans, fees or fines, or advancing one’s file through a process, job reservation, family transfer and promotion. A significant number of respondents refused to give any answers about their corruption experience which may imply their temptation/fear of potential reprisal.

Figure 2. Public Sectors Perceived to Have Widespread Corruption

Respondents from all the three sample groups were asked to provide their opinions about the extent of corruption in various public sectors of Nekemte City Administration, and the results are depicted in the figure below.



As it can be seen from the figure 2 above, 71 % of the services users, 35% of the civil servants, and 11% of public sector officials believed that the local land administration was corrupt. The survey also revealed 63 % of perceived corruption among traffic and patrol police, 61% of trade and license, 53% transport and communication, 51% local attorney,

47% court, and 44 % tax department were corrupt respectively in Nekemte City Administration.

4.2.3. Sources of Information about Corruption

An understanding of where people get their information about corruption is useful for the design of anticorruption public information campaigns.

Table 4.3 Source of Information about Corruption

Source of information	%
Mass media (journals, TV, radio)	62
Daily transaction/Personal experience	21
Relatives and friends	11
Public Officials	3
Police	3
Total	100

While 62% respondents got information about corruption from mass media (television, radio, and newspapers), 21% of them said that their primary source of information about corruption were their own daily transactions, and 9 % of them said that their primary sources of information about corruption were their own family and friends. These statistics imply that public information campaigns may help to restore faith in the honesty of public sectors. If the campaigns are not backed up by real progress in reducing the levels of corruption that people encounter, negative perceptions about the overall levels of corruption will persist.

Table 4.4 Evaluation of the process of reporting corruption cases

The respondents were asked to evaluate the process of reporting corruption cases.

Evaluate the process of reporting corruption cases using a scale 1 to 5 rang where 1 is completely disagree,.....	Frequency	Completely disagree	Disagree	Indifferent	Agree	Completely agree	DK
The process of reporting corruption is very simple	f	23	56	9	21	23	18
	%	15	37	6	14	15	13
The reporter is well protected from potential reprisal	f	30	62	9	36	6	7
	%	20	41	6	24	4	5
The process of corruption is very effective	f	39	67	6	20	10	8
	%	26	45	4	13	7	5

More than half (52%) of public surveyed either “disagreed” or “completely disagreed” with the statement “The process of reporting corruption cases is very simple.” Likewise 61% of the respondents thought that those who reported the instances of corruption were not protected from potential harassment. 71% of the respondents also ‘disagreed’ with “The statement that the process of reporting corruption case is very effective.”

Table 4.5. Reasons why people fail to report corruption cases

Scale of 1 to 5, where 1 means “very unimportant” and 5 that “very important”.	Frequency	Very unimportant	Unim portant	Fairly im portant	Important	Very important	DK
Concerned about potential harassment and reprisal	F	19	26	26	44	18	17
	%	13	17	17	29	12	12
Cases are not being proved	F	21	32	25	45	12	15
	%	14	21	17	30	8	10
Don't want to betray my colleague	F	22	25	30	38	13	22
	%	15	17	20	25	8	15
The process is too complex and long	F	23	32	29	34	27	5
	%	15	21	20	23	18	3
Investigation would not be made about the report	F	41	37	21	24	9	18
	%	27	25	14	16	6	12
Not knowing where to report	F	44	41	21	30	6	8
	%	28	27	14	20	4	7
No enforcement even if the decision is made	F	43	36	19	26	7	19
	%	29	24	13	17	4	13
Corruption can be justified under the current Price inflation	F	43	48	20	17	3	19
	%	29	32	13	11	2	13

The three main factors that discouraged people reporting the instances of corruption were potential harassment and reprisal (41 %,) reported cases were not being proved (38 %,) and hesitancy to betray one’s own colleague (33%).

4.2.4. Seriousness of Corruption

When compared with other societal problems currently facing Nekemte City Administration, corruption in public sector is one of the biggest problems as reported by the three sample groups.

Table 4.6 The impact of Corruption

Questions		Yes	No	NS	Total
Is corruption an important and pressing issue for the Nekemte City Administration?	f	122	18	11	150
	%	81	12	7	100

When asked whether corruption is an important and a pressing issue for Nekemte City Administration, 122 (81%) of the respondents said corruption has become rampant and has devastating effect to the development of Nekemte City Administration. The majority of the respondents believed that corruption in public sector has dwarfed the overall development of Nekemte City Administration. Lack of adequate shelter, poor sanitation, insufficient and unsafe water supply, inappropriate defecating facilities and inadequacy of basic amenities, high cost of living, poor infrastructure, and ineffective public service delivery and absence NSA (Non-State Actors) were attributed to corruption.

Some government documents support this finding. Despite the fact that NGOs is the leading NSA that reaches over 40 million beneficiaries across Oromia regional state, the share of East Wollega Zone including Nekemte City Administration is about 1 %.(Raya

Abagodu, 2008). Likewise, the level of FDI (Foreign Direct Investment) inflow isn't consistent with the Nekemte City's potential attractiveness to investors. With a wide range of natural resources, and geographic location that gives relatively easy access to different parts of the regions, Nekemte has a higher opportunity to receive interest from various regional and national investors, but the City's corrupt behaviours and bureaucratic red tape hinder investment inflow and business operations in the City Administration .

4.2.5. Public Opinions about the Consequences of Corruption

An understanding the consequences of corruption is useful for building consensus on the need for change.

Table 4.7 Consequences of corruption

Consequences of corruption	%
The poor get poorer	45
The number of citizens believing that honesty works declines	23
Investors lose their interest	12
State security is endangered	9
Human rights are violated	6
Moral decline of society	5
Others	4
Total	100

In the opinion of those surveyed, corruption aggravated (45%) poverty through declining the standard of living and worsening income inequality. It also discouraged honest works (23%), slower the development of the private sectors and investments (12%). These perceptions are supported by a growing body of cross-country research. There are several mechanisms through which corruption exacerbates poverty and inequality. Corruption benefits to the few at the expense of the mass society and can only feed inequality.

Corruption has also been shown empirically to reduce investment and growth. Since sustained growth generally provides rising incomes for the poor, the retardation of growth due to corruption limits opportunities for countries to grow out of poverty. It has been argued that the rent-seeking associated with corruption leads to distortions in budget allocations. Corruption has also been linked to the unofficial economy and both directly and indirectly results in lower tax revenues which the state might otherwise use for stimulating economic development and poverty reduction measures.

Beyond the macroeconomic effects that work through reduced growth, investment and the government budget, there are microeconomic mechanisms that also explained how corruption had a disproportionate impact on the poor. The burden of informal payments is regressive, with poorer households paying a larger portion of their income in the form of bribes. In many instances the discussants suggested that the more damaging effect may be that poor households didn't even seek public services because of their inability to make unofficial payments. As some of discussants claimed individuals had little reason to believe that the state represents their interests, and they felt hopeless, voiceless, powerless, and disengagement from civil society and political life. The poor often blamed the government for their impoverishment and report widespread corruption and helplessness. The costs that corruption imposed on firms had cascading effects on the poor living in the forms of higher prices, substandard quality and illegal goods.

4.2.6. Perpetrators of Corruption

Corruption can be initiated by the service provider or service recipient. It is therefore, perpetrated either by corrupt public servants who demand gratification in order to offer services or by unscrupulous businessmen and citizens who bribe public officials in order to get services they don't deserve or in order to accomplish an illegal deal. However, ordinary citizens were compelled to pay bribes in order to obtain legitimate services are mere victims of corruption.

Table 4.8. Most likely scenario incident of an illicit transaction

The data demonstrate that illicit transactions occur to obtain public services

Illicit or of bribe	%
The public servants request payment from the service recipients	51
The public service recipients (business community) initiate bribery	19
Brokers (mediators)	16
Both the public officials and the firm know exactly what needs to be done	9
Don't Know	5

Survey findings show that 51% of the respondents said bribery was initiated by service providers while 19% by service recipients, and 16% by brokers. On the other hand, 9% of the respondents blamed both public officials and business persons, and explained that they both know well as what to do. Some traders said that there were active agents of corruption in the public sectors of the City Administration. They explained that when a private sector sought a government contract, they established contact either directly or through an agent with the representative of an informal group to negotiate an arrangement to buy information in advance for birr 1000 to 2000, and arranged to pay two to five per cent of

the contract value-paying one-third in advance, one-third upon signature of the contract, and one third upon final payment.

The traders added that it was difficult to establish where the final selection responsibility lies. In some tenders, as they claimed, major purchases were described as being arranged by agreement among members of families, and senior bureaucrats rather than through competitive criteria. They extended their claim that some low-level positioned individuals and brokers had more power than top officials to ensure the government contracts. Likewise, one of the traders said that to minimize bureaucratic imposed costs on their enterprises the owners of capital may bribe civil servants in order to receive favourable tax treatment.

On the other hand, public officials were also asked as to how often contracts in their organisation involved soliciting additional gratitude in order to win a procurement contract, and 55% of the officials denied any such occurrences at their organisations while 42% of them provided no answer to this question, and less than 2% admitted the instances of such behaviour in securing unfair government contract.

Corruption allows inefficient producers to remain in business, and provides opportunities to bureaucrats to enrich themselves through extorting bribes from those seeking management favours. In fact, a bribery deal can easily be initiated from the supply side and big local business firms can make proposals which poor public sector officials and civil servants will find hard to resist.

