



Addis Ababa University college of Business and Economics  
Department of Public Administration and Development Management

The Relation between Low Pay and Intent of Corruption by  
Employees Working in the Federal Public Organizations:  
The Case of Some Selected Ministries

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A Thesis Submitted to the Graduate Program of Addis Ababa University in Partial  
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Policy (MPMP)

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This is to certify that this thesis has been submitted in partial fulfillment of the requirements for the award of master in Public Management and Policy Study (MPMP) with my approval as Advisor and Examiner.

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## **CANDIDATE’S DECLARATION**

I do hereby declare to the senate of Addis Ababa University College of Business and Economics that the work which is being presented in this thesis entitled The Relation between Low Pay and Intent of Corruption by Public Employees Working in the Federal Public Organizations: The Case of Some Selected Ministries with the guidance and support of the research advisor, is my own original work, that it has not been submitted partially; or in full, by any other person for an award of a degree in any other university or institution and that all sources of material used for the thesis have been duly acknowledged.

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## LETTER OF CERTIFICATION

This is to certify that Girum Birhanu carried out his study on the topic entitled The Relation between Low Pay and Intent of Corruption by Public Employees Working in the Federal Public Organizations: The Case of Some Selected Ministries. I have directed the student in undertaking the research reported herein and I confirm that the student has effected all corrections suggested and suitable for submission for the award of the Master's Degree in Public Management and Policy Study (MPMP) to the best of my knowledge.

---

Shumey Berhie (PhD)

(Thesis advisor)

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Date

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|       |  |
|-------|--|
| ACA   | American compensation Association                  |
| BTI   | Bertelsmann Stiftung's Transformation Index        |
| CS    | Civil Service                                      |
| CSRP  | Civil Service Reform Program DI                    |
| CPI   | Corruption Perceptions Index                       |
| CSOs  | Civil society organizations                        |
| ETB   | Ethiopian Birr                                     |
| FDI   | Foreign Direct Investment                          |
| FDRE  | Federal Democratic Republic of Ethiopia            |
| FEACC | Federal Ethics and Anti-Corruption Commission      |
| GDP   | Gross Domestic Product                             |
| GTP   | Growth & Transformation Program                    |
| MDGs  | Millennium Development Goals                       |
| MoMP  | Ministry of Mines and Petroleum                    |
| MUDH  | Ministry of Urban Development and Housing          |
| NGOs  | Non-governmental organizations                     |
| NSA   | Non-State Actors                                   |
| SEDP  | Socio-Economic Development Plan                    |
| TI    | Transparency International                         |
| TIE   | Transparency International Ethiopia                |
| UNPAN | United Nations Public Administration Network       |
| USAID | United States Agency for International Development |
| UNDP  | United Nations Development Program                 |
| USD   | United States Dollar                               |
| WB    | World Bank   |
| WF    | World Food Program                                 |
| WTO   | World Trade Organization                           |

## **Abstract**

*The study aimed to discover factors that have prompted the researcher to investigate the relationship between low-pay and intent of corruption and drew out some recommendation for policies area of low pay and intent of corruption. The study implemented multiple case study employing a questionnaire survey in some ministries, selected based on Federal Ethics and Anti-Corruption Commission six month performances (2013 E.C) that is from the ministries top/good performer (Ministry of Urban Development and Housing and Ministry of Trade) and low performer (The innovation and technology ministry and Ministry of Mines and Petroleum). Besides, questionnaire survey, informal information such as short conversations, discussions, documents and reports was play part as a modifier to the statistical findings within a triangulation method. The results from the analysis showed that there is a relationship between low pay and intent of corruption in the above mentioned ministries. In other word, while pay increase result the decrease of intent of corruption. The evidences also make the analysis more precise, by bringing the commonalities conversations, documents and reports by scholars within boundary of the thesis context that, low government pays combined with weak monitoring systems are breeding grounds for corruption and misuse of public resources and also, low pay in public sector provides a breeding ground for corrupt practices. Hence increase pay and law enforcements are always the important key recommendation to fight against corruption.*

**Key words: Intent, corruption, pay, public employees, Ethiopia**

# CHAPTER ONE

## Introduction

### 1.1 Background of the Study

Abroad 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).

A (U4 Brief drawing lessons on wages and corruption from public hospitals) notes that wages are not the only determinant of corruption and other factors need to be taken into account, including the expected gain from corruption, the risk of losing the job, the probability of being detected, and the magnitude of the penalty if being caught. Thus the absence of effective monitoring undercuts any potential effect that wages would have on corruption and suggests that higher wages anti-corruption policies need to be accompanied by regular auditing, appropriate sanctions and effective prosecution measures.

There is a broad consensus that low government pays in developing countries result in a decline of public sector efficiency and productivity create both incentives and opportunities for corruption and misuse of public resources. However, most studies also agree that increasing salaries without establishing effective control and monitoring systems as well as enforcement of appropriate sanctions is unlikely to have an impact on corruption. Thus there is a growing consensus that low government wages combined with weak monitoring systems are breeding grounds for corruption and misuse of public resources.

Other studies looking at pay levels in relations to per capita income find contradictory results in terms of their correlation to corruption levels. (The World Bank's thematic page on ineffective monetary incentives) Some other studies, not only challenge the effectiveness of increasing wages as an anti- corruption measure, but also conclude that anti- corruption policies designed to increase wages and net income of potentially corrupt agents may be both ineffective and encourage corruption. (Wages and other determinants of corruption) However, empirical evidence may be inconclusive on the link between wages and corruption because of methodological challenges involved in cross country analysis of pay and corruption. There are