Table 4.9.Assessment of Job-Related Statements

The civil servants were asked to rate their agreement/disagreement to their job related issues and their responses are presented as follows.

Scale of 1 to 5, where 1 means “completely disagree” and 5 that “completely agree”	Frequency	Completely disagree	Disagree	Indifferent	Agree	Completely agree	NS
My salary is very satisfactory	f	131	9	5	0	5	0
	%	88	6	3	0	3	0
Civil servants involved in extra unofficial activities to supplement their wage	f	10	8	10	13	17	92
	%	7	5	7	9	11	61
Working in the private sector is better than working in the public sector	f	77	19	25	12	11	6
	%	51	13	17	8	7	4
My job and position are secure	f	16	11	9	3	11	100
	%	11	7	6	2	7	67
I’m confident that I will keep my position and get promoted if I perform my job well	f	63	40	8	12	16	11
	%	42	27	5	8	11	7
Promotion procedures of BPR have been impartially applied	f	80	18	13	5	21	13
	%	53	12	9	3	14	9
My other benefits (incentives, pension etc.) are satisfactory	f	57	41	46	6	0	0
	%	38	27	31	4	0	0

About nine into ten (88%) of the respondents completely disagreed with the statement “My salary is very satisfactory.” Six into ten (61%) of the respondents also “completely agreed” with the statement “Civil servants are involved in extra-unofficial activities to supplement their official wage.” Similarly, more than half (51%) of surveyed of respondents, ‘completely agree’ that working in the private sector is generally better as compared to the public sector. State employees believed that they could earn more if they were employed in the private sector. Peer pressure among the young generations who have surrender to showy lifestyles provided by the private sector and NGOs have encouraged the public sector servants to live beyond their means; hence, engaging them in acts of corruption. Where there is a large disparity between public and private sector wages, public servant are more tempted

to engage in corrupt practices (Toye & Moore 1998).

The implication may be that the civil service must be competent and possess a significant level of professionalism and commitment in public service delivery. Moreover, about two-third (67%) of state employees were completely disagreed with the statement “My job and position are secure.” Only 8 % of respondents were ‘extremely confident’ that they would keep their position and got promoted if they performed their job well. Five into ten (53%) of the civil servants completely disagreed with the statement “Promotion procedures of Business Process Reengineering have been impartially applied.” For some of the respondents, BPR which has been launched in 2004 as a panacea for the problems of inefficiency in the performance of the civil service organizations and as a deterrent of public sector corruption had come out with adverse consequences such as purchasing position with forged documents, emerging of ghost workers and job insecurity. None of civil servants ‘agreed’ with the statement “My benefit packages such as bonus, incentives, pension ...are satisfactory.”

If civil servants lose confidence in job guarantee and the value of their pension upon retirement, the temptation to build a nest egg, patronage, nepotism, job reservations, favours-for-favours, unfair close ties between public and private business sectors are the common phenomenon of the service delivery. These may raise prevalence of corruption and a serious loss of skilled and enterprising staff from time to time despite the government’s endeavour against corruption.

Table 4. 10. Evaluation of Human Resources Management Decisions

The civil servants were asked to evaluate to what extent personnel management decisions such as hiring, assignments, transfers, promotions, salary increments, transfer were

Scale of 1 to 5, where 1 means “completely disagree” and 5 that “completely agree”	Frequen	Never	Seldom	Some times	Most times	Always	DK
made in a transparent manner	f	45	62	19	12	7	5
	%	30	41	13	8	5	3
based on family ties, kinship, and friendship	f	12	19	15	86	14	4
	%	8	13	10	57	9	3
influenced by illegal payments (purchase of positions or promotions)	f	17	17	62	32	7	15
	%	11	12	41	21	5	10
influenced by business ties and rent-seeking network	f	7	21	7	86	26	3
	%	5	14	5	57	17	2
based on political ties/political affiliation	f	29	7	63	24	21	6
	%	19	5	42	16	14	4
based on level of education	f	41	35	12	36	16	10
	%	27	23	8	24	11	7
based on seniority/length of service	f	15	34	41	41	12	7
	%	10	23	27	27	8	5
based on specific criteria defined in writing	f	6	30	52	27	33	2
	%	4	20	35	18	22	1
based on professional experience/merit/performance	f	50	36	39	12	7	6
	%	33	24	26	8	5	4
based on gender equity	f	46	41	18	21	15	9
	%	31	27	12	14	10	6

Nearly about three into four (71%) of surveyed respondents declared that personnel management decisions such as hiring, appointing, transfers, promotions, salary increment ‘never’ or ‘seldom’ made in a transparent manner. Some of them claimed that they didn’t know why someone was assigned, promoted, transferred, or received wage increment. More than half (57 %)of the respondents thought family ties, kinship, friendship, and rent-seeking network ‘most times’ influenced human resources decisions. They said individuals

who become successful in the public sector were expected to share the benefits with their rent-seeking networks and extended family. Thus, a civil servant often engages in corrupt activities in an effort to meet personal obligations to members of his group affiliation, extended families, and social cleavage. Loyalty to some unofficial network commonly geographical network known as ‘Laga’ was considered more important than personal accountability.

These particularistic attachments were quite strong and had been cited as important source of bureaucratic corruption in the City Administration under the study. Such organizational weaknesses and bureaucratic red tape provide fertile ground for growth of rent seeking activities in public sectors in the Nekemte City Administration. Free flow of information within organizations is essential for efficient operation and a strong predictor of the level of corruption within an institution. These findings compare well with finding of Pathak and e t. al. (2008) stating that state corruption was perceived to have significant adverse effects and that public sector red tape was the biggest hurdle in the way of improved government-citizen relationships in Ethiopia.

Table 4.11. Organizational Willingness to Combat Corruption

Scale of 1 to 5, where 1 means “completely disagree” and 5 that “completely agree”.	Frequency	Completely disagree	Disagree	Indifferent	Agree	Completely agree	Don't Know
In the public sector, there exists a genuine and sincere will to fight against corruption.	f	62	54	7	9	13	5
	%	41	36	5	6	9	3
In private sector there exists a genuine and sincere will to fight against corruption.	f	41	71	15	13	7	3
	%	27	47	10	9	5	2

When the respondents were asked whether there is a genuine and sincere will public sector to fight against corruption, 76% of them supposed that there was no a genuine and sincere will to fight against corruption in public sector. They asserted in several instances, when artificial shortages of household-consumptions and goods such as sugar, oil, and wheat have been created in order to extort bribes from prospective demanders, enforcement of state regulations and legal acts in most cases seems poor, arbitrary, capricious, and ineffective.

As a result, individuals and groups affected by the regulations are forced to engage in opportunist, including the payment of bribes to bureaucrat officials and their syndicate. With the same token, 74% of the respondents thought that there was no a genuine and sincere will to fight against corruption in private sector. Being part of the problem, the private sectors misdeed of corruption is marked by tax evasion, obtaining bank loans, winning lucrative bids by infringing loan or bid procedures. Bribery, deceiving and forging in business transactions, reducing or avoiding the payment of taxes, charging very high prices on goods and commodities during shortages, bribing the weak or uneducated ones in order to gain advantage are the common phenomenon in Nekemte City Administration.

4.3. Impacts of Corruption in Public Sector

The second objective of this study was to investigate variables that could explain the impacts of corruption in public sector of Nekemte City Administration. Corruption in public sector (CP) as the dependent variable was explained by various independent variables. These explanatory variables were labelled as determinants of public sector corruption, and categorized under four main groups namely economic(ED), political (PD), social (SD) and organizational (OD) determinants. As their names may imply, these variables explain the

political, social, organizational and economic dimensions of corruption of public sector in the study area and period.

As listed in Chapter Three Section 3.2.2, a number of explanatory variables were anticipated and included under each set of determinants based on theories and previous research findings. These explanatory variables were reduced using Component Factor Analysis, and only those had contributed for higher levels of variance were retained for Multiple Linear Regressions analysis. Then multiple linear regressions analysis was employed. Using the ‘‘entre’’ and ‘‘stepwise’’ methods the independent variables were fed into the models. In both methods similar out comes were found. Only the outcomes which were common for both methods (Σ {SD3 (lack of an educated society),SD6 (levels of education of servants), SD5(less women involvement in key organizational activities), OD3 (lack of transparency and accountability systems), OD8 (personnel involvement in rent seeking networks), ED2 (increment in inflation),ED3(higher cost of living),ED6(supplier induced bribes),ED7(low salary of public servants),ED6 (absence of commitment to fight corruption),PD7 (lack of participation in decision-making),and PD8 (a weak judiciary system)}) were reported (Table 4.12).

Table 4.12. Multiple Linear Regression Results

Explanatory variables	Perceived Corruption		
	β	t	Sig
(Constant)		12.397	.000
SD3(Lack of an educated society)	.578	2.206	.029
SD6 (Levels of education by officials and servants)	.840	2.745	.007
SD5(Less of women involvement in key organizational activities)	.110	.358	.021
OD3 (Lack of transparency and accountability of systems)	.096	.354	.000
OD8 (Personnel involvement in rent seeking networks)	-.220	-1.496	.137
ED2(Increase in inflation)	-.123	-.812	.018
ED3(Higher Cost of living)	-.269	-1.671	.000
ED6(Supplier induced bribes to public)	.067	.355	.023
ED7(Low salary of public servants)	-.254	-1.937	.005
PD6 (Absence of commitment to fight corruption)	.709	6.608	.000
PD7 (Lack of participation in decision-making)	-.816	-4.004	.000
PD8 (A weak judiciary system)	1.065	5.631	.000

$R=.932$ $R^2=.869$ $Adj R^2=.57, 4$ $F-tatistics=32.817$
 $=.750$ $F-tatistics=18.857$ and at 5% the level of significance
OD= Organizational Determinant, ED=Economic Determinant,
Determinant

$R=.890$ $R^2=.792$ $Adj R^2$
SD=Social Determinant,
PD= Political

The entire model was significant; $F=32.81$, $P 0.01$ and the model accounts for about 57.4 % of the variability of perceived corruption. About 86.9 % of the variability in perceived corruption was explained by the variables included in the model. As it can be seen from table 4.12 above *there is a significance level less than $\alpha=5\%$ ($p-v<\alpha=5\%$). In other words, at 95 % level of confidence explanatory variables in estimating the extent of perceived corruption their (β) beta coefficients have been used. The explanatory variables like lack of an educated society, lack of women involvement in key organizational activities, lack of transparency and accountability in public service delivery system, personnel involvement in rent seeking networks, increase in inflation, higher cost of living, supplier*

induced bribes to public, low salary of public servants, absence of professional commitment to fight corruption, lack of participation in decision-making, and a weak judiciary system become the significant predictor of perceived corruption in Nekemte City Administration .

4.2.1. ECONOMIC IMPACTS

Opinions about determinants of corruption highlighted the perceived link between corruption and poverty though the causality seems circular. Higher cost of living synergized with low salaries of civil servants was identified as a major economic determinant of corruption in public sector of the Nekemte City Administration. As most of the respondents explained price inflation in consumptions and goods was pushing almost all civil servants below the minimum income needed to keep a family above absolute (one US\$ a day) poverty line. For many civil servants in daily contact with the public, solicitation and acceptance of small payments had become a necessity and an entitlement. For some of the civil servants, it was a reason to moonlight in their second jobs and to search for better career prospects outside the civil service which created good opportunity for them to make unofficial rent-seeking network with favour seekers(Table 4.9).

As some of the respondents stated peer pressure among the young generations who have surrender to showy lifestyles provided by the private sector and NGOs have encouraged the public sector servants to live beyond their means, hence, engaging them in acts of corruption. Where there is a large disparity between public and private sector wages, public servant are more tempted to engage in corrupt practices (Toye & Moore 1998). Income is a commonly used variable to explain corruption (Damania et. al. 2004) though Kaufmann et al. (1999) and Hall and Jones (1999) question the causal relationship between corruption and

income. As Paldam (2002) put it, a skew income distribution may increase the temptation to make illicit gains.

4.2.2. Organizational Impacts

Lack of merit -based procedure in hiring, appointing, promoting and removing the civil servants was considered as the one of the organizational impacts factor of corruption in public sectors of Nekemte City Administration. Most of the state employees didn't have confident that they would keep their position and get promoted if they performed their job well. For some of the respondents BPR (Business Process Reengineering) which has been launched in 2004 as a panacea for the problems of inefficiency in the performance of the civil service organizations and as a deterrent of public sector corruption has come out with adverse consequences such as purchasing position with forged documents, ghost workers and job insecurity (Table 4.9). This may remind us to pay attention to Haag's question: "Is it ethical to make an employee a subject of reengineering (Haag et al 1998: 113)?"

Lack of transparency and accountability in public services system was also identified as one the major organizational impacts of corruption in public sector of Nekemte City Administration (Table 4.12). The survey result showed that about one into third of surveyed respondents declared that personnel management decisions such as hiring, appointing, transfers, promotions, salary increment never made in a transparent manner. Most of the discussants claimed during the focus group discussion that they didn't know why someone was assigned, promoted, transferred, or received wage increment. They complained that the opinions of subordinates weren't taken into consideration when managers made decisions. On the other hand, it was described by some officials that there were numerous of subsidiary

and intra-contradicting pieces of rules and regulations that govern the conduct of public sector officials.

Consequently, they were unwilling to exercise their powers in their work for fear of taking decisions that could be second-guessed by their superiors. They also suggested that discretionary powers would have to be given to managers with accountability in interpreting and implementing rules. They added that as accountability has to do with the fact that for proper observance of rules and regulations, those administering the rules must be held responsible and accountable for their actions. When something appears questionable, improper, or inaccurate in the information and accounts presented, the authorities could be called upon to provide an explanation to clarify the matter and to take corrective action and make amends, as necessary so that doubts would be cleared, and remedial or disciplinary actions could be taken to the satisfaction of all concerned bodies.

Many empirical studies show that several broad sets of institutional qualities are associated with better governance and lower level of corruption. Corruption flourishes when transparency and accountability are weak. The quality of bureaucracy is a crucial factor influencing corruption. The lack of meritocratic recruitment and absence of professional training in the bureaucracy are found to be associated with high corruption (Rauch and Evans, 1997). Where government imposes a large number of rules and regulations, there is greater opportunity for public officials to exploit clients .

Some opportunist private sectors which faced ruinous bureaucratic regulations, view corruption as a survival mechanism, so they devote a significant portion of their activities to lobbying and bribing civil servants in an effort to maximize their profit levels. The bribe is

expected to either exempt the business from the laws or to have the individual's enterprise taxed at a lower rate. When bureaucratic red tape and regulatory programs place a significant burden on business enterprises and entrepreneurship, proprietors are forced to seek ways to minimize these bureaucratic imposed costs and delay. As a result, the firms that survive under corruption may become efficient at rent seeking rather than properly and effectively serving their markets. Such organizational weaknesses and bureaucratic red tape provide fertile ground for growth of rent seeking activities in public sectors in the Nekemte City Administration. These findings compare well with finding of Pathak and e t. al. (2008) stating that state corruption is perceived to have significant adverse effects and that public sector red tape is the biggest hurdle in the way of improved government-citizen relationships in Ethiopia.

Tax law complexity is a potential source of fiscal corruption across countries (Mc Nab 2000). In setting with higher regulatory and bureaucratic interventions in the economy, the incidence of corruption tends to be higher. As discretion increases and accountability declines, the potential for corruption grows. In general, it can be said that corruption flourishes where the institutions of government are weak, where a government's regulatory regime provides scope for, where oversight institutions are marginalized or corrupted themselves (Toye & Moore 1998). For one the poorest City Administrations, typically Nekemte, talented local business people, managers, and entrepreneurs represent a scarce and valuable resource. Their talents should not be wasted in rent seeking activities. They should be doing productive work. Yet, for them to invest and engage in productive work, it will require not only political stability but also economic stability, predictability and honesty on the part of the public sector managers.

4.2.3. Political Impacts

Lack of effective law enforcement to detect and punish offenders was considered as the sources of corruption in Nekemte City Administration. The survey of public service users, public servants and public officials provided useful information on the impacts of corruption. As most of the respondents stated the police were apparently grown corrupt to the point that they would go on patrol to rob with their hats in their pockets. Respondents also said that the official trial fees are very high and the process takes too long from start to finish it. Hence, in most cases bribe is paid to get speedy legal service and in some cases to get undeserved decision.

The majority of the bribes were paid to attorneys, who acted as intermediaries rather than to a judge. The most serious damage caused by corruption in judiciary organs may not be the unofficial payments themselves, but the effect that corruption has on unjust decisions. Many law-enforcers who were endorsed to control corruption are beneficiaries of the corrupt system resource allocation. Improving efficiency in the operation of the courts would be a necessary component on any attempt to reduce corruption in public sector.

The above findings are supportive of what many researchers on general issues of corruption have found. Among them, Stapenhurst (1998) found that corruption has increased because public officials and law-enforcers who have the mandate to fight it have handled corruption cases in a casual and lenient manner and this always encourages others to engage in similar corrupt acts. Strong legal foundations and efficient legal systems with well-specified deterrents protect property rights and so provide a stable framework for economic activity.

Failure of the legal system to provide for the enforcement of contracts undermines the operation of the free market and, in turn, reduces the incentives for agents to participate in productive activities (Dreher 2004). La Porta et al. (1999) provide empirical evidence that the greater protections of property against the state represented in common law systems reduce the level of government corruption across countries. The rule of law is intended to be a safeguard against arbitrary rulings in individual cases (Eigen 2002; Brunetti & Weder 2003). Li (1997) provides evidence which shows that a strong rule of law reduces the level of fiscal corruption across countries.

Adsera et al. (2002) find that political instability leads to higher corruption levels. Corruption levels are linked to the strength of civil society, freedom and independent of the press. A major factor is that linked to corruption is the quality of the country legal system, to the existence of effective anti-corruption laws and to the capacity to enforce laws. corruption also takes place where the ethical value is neglected; people who commit corruption neglect their dignity and follow their egoism.

4.2.4. Social Impacts

There were some social variables as illustrated in Table 12 that explained trends of corruption in public sector of Nekemte City Administration. The result revealed that lack of an educated society and less of women involvements in key organizational activities were two of the social determinants of corruption in public sector. The correlation between lack of an educated society and corruption in public sector can be explained from two different angles. First, less educated civil servants with low qualifications may engage in petty corruption. Second, lack of an educated and a vibrant society on the fundamental rights and

a societal tolerance for corruption civil servants may also increase the trends of corruption in public sectors. Mocan (2004) found that a higher level of education leads to a higher probability of being targeted for bribes, yet a more educated population is expected to be less tolerant of corruption.

Less number of women involvements in key organizational activities was another social determinant of corruption in public sector of the City under the study. This finding is well supported by Swamy et al. (2001) whose study found that higher female labour participation led to less corruption. The authors provide four arguments to explain this finding. First, “women may be brought up to be more honest or more risk averse than men, or even feel there is a greater probability of being caught.” Second, “women, who are typically more involved in raising children, may find they have to practice honesty in order to teach their children the appropriate values.” Third, “Women may feel more than men that laws exist to protect them and therefore be more willing to follow rules.” Lastly, “girls may be brought up to have higher levels of self-control than boys which affect their propensity to indulge in criminal behaviour.”

One of the interlocutors said since many influential people were in conspiracy with leading regional and national firms and prominent local business men were involved, and were reaping huge benefits from the corrupted system, chances of bringing about change appear remote. He substantiated his doubt saying that “The bill of Asset and Property Disclosure and Registration, which was rectified on March 30, 2010, had taken solid 8 years to be approved by the parliament. Moreover, additional 6 months period set to begin registering the assets of the officials as to give ample time to corrupt officials to siphon away

their ill-gotten assets. This may imply that tough laws without enforcement have no impact on reducing corruption; rather it may foster general cynicism about reform efforts. Corruption Acts require not just establishing sanction, but enforcing them on an impartial basis.

The other respondent said there were times when the people were deliberately providing misleading information, and showing no willingness to respond what should be done as to seal off the loopholes that were believed to be conducive for corrupt practices. He added, getting the right witnesses for the investigation and prosecution of alleged corruption offences was also one of the major problems in Nekemte City Administration. Although Article 20/4 promises whistle-blowers a 25 % chunk of seized assets as a reward to encourage the public support, many of the whistle-blowers and witnesses want to see a reliable legal protection that ensure the physical and job security protection for them from any danger that corruptors might pose on them.

5.4. Measures to be taken to Control Corruption

The third objective of this research was aimed at collecting suggestions on remedial measures to reduce corruption from public sector of Nekemte City Administration. Accordingly, some suggestions have been collected from the pessimistic and optimistic respondents on how to alleviate the challenge of corruption in public sector.

Table 4.15. Respondents’ Proposal to Reduce Corruption in Public Sector

Scale of 1 to 5, where 1 means “very effective” and 5 that “actually harmful	Frequency	Very effective	Quite effective	Not very effective	Not necessary	harmful	DK
Increasing salaries for public employees	f	84	50	12	3	0	1
	%	56	33	8	2	0	1
Providing a good example of leadership	f	80	46	20	0	0	4
	%	53	31	13	0	0	3
Using e-government (Implementing Asset & Propriety Disclosure Act)	f	18	62	48	4	0	18
	%	12	41	32	3	0	11
Strict controls and penalties for offenders	f	36	40	48	22	0	4
	%	24	27	32	15	0	3
Better training for public employees to give them knowledge and skills	f	54	41	33	22	1	1
	%	36	27	22	15	1	1
Make all public employees sign a ‘code of conduct’, setting out how they should behave	f	51	50	24	25	0	3
	%	34	33	16	15	0	2
Better appeal and complaints procedures for users	f	48	59	12	18	0	13
	%	32	39	8	12	0	9
Greater publicity of problems of corruption	f	45	60	23	9	0	13
	%	30	40	15	6	0	9
Fewer office forms and documents	f	56	57	27	3	1	6
	%	37	38	18	2	1	4
Display the rights of citizens on notices in all offices	f	65	48	19	0	0	18
	%	43	32	13	0	0	12
Reducing work force through BPR reform	f	4	8	24	6	108	0
	%	3	5	16	4	72	0

When asked what measures should be taken to control corruption in public sector of Nekemte City Administration, 89% of the survey respondents thought that increasing salaries for public employees would be ‘quite’ or ‘very effective’ in ensuring that citizens receive the public services without the need to pay money or make gifts. Aid donors and international organizations routinely recommend fighting corruption by paying higher wages to public servants. As a historical example of this strategy, Sweden, which ranks third in 2011 of among the least corrupt countries on all current cross-country rankings, was

considered as one of the most corrupt countries in Europe in the seventeenth and eighteenth centuries.

Increased remuneration of civil servants combined with deregulation have been put forward as important explanations for the emergence of an honest and competent public administration in Sweden in the late nineteenth century (Lindbeck, 1975). The analytical underpinning to the policy recommendation to increase public sector wages stems from a seminal paper by Becker and Stigler (1974), who show that by paying the official a wage above the official's opportunity wage, one can ensure, under certain conditions that the officials will behave honestly. However, when the bribe level is not fixed and third-party enforcement does not exist, the theoretical relationship becomes ambiguous. For example, if the official and bribe-giver bargain over the bribe, a higher wage strengthens the official's bargaining power as it raises the expected cost of being corrupt and thus leads to higher bribes (Mookherjee and Png, 1995).

The findings of this paper provide convincing evidence that paying higher wages can deter corruption under certain circumstances. However, there is no hard evidence to suggest that low level public employees are less greedy than their superiors. The line between 'need driven' and 'greed driven' corruption is hard to draw and it is difficult to determine where one ends and the other begins. Thus, increasing pay without other complementary measures is not likely to have a significant impact on reducing of corruption in public sector. As experience tells, shopkeepers take an advantage of civil servants' salaries increment as a sign to raise prices. Inversely, raising civil servants' pay, by causing a general increase in prices, will lead to a deterioration of economic conditions for everybody. This may show that there

is a need to control inflation, address the underlying causes for destabilizing market, and building confidence in the market for the success of corruption reduction reform measure.

A higher number (84%) thought that the way to solve the issue would be providing a role model leadership. For proper house cleaning and repairs, it is a good idea to begin by fixing the roof. The leadership in a country has a key role to play in combating corruption. Shleifer (1998) has argued that the biggest cause of corruption is undoubtedly the political leadership at the helm of affairs in a country. This observation suggests that political factors play a critical role in increasing corruption as the political leaders preside over a complex set of political structures. In a world in which governments do not always act in their citizens' best interest, corrupt politicians may be expected to spend more public resources on those items on which it is easier to levy large bribes and maintain them secret (Mauro, 1998).

The top leadership must set a good example with respect to honesty, integrity and capacity for hard work. Since fighting corruption will involve taking difficult decisions, the leadership must also display firmness, political will and commitment to carry out the required reforms. The offenders both on the demand and supply side of a corrupt deal must be convinced that the government is serious about fighting corruption. One suggestion towards this end is to "fry some big fish", that is to publicly try and punish some well-known corrupt people in the country. However, since allegations of corruption are often used to discredit political opponents, the suggestion is further made that the fish that is fried should preferably be from one's own pond.

A larger group of respondents (80%) thought that using e-government (Implementing Asset & Propriety Disclosure Act) would ensure that citizens are receiving services that they

are entitled to, and without reverting to illegal payments. A publicity campaign to deepen greater awareness on the adverse effects of corruption and a clear and unequivocal official pronouncement on the desirability to bring it under control would be helpful. Ordinary citizens should have a lot of first-hand experience with corruption, they are a good source of information and their help and cooperation should be solicited for the successful launch of an anti-corruption drive. Once people are convinced that a sincere and genuine effort to combat corruption is underway, they will respond and extend their full cooperation in resolving the problem. Secretiveness has been a key factor that has enabled public officials and politicians to get away with corruption.

A responsible press to gather, analyse, organize, present and disseminate information is suggested as a vital mechanism to create greater public awareness and to provide the momentum for undertaking reforms to overcome corruption. A responsible and an investigative press can play an important role in exposing misconduct as well as in serving as a watchdog to limit corruption and preventing it from getting out of hand. Freedom of information legislation improves accountability by enhancing the transparency of government operations. Freedom of information legislation also informs citizens of the procedures for government service.

Chapter V: Summary, Conclusion and Recommendation

The overall aim of this research was to advance understanding the negative impact of corruption on economic and social development, political stability and to highlight the desirability to keep it in view in thinking about development issues. The main objectives of this survey research were to assess the extent and impacts of corruption in Public Sector of Nekemte City Administration, and to recommend for policymaking process. The summary of this study is drawn from a survey of public sector users, civil servants and government officials of Nekemte City Administration in line with the stated research objectives.

5.1. Summary of the Findings

When compared with other social problems currently facing Nekemte City Administration, corruption in public sector is one of the biggest problems as reported by all the three sample groups. The majority of the respondents believed that corruption in public sector has been dwarfed the overall development of the Nekemte City Administration. Lack of adequate shelter, poor sanitation, insufficient and unsafe water supply, inappropriate defecating facilities and inadequacy of basic amenities, high cost of living, poor infrastructure, and ineffective public service delivery and absence NSA (Non-State Actors) were attributed to corruption. As the perception of those surveyed, corruption exacerbate poverty through declining the standard of living and worsening income inequality. It also declines honesty works, slower the development of the private sectors and investments. Corruption benefits to the few at the expense of the mass society and can only feed inequality.

Insufficient wage of civil servants was found to be among the major variables explaining increasing trend of corruption in public sector of the City Administration under the study. With the economic crisis, public servants were likely to engage in corruption practise to catch up with inflationary trend. Civil servants with insufficient salaries are driven by necessity to engage in corrupt practices to meet the living expenses of themselves and their families. Aside from encouraging corruption, low pay has other detrimental effects on the attitudes and performance of public employees. It contributes to reducing incentives, low morale, increased inefficiency, moonlighting, absenteeism, loss of self-respect and dignity. As a result, some of government employees become nasty, rude and indifferent in their dealings with the general public. They can be exasperating and creating a lot of nuisance value to ordinary citizens. Under these circumstances, it is also hard to recruit and retain good workers as they will seek employment or leave to take up more challenging and higher paying jobs in the private sector or abroad. Hence, rather than considering the matter only from the corruption point of view, civil service reform should encompass a more wide-ranging programme, including adjusting salaries to cover the living expenses of an average family.

Lack of merit -based and transparent system to hire, appointment, promote and punish offenders were found as determinant factors of corruption in public sector of Nekemte City Administration. A number of subsidiary and intra-contradicting pieces of rules and regulations were also identified as loopholes for both corrupt public officials who view corruption as a survival mechanism and devote a significant portion of their time and activity to lobbying and bribing civil servants in an effort to maximize their profit levels. The implementation of Civil Service Reform has come out with purchasing position with forged

documents, emerging of ghost workers, lose of confidence in job security which in turn illicit building a nest egg, patronage, nepotism, job reservations, favours-for-favours, renting seeking network with favour seekers of private sectors and immoral individuals.

Incompetence and inefficiency among civil servants were found as determinant factors of public sector corruption in Nekemte City Administration. Involvement of the personnel in the external unofficial rent-seeking networks and a number of relatives to take care of corrupt officials were found of as sources of public sector corruption in the Nekemte City Administration . The survey also revealed high level of perceived corruption among law-enforcers in Nekemte City Administration. The Police were apparently grown corrupt to the point that they would go on patrol to rob with their hats in their pockets. Many law-enforcers who were endorsed to control corruption were beneficiaries of the corrupt system resource allocation. Improving competency and efficiency in the operation of the top management and courts will be a necessary component on any attempt to reduce corruption in public sector Nekemte City Administration.

A wide spread of materialism, diffusing sense of national interest and the absence of a commitment to public service delivery were investigated as significant causes of public sector corruption in Nekemte City Administration. It was found that there was no a genuine and sincere will neither in public nor private sectors to fight against corruption. It was observed that some civil servants have engaged in determined efforts to capture the apparatus of state in order to use the state's redistributive powers to amass wealth for themselves. Even few radical revolutionary politicians were missing their initial innovative and novel agenda and have started empire building. This observation may suggest that political factors play a

critical role in increasing corruption as the political leaders preside over a complex set of political structures.

Adjustment of pay scale, proving model leadership, effective law enforcement, inculcating national concern and professional commitment, publicising campaign to deepen greater awareness on the adverse effects of corruption and freedom of information were suggested as a vital mechanism to provide the momentum for undertaking reforms to overcome corruption.

5.2. Conclusion

There was a general consensus that corruption is one of the biggest challenges that Nekemte City Administration must overcome to have any real chance of development of the City Administration. The sources of corruption, however, still remain a point of dispute. Lack of conclusive data and the great variation of results indicate that there is a great need for more researches as to complement this complex and pressing issue.

Despite the national and regional government bodies have embarked on reforming its civil service organizations with the objective of improving the public sector service delivery system as a deterrent of public sector corruption for the past seventeen (1994-2011) years, Nekemte City Administration civil service is characterised as obstructive, incompetent, excessively rule-bound, and increasingly involved in petty corruption. Corruption is increasingly becoming one of the most common and lucrative white-collar crimes that take place at any of the stages of public service delivery in Nekemte City Administration.

The extent of perceived corruption was described by majority of the respondents as it was being pervasive at the public sector service delivery whether it was to obtain a driving license, dealing with construction permits, land and wealth transfer records, housing and land valuations, getting a judicial decision, trade license, getting local credit, enforcing contracts procedures, receiving private loans, fees or fines, or advancing one's file through a process, job reservation, family transfer and promotion.

Inadequate salary with unsecured job position as well as higher cost of living and price inflation were identified as the leading sources of corruption in Nekemte City Administration. Poorly remunerated public servants who need to make ends meet in an environment of rising costs of living, inflation and prospects of job insecurity almost on a daily basis resort to petty corruption. The study also concluded that some public officials as well as public servants often put their own welfare before that of their own people. Some public sectors of Nekemte City Administration were found as poorly managed, and not living up to their responsibility of protecting their citizens and providing services to their people. Patronage system which was a common phenomenon in the City Administration represents a recurrent means of securing advantage through personal rent-seeking connections rather than formalized channels. Establishing anti- nepotism regulations, developing codes of ethics and removing ghost workers from payrolls can alleviate the challenge of corruption in public sector. In addition, merit-based appointment can bolster morale, concern professionalism, and productivity.

Freedom of information is a cornerstone of democracy, participation and corruption alleviation. When more information is available from the management, it is less likely to be

able to hide illegal acts. On the other hand, excessive secrecy breeds tyranny. Hence, accessing comprehensive information is a foundation for corruption alleviation. Logically, for rules to be properly implemented they must be transparent and made known in advance to all concerned bodies. So, they can be understood and obeyed by both side participants in the transaction. When rules are clear and known to all concerned bodies, they will be applied in an impartial manner, consistent and not be subject to frequent and arbitrary changes. Improving accountability entails efforts to improve both the detection and the sanctioning of corrupt acts. Better detection requires measures to improve transparency and oversight while better sanctioning involves establishing criminal and administrative sanctions, and strengthening judicial processes.

5.3. Recommendations

Based on the findings of the study, the following recommendations are forwarded to enhance the campaign against corruption in Nekemte City Administration.

- ◆ Developing realistic pay levels and other benefit packages for the civil service seems an essential one to alleviate corruption in public sector although it is beyond the scope of this paper to recommend specifically what form of a pay strategy should be taken. The government's vision of an ethical, motivated, competent, and non-corrupt civil service may come about with fundamental improvements in pay levels and job security.
- ◆ Personnel systems should tighten job requirements. To ensure this, hiring and promoting decisions should be based on merit and qualification. Senior positions should be awarded only to candidates who have distinguished themselves, possess the ability and expertise to efficiently perform the duties assigned to the position.

- ◆ Sensitizing of national concern and public service delivery should be given great attention. All participants should be informed and abided by certain accepted standards of moral conduct and good behaviour. For rules to be properly implemented, they must be transparent and made known in advance to all concerned bodies. When rules are clear and known to all concerned bodies, they will be applied in an impartial manner, consistent and not be subject to frequent arbitrary changes.
- ◆ Accessing comprehensive information is a foundation for corruption alleviation. When more information is available from the management, it is less likely to be able to hide illegal acts. Improving accountability entails efforts to improve both the detection and the sanctioning of corrupt acts. Better detection requires measures to improve transparency and oversight while better sanctioning involves establishing criminal and administrative sanctions, and strengthening judicial processes. In nutshell, open public sector information enhances social welfare, enable citizens to make informed decisions about their daily life, and their futures.
- ◆ As the explanatory variables included in this model accounted only for 57.4% which suggests the existence of other sources of the phenomenon, future studies should be conducted to explore some other explanatory variables of corruption in public sector of Nekemte City Administration

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Annexure –I

Survey questionnaire to be filled by public sector users

Indira Gandhi Open National University

School of Social Work

Masters student project Questionnaire to be filled by
public sector users of Nekemte City Administration

Dear Respondents,

The purpose of this questionnaire is to gather data pertaining to study the extent and impacts corruption in public sector of Nekemte City Administration. Although new and innovative regulatory initiatives have been taken to limit the scope of corrupt behaviour, time and again, corruption has been able to stay one step ahead of the best regulatory measure that can be devised to control it, and the fight is turning out to be an uphill battle. In order to combat this uphill battle, your contribution is indispensable. All information you offer will be kept strictly confidential. Your participation will not be revealed under any circumstances. You are kindly encouraged you to be as candid as possible and to freely express your sincere opinions in answering the questions. There are no right or wrong answers. There is no need to write your name.

Thank You For Your Time And Cooperation!

ALL ANSWERS ARE ANONYMOUS!!!

Direction: In the survey, many times you will be asked you to answer using a scale from 1 to 5, where 1 corresponds to for example, “completely disagree”; 2 “disagree”; 3 “indifferent”; 4 “agree”; 5 “completely agree”. When it is provided the meaning only to the end points, 1 and 5, please assume that 2, 3, and 4 have corresponding meanings.

Mark with “X” in the given space like this (X).

Personal Profile of the Respondents

1. Sex:

- ◆ Male :(____)
- ◆ Female: (____)

2. Age:

- ◆ Below 20 Years (____)
- ◆ 20-30 Years (____)
- ◆ Above 30 Years (____)

3. Education:

- ◆ No education (____)
- ◆ Literate(____)
- ◆ Certificate(____)
- ◆ Diploma (____)
- ◆ First Degree (____)
- ◆ Second Degree (____)
- ◆ Any other qualification(If any specify)_____

4. Have you used the public services in the past 3 years?

- ◆ Yes (____)
- ◆ No(____)

5. If you said “Yes” to question 3, what kind of services have you got? _____

6. If you said “No” to question 3, why not? _____

7. Is corruption an important and pressing issue for the Nekemte city administration?

- ◆ Yes. (____)
- ◆ No. (____)

8. Evaluate how difficult it is for you to obtain information from the public sectors.

1	2	3	4	5	9
Extremely difficult	Difficult	Fairly easy	Easy	Extremely easy	DK

9. How consistent with each other are rules that the organisation is asked to provide services?

1	2	3	4	5	9
Very inconsistent	Inconsistent	Fairly consistent	Consistent	Very consistent	DK

10. The followings are the list of public sectors. Please evaluate their trustworthiness of corruption.

Public Sectors	very dishonesty	quite dishonest	Fairly honest	very dishonest	very honest	NS
Transport and communication	1	2	3	4	5	9
Trade and license	1	2	3	4	5	9
Taxes Department	1	2	3	4	5	9
Traffic Police	1	2	3	4	5	9
Patrol Police	1	2	3	4	5	9
Mass media	1	2	3	4	5	9
Local land administration	1	2	3	4	5	9
Local attorney	1	2	3	4	5	9
Health sector	1	2	3	4	5	9
Education sector	1	2	3	4	5	9
Customs and revenue Authority	1	2	3	4	5	9
Courts	1	2	3	4	5	9
City administration	1	2	3	4	5	9
Agriculture sector	1	2	3	4	5	9

11. In your opinion how widespread is corrupt practice in public sectors among Nekemte city administration? Answer on a scale from 1 to 5.

1	2	3	4	5	9
Non-existent	Negligible	Fairly widespread	Wide spread	Completely widespread	DK

12. From the corruption cases that you have knowledge of either directly or indirectly, evaluate how frequently these practices occur.

Please use a scale from 1 to 5, where 1 means “never”; 2 “seldom”; 3 “sometimes”; 4 “most times”; and 5 means “always”.	Never	Seldom	Some times	Most times	Always	DK
The public official would demand that a bribe must be paid	1	2	3	4	5	9
The public official would request that a bribe must be paid						
The public official would whisper that a bribe must be paid						
The local firm offers the bribe						
The groups know how the process works and how much money they need to pay						

13. Have you observed any act of corruption by a public official during the past three years?

1 Yes

2 No

9 DK

14. Do you know what process to follow in reporting a case of corruption?

1 Yes

2 No

9. DK

15. If your answer 'Yes' for question Nr.14, did you report the aforementioned corrupt act?

1 Yes

2 No

9 RA

16. How would you evaluate the process of reporting corruption cases?

Please answer on a scale of 1 to 5, where 1 corresponds to "completely disagree"; 2 "disagree"; 3 "indifferent"; 4 "agree"; 5 "completely agree".	Complete v. disagree	Disagree	Indifferen	Agree	Complete v. agree	DK
The process is very effective	1	2	3	4	5	9
The reporter is well protected from harassment and reprisal	1	2	3	4	5	9
The process is very simple	1	2	3	4	5	

17. How important are the following factors in explaining why people don't report corruption cases?

On a scale from 1 to 5, where 1 means "very unimportant"; 2 "unimportant"; 3 "fairly important"; 4 "important"; and 5 "very important";	Very un	Un	important	Fairly	important	Important	Very	DK
Not knowing where to report	1	2	3	4	5	9		
Cases not being proved	1	2	3	4	5	9		
The process is too complex and long	1	2	3	4	5	9		
Corruption is a custom	1	2	3	4	5	9		
Corruption can be justified under the current economic situation	1	2	3	4	5	9		

Investigation would not be made about the report	1	2	3	4	5	9
No enforcement even if the decision to investigate is made	1	2	3	4	5	9
Concerned about potential harassment and reprisal	1	2	3	4	5	9
Don't want to betray one's colleague	1	2	3	4	5	9

18. Indicate the extent to which you agree to the following statement on a scale from 1

where 1 corresponds to "completely disagree"; 2 "disagree"; 3 "indifferent"; 4 "agree"; 5 "completely agree".	Completely disagree	Disagree	Indifferent	Agree	Completely agree	DK
In private sectors there exist a genuine and sincere will to fight against corruption at this time	1	2	3	4	5	9
In the government there exist a genuine and sincere will to fight against corruption at this time	1	2	3	4	5	

19. How important are the following as causes of corruption in public sector of Nekemte city administration?

Please answer on a scale from 1 to 5, where 1 corresponds to "very unimportant" and 5 corresponds to "very important cause".	Very Un important	Un important	Fairly Important	Very important	DK	
Bribes have been a custom for a long time	1	2	3	4	5	9
Lack of meritocracy in public service systems	1	2	3	4	5	9
Low salary of public officials and civil servants	1	2	3	4	5	9
Lack of transparent and accountable public service process	1	2	3	4	5	9
Lack of independent and effective Judiciary	1	2	3	4	5	9
Lack of independent and effective media	1	2	3	4	5	9
Lack of effective corruption reporting system	1	2	3	4		9

20. In an illicit transaction, which one of the options below best reflects what happens, choose one only and mark with(X) :

1. Public servants request payment from the service users.	
2. Public servants demand payment from the service users.	
3. Service users offer to pay to the public servants.	
4. Both the public servants and the service users know what needs to be done.	
5. There are no illicit transactions.	
9. I don't Know.	

21. How often are unofficial payments received by public officials and servants for any of the following public services :

Services	Never	seldom	Some times	Most times	Always	DK
To get connected to public services (electricity, gas, water)	1	2	3	4	5	9
To get licenses and permits	1	2	3	4	5	9
To deal with taxes and tax collection	1	2	3	4	5	9
To gain government contracts	1	2	3	4	5	9
To influence laws and regulations	1	2	3	4	5	9
When dealing with court cases	1	2	3	4	5	9
To get a like permit business, license for construction , o business	1	2	3	4	5	9
To influence the content of new rules and regulations	1	2	3	4	5	9
To get a document like birth /marriage certificates, ID card	1	2	3	4	5	9
To avoid a fine /arrest with the police like passing a checkpoint...	1	2	3	4	5	9
Family transfer, job reservation, buying positions/promotions	1	2	3	4	5	9
Any other services (specify)_____	1	2	3	4	5	9

22. How often is the following statement true? If a government official fails to provide a service to which a citizen is entitled the citizen can usually go to another official or to his/her superior and get the correct treatment without fear of punishment.

23. For each one, how effective do you think it would be for improving the situation in

1	2	3	4	5	9
Always	Mostly	Sometimes	Seldom	Never	DK

public sector of Nekemte city administration?

Please answer on a scale of 1 to 5, where 1 corresponds to “very effective”; 2 “quite effective”; 3 “useful though not very effective”; 4 “not necessary”; 5 “actually harmful”.	Very effective	Quite	Useful	Not necessary	Actually harmful	DK
Stricter penalties for people who bribe public employees	1	2	3	4	5	9
Stricter controls and penalties for public employees	1	2	3	4	5	9
Reduction in government workforce, if it allows an increase in salary and benefits for remaining government workers	1	2	3	4	5	9
Make all public employees sign a ‘code of conduct’, setting out how they should behave towards citizens	1	2	3	4	5	9
Increasing salaries for public employees	1	2	3	4	5	9
Functioning procedures for appeal to courts against acts by public employees	1	2	3	4	5	9
Fewer official forms and documents	1	2	3	4	5	9
Display the rights of citizens on notices in all offices	1	2	3	4	5	9
Better training for public servants to give them the necessary knowledge, skills, and commitments	1	2	3	4	5	9
Better appeal and complaints procedures for citizens	1	2	3	4	5	9

24. How serious would you say each of the following problems is in Nekemte city administration?

Please answer on a scale of 1 to 5, where 1 corresponds to “completely disagree”; 2 “disagree”; 3 “indifferent”; 4 “agree”; 5 “completely agree”.	Not a problem	Negligibly serious	Fairly serious	Serious	Extremely Serious	DK
Abduction/ Rape	1	2	3	4	5	9
Unemployment	1	2	3	4	5	9
Inflation	1	2	3	4	5	9
Safety concerns / crime	1	2	3	4	5	9
Consumption of Drugs/chewing “khate”	1	2	3	4	5	9
Cost of Living	1	2	3	4	5	9
Political instability	1	2	3	4	5	9
Corruption	1	2	3	4	5	9
Low quality of education	1	2	3	4	5	9
Low quality of health care	1	2	3	4	5	9
Cost of education	1	2	3	4	5	9
Cost of health services	1	2	3	4	5	9
Lack of housing	1	2	3	4	5	9
Access to clean water	1	2	3	4	5	9
Poor sanitation	1	2	3	4	5	9
Food availability	1	2	3	4	5	9
Delinquency	1	2	3	4	5	9
Public Services (cost, quality, availability)	1	2	3	4	5	9
Poor quality of roads	1	2	3	4	5	9
Lack of leaders	1	2	3		5	9
Any pressing social problem(specify)_____						

25. What measures should be taken to curb corruption in public sector?

Measures	Ranking					
	0	1	2	3	4	5
Tougher laws and sentences						
Providing a good example of leadership						
More regular and control of public officials						
Greater publicity of the negative impacts of corruption						
Better salaries for public officials and servants						
Better education						
What other solutions are there?_____						

II. Focus Group Discussion Questions

1. Is corruption an important and pressing issue for the Nekemte city administration?
2. How do you perceive corruption? What are the sources of corruption?
3. What are the negative consequences of corruption?
4. How would you suggest increasing salaries of government employees in order to avoid a cycle of corruption sector?
5. What measures should be taken to curb corruption in public sector?
6. Anything that I missed in relation to corruption that you think is relevant as sources and impacts of corruption?

Thank You Once Again for Your Time and Concern!!!

Annexure –II**Survey Questionnaire to be filled by public sector officials and civil servants**

Indira Gandhi Open National University

School of Social Work Masters student project

Questionnaire to be filled by public sector officials and civil servants of Nekemte City Administration

Dear Respondents,

The purpose of this questionnaire is to gather data pertaining to study the sources and impacts of public sector corruption in Nekemte City Administration. Although new and innovative regulatory initiatives have been taken to limit the scope of corrupt behaviour, time and again, corruption has been able to stay one step ahead of the best regulatory measure that can be devised to control it, and the fight is turning out to be an uphill battle. In order to combat this uphill battle, your contribution is indispensable. All information you offer will be kept strictly confidential. Your participation will not be revealed under any circumstances. You are kindly encouraged you to be as candid as possible and to freely express your sincere opinions in answering the questions. There are no right or wrong answers. There is no need to write your name.

Thank You For Your Time And Cooperation!

ALL ANSWERS ARE ANONYMOUS!!!

Direction: In the survey, many times you will be asked you to answer using a scale from 1 to 5. where for instance, 1 corresponds to 'completely disagree'; 2 'disagree'; 3 'indifferent'; 4 'agree'; 5 corresponds to 'completely agree'. When it is provided the meaning only to the end points, 1 and 5 please assume that 2, 3, and 4 have corresponding meanings.

Mark with "X" in the given space like this (X).

Personal Profile of the Respondents

1. Sex:

- ◆ Male :(____)
- ◆ Female: (____)

2. Age:

- ◆ Below 20 Years (____)
- ◆ 20-30 Years (____)
- ◆ Above 30 Years (____)

3. Education:

- ◆ No education (____)
- ◆ Literate(____)
- ◆ Certificate(____)
- ◆ Diploma (____)
- ◆ First Degree (____)
- ◆ Second Degree (____)
- ◆ Any other qualification(If any specify)_____

4. Service Year:

- ◆ Below 5 Years (____)
- ◆ 5-10 Years (____)
- ◆ Above10 Years(____)

5. Which sector are you working in?

- ◆ public sector (____)
- ◆ private sector (____)

6. Is corruption an important and pressing issue for the Nekemte city administration?

- ◆ Yes. (____)
- ◆ No. (____)

7. Is your official salary sufficient for you to live on?

- 1 Yes
- 2 No

- 9. NS

8. How often does a public official engage in other activities in order to supplement his/her official earnings? Rate on a scale from 1 to 5.

1	2	3	4	5	9
Never	Seldom	Frequently	Most times	Always	DK/NS

9. Do you know any of your colleagues who have received compensation from working in a secondary job outside the public sector during the past 3 years?

- 1. Yes
- 2. No

9.DK

10. Evaluate the extent to which the decisions of your institution relating to administration regulations of personnel management

Please rate on a scale from 1 to 5, where 1 means never and 5 means always	Never	Seldo	Some times	Most times	Alway	DK
Are formally written/well communicated	1	2	3	4	5	9
Are simple, clear, easy to understand	1	2	3	4	5	9
Require an excessive number of administrative steps	1	2	3	4	5	9
Are well supervised (managers make sure that the rules are followed)	1	2	3	4	5	9
Are strictly applied (non-compliance always leads to negative consequences for defaulters)	1	2	3	4	5	9

11. To what extent personnel management decisions (hiring, assignments, changes, promotions, salary increases) wereduring the last 3 years (2009-2011)

Please evaluate on a scale from 1 to 5, where 1 means never and 5 means always,	Never	Seldom	Some times	Most	Always	DK
made in a transparent manner (know who were assigned, promoted, transferred, or received wage increment & why),	1	2	3	4	5	9
useful for the improvement of institutional efficiency	1	2	3	4	5	9
subjected to regular audits by the internal unit of control	1	2	3	4	5	9
subject to a formal procedure of appeal	1	2	3	4	5	9

based on specific criteria defined in writing	1	2	3	4	5	9
based on professional experience/merit/performance	1	2	3	4	5	9
based on level of education	1	2	3	4	5	9
based on seniority/length of service	1	2	3	4	5	9
based on family ties or friendship	1	2	3	4	5	9
influenced by business ties/associations	1	2	3	4	5	9
based on political ties/political affiliation/political pressure	1	2	3	4	5	9
based on connections within the institution	1	2	3	4	5	9
influenced by illegal payments (purchase of positions or promotions)	1	2	3	4	5	9
based on quality of relation with supervisors	1	2	3	4	5	9
based on gender	1	2	3	4	5	9
based on ethnicity	1	2	3	4	5	9
any others (specify)	1	2	3	4	5	9

12. Indicate the extent to which you agree or disagree with the following statements.

Answer on a scale 1 to 5, where 1 corresponds to 'completely disagree'; 2 'disagree'; 3 'indifferent'; 4 'agree'; 5 corresponds to 'completely agree'	Completely disagree	Disagree	Indifferent	Agree	Completely agree	Not applicable	DK
Working in the public sector is generally better than working in the private sector		1	2	3	4	5	9
My salary is very satisfactory		1	2	3	4	5	9
My other benefits (pension, health, etc.) are very satisfactory		1	2	3	4	5	9
My job and position are secure.		1	2	3	4	5	9

13. To what extent are you confident that you will keep your position and get promoted when you perform your job well?

Not confident at all	Confident a bit	Fairly confident	Confident	Extremely confident	Ns
1	2	3	4	5	9

14. How frequently is your performance formally evaluated?

1. Never
2. Once every 3 years
3. Once every 2 years
4. Once every year
5. Other (specify) _____

9. DK

15. Was there a written description of the criteria on which your last performance evaluation was based?

1 Yes

2 No

3 N/A

9 DK

16. To what extent do you agree with the following statements about disciplinary actions within your organisation?

Rate on a scale 1 to 5, where 1 corresponds to 'completely disagree'; 2 'disagree'; 3 'indifferent'; 4 'agree'; and 5 corresponds to 'completely agree.'	Completel v. disagree	Disagree	Indifferent	Agree	Completel v. agree	DK
Disciplinary actions have been impartially applied	1	2	3	4	5	9
Disciplinary actions have been an effective tool for motivating public officials to perform well	1	2	3	4	5	9

17. In the past 3 years has anyone in your organization been sanctioned for:

Reason for sanction	Yes	No	DK
Poor performance?	1	2	9
Unprofessional conduct	1	2	9
Corruption?	1	2	9

18. How often do public procurement contracts in your organisation involve any such additional payments or benefits?

1. Never
2. Not often
3. Quite often
4. Very often
5. Always

9. DK

19. Do the staff members of your organisation have direct contacts with the public in the course of performing their official duties?

- 1 Yes
- 2 No
- 9 DK

20. How often do complaints from the public lead to disciplining of erring staff?

- 1. Never
- 2. Not often
- 3. Quite often
- 4. Very often
- 5. Always
- 9. DK

21. How often compliments do (praises) from the public lead to recognition of responsible staff?

- 1. Never
- 2. Not often
- 3. Quite often
- 4. Very often
- 5. Always
- 9. DK

22. Among departments within your organisation, there exists good communications.

Please answer on a scale from 1 to 5 where 1 corresponds to “completely disagree”; 2 “disagree”; 3 “indifferent”; 4 “agree”; 5 “completely agree”.	Complete	Disagree	Indifferent	Agree	Complete	DK
	y disagree				y agree	

When managers make decisions, they always take into consideration the opinions of their subordinates	1	2	3	4	5	9
--	---	---	---	---	---	---

23. Evaluate how difficult it is for customers to obtain information from the public sectors.

1	2	3	4	5	9
Extremely difficult	Difficult	Fairly easy	Easy	Extremely easy	DK

24. How consistent with each other are rules that your organisation is asked to implement?

1	2	3	4	5	9
Very inconsistent	Inconsistent	Fairly consistent	Consistent	Very consistent	DK

25. Please indicate the extent to which you would be in agreement with the following expressions

Use the scale from 1 to 5, where 1 indicates that you completely disagree, and 5 means that you completely agree.	Completely disagree	Disagree	Indifferent	Agree	Completely agree	DK
All levels of public servants have a clear understanding of the Institution's objectives and strategies	1	2	3	4	5	9
All levels of public servants consider the citizens and users of public services, without discrimination	1	2	3	4	5	9
All levels of public servants identify with and are involved with the institutions' objectives and strategies	1	2	3	4	5	9
For all levels of public servants, there are incentives to improve the quality of services rendered	1	2	3	4	5	9
I clearly understand my institutional roles and responsibilities and what duties comprise each role	1	2	3	4	5	9

26. How effective do you consider the following measures for improving your organisation's performance?

Corrective Measures to be taken	Completely ineffective	Ineffective	Moderately ineffective	Effective	Completely effective	DK
More budgetary resources	1	2	3	4	5	9
More staff	1	2	3	4	5	9
Better trained competent staff	1	2	3	4	5	9
Higher salary	1	2	3	4	5	9
Greater managerial autonomy	1	2	3	4	5	9

Immunity from political influence	1	2	3	4	5	9
Tighter connection between performance and discipline	1	2	3	4	5	9
More and better equipment	1	2	3	4	5	9
Better communication within your organisation	1	2	3	4	5	9
Better communication with other organisations	1	2	3	4	5	9
Better legal framework	1	2	3	4	5	9
Reduced operational mandate	1	2	3	4	5	9
Better capacity to detect and punish corrupted behaviours	1	2	3	4	5	9
Other(specify)	<hr/> <hr/> <hr/>					

27. The followings are the list of public organisations. Please evaluate their trustworthiness of corruption.

Sectors	very dishonesty	quite dishonest	fairly honest	very dishonest	very	NS
Transport and communication						
Trade and license						
Taxes Department						
Traffic Police						
Patrol Police						
Mass media						
Local land administration						
Local attorney						
Health sector						
Education sector						
Customs and revenue Authority						
Courts						
City administration						
Agriculture sector						

28. In your opinion how widespread is corrupt practice among Nekemte city administration public sectors? Answer on a scale from 1 to 5.

Scale	1	2	3	4	5	9
1-5	Non-existent	Negligible	Fairly widespread	Widespread	Completely widespread	DK

29. From the corruption cases that you have knowledge of either directly or indirectly, evaluate how frequently these practices occur.

Please use a scale from 1 to 5, where 1 means “never”; 2 “seldom”; 3 “sometimes”; 4 “most times”; and 5 means “always”.	Never	Seldom	Some times	Most	Always	DK
The public official would demand that a bribe must be paid	1	2	3	4	5	9
The public official would request that a bribe must be paid						
The public official would whisper that a bribe must be paid						
The local firm offers the bribe						
The groups know how the process works and how much money they need to pay						

30. It is known that in many instances, public servants “buy” positions in the public sector. Based on your direct or indirect experience, how common is the practice of “purchasing jobs” in public sector?

Rate on Scale 1-5	Completely	Uncom	Fairly	Common	Very Common	DK
Your colleagues superiors (people at a higher level than you not including your superiors)	1	2	3	4	5	9
Co-workers (people at your same level not including yourself)	1	2	3	4	5	9
Subordinates of your colleagues (people at a lower level than you, not including your subordinates)	1	2	3			9

31. Did any employees of your organisation purchase educational certificates or credentials necessary for their jobs?

- 1 Yes
- 2 No
- 9 NS

32. If your answer 'Yes' for question Nr.32, what proportion of the employees was involved in purchasing of educational certificates or credentials necessary for their jobs?

1. Almost none
2. Less than half
3. More than half
4. Most employees
5. Almost all employees
9. DK

33. Have you observed any act/solicitation of corruption by a public official during the past 3 years?

- 1 Yes
- 2 No
- 9 DK

34. Do you know what process to follow in reporting a case of corruption?

- 1 Yes
- 2 No
9. DK

35. If your answer 'Yes' for question Nr.35, did you report the aforementioned corrupt act?

- 1 Yes
- 2 No
- 9 RA

36. How would you evaluate the process of reporting corruption cases?

Please answer on a scale of 1 to 5, where 1 corresponds to “completely disagree”; 2 “disagree”; 3 “indifferent”; 4 “agree”; 5 “completely agree”.	Completely disagree	Disagree	Indifferent	Agree	Completely agree	DK
The process is very effective	1	2	3	4	5	9
The reporter is well protected from potential harassment	1	2	3	4	5	9
The process is very simple	1	2	3	4		

37. How important are the following factors in explaining why people do not report corruption cases?

On a scale from 1 to 5, where 1 means “very unimportant”; 2 “unimportant”; 3 “fairly important”; 4 “important”; and 5 “very important”;	Very unimportant	Unimportant	Fairly important	Important	Very important	DK
Not knowing where to report	1	2	3	4	5	9
Cases not being proved	1	2	3	4	5	9
The process is too complex and long	1	2	3	4	5	9
Corruption is a custom	1	2	3	4	5	9
Corruption can be justified under the current economic situation	1	2	3	4	5	9
Investigation would not be made about the report	1	2	3	4	5	9
No enforcement even if the decision to investigate is made	1	2	3	4	5	9
Concerned about potential harassment and reprisal	1	2	3	4	5	9
Don’t want to betray my colleague	1	2	3	4		9

38. Please indicate the extent to which you agree to the following statement on a scale from 1 to 5.

where 1 corresponds to “completely disagree”; 2 “disagree”; 3 “indifferent”; 4 “agree”; 5 “completely agree”.	Completely disagree	Disagree	Indifferent	Agree	Completely agree	DK
In your organisation there exist a genuine and sincere will to fight against corruption at this time	1	2	3	4	5	9
In the government there exist a genuine and sincere will to fight against corruption at this time	1	2	3	4	5	9
In private sectors there exist a genuine and sincere will to fight against corruption at this time						

39. How important are the following as causes of corruption in public sector of Nekemte city administration?

Please answer on a scale from 1 to 5, where 1 corresponds to “very unimportant” and 5 corresponds to “very important cause”.	Very unimportant	Unimportant	Fairly important	Important	Very important	DK
Bribes have been a custom for a long time	1	2	3	4	5	9
Lack of meritocracy /Lack of effective incentive mechanism for public officials	1	2	3	4	5	9
Low salary of public officials	1	2	3	4	5	9
Lack of transparent and accountable political process	1	2	3	4	5	9
Lack of independent and effective Judiciary	1	2	3	4	5	9
Lack of independent and effective media	1	2	3	4	5	9
Lack of effective corruption reporting system	1	2	3	4		9

40. In an illicit transaction, which one of the options below best reflects what happens (choose one only):

1. Public servants request payment from the service users.
2. Public servants demand payment from the service users.
3. Service users offer to pay to the public servants.
4. Both the public servants and the service users know what needs to be done.
5. There are no illicit transactions.
9. Don't Know.

41. How often are bribes received by public servants for any of the following:

Services	Never	seldom	Some Times	Most times	Always	DK
To get connected to public services (electricity, gas, water)	1	2	3	4	5	9
To get licenses for construction , micro business	1	2	3	4	5	9
To deal with taxes and tax collection	1	2	3	4	5	9
To gain government contracts	1	2	3	4	5	9
To influence laws and regulations	1	2	3	4	5	9
When dealing with court cases	1	2	3	4	5	9
To influence the content of new regulations	1	2	3	4	5	9
To influence the content of new rules and regulations	1	2	3	4	5	9
To get birth, marriage certificate, ID card,	1	2	3	4	5	9
To avoid a fine or problem with the police	1	2	3	4	5	9
Family transfer	1	2	3	4	5	9

42. How often is the following statement true? If a government official fails to provide a service to which a citizen is entitled the citizen can usually go to another official or to his/her superior and get the correct treatment without fear of punishment.

1	2	3	4	5	9
Always	Mostly	Sometimes	Seldom	Never	DK

43. For each one, how effective do you think it would be for improving the situation in public sector of Nekemte city administration?

Please answer on a scale of 1 to 5, where 1 corresponds to "very effective"; 2 "quite effective"; 3 "useful though not very effective"; 4 "not necessary"; 5 "actually harmful".	Very effective	Quite effective	Useful though not very effective	Not necessary	Actually harmful
Increasing salaries for public employees	1	2	3	4	5
Better training for public employees to give them the necessary knowledge and skills	1	2	3	4	5
Reduction in government workforce	1	2	3	4	5
Better appeal and complaints procedures for citizens	1	2	3	4	5
Functioning procedures for appeal to courts against corruption acts	1	2	3	4	5
Fewer official forms and documents	1	2	3	4	5
Display the rights of citizens on notices in all offices	1	2	3	4	5
Make all public employees sign a 'code of conduct'	1	2	3	4	5
Strict controls and penalties for public employees	1	2	3	4	5
Strict penalties for people who bribe public employees	1	2	3	4	5

44. How serious would you say each of the following problems is in Nekemte city administration?

Please answer on a scale of 1 to 5, where 1 corresponds to "completely disagree"; 2 "disagree"; 3 "indifferent"; 4 "agree"; 5 "completely agree".	Not a problem	Negligibly	Fairly serious	Serious	Extremely Serious	DK
1. abduction /rape	1	2	3	4	5	9
2. Unemployment	1	2	3	4	5	9
3. Inflation	1	2	3	4	5	9
4. Safety concerns / crime	1	2	3	4	5	9
5. Consumption of Drugs	1	2	3	4	5	9
6. Cost of Living	1	2	3	4	5	9
7. Political instability	1	2	3	4	5	9
8. Bad leadership	1	2	3	4	5	9
9. Corruption	1	2	3	4	5	9
10. Low quality of education	1	2	3	4	5	9
11. Low quality of health care	1	2	3	4	5	9

12. Cost of education	1	2	3	4	5	9
13. Cost of health services	1	2	3	4	5	9
14. Lack of housing	1	2	3	4	5	9
15. Access to clean water	1	2	3	4	5	9
16. Poor sanitation	1	2	3	4	5	9
17. Food availability	1	2	3	4	5	9
18. Delinquency	1	2	3	4	5	9
19. Public Services (cost, quality, availability)	1	2	3	4	5	9
20. Poor quality of roads	1	2	3	4	5	9
21. Lack of leaders	1	2	3		5	9
22. Any pressing social problem(specify)_____						

45. What measures should be implemented to control public sector corruption?

Measures	Ranking					
	f	1	2	3	4	5
Tougher laws and sentences						
Providing a good example of leadership						
More regular and control of public officials						
Greater publicity of problems of corruption						
Better salaries for public officials and servants						
Better education						
Any other measure (What other solutions are there?)_____						

II. Focus Group Discussion Questions

1. Is corruption an important and pressing issue for the Nekemte city administration?
2. How do you perceive corruption?
3. What are the sources of corruption?
4. What are the consequences of corruption?
5. How would you suggest increasing salaries of government employees in order to avoid a cycle of corruption among politicians?
6. What measures should be taken to curb corruption problem?
7. What area anything that I missed in relation to corruption that you think is relevant as sources and impacts of corruption?

Thank You Very Much Once Again for Your Time and Concern!!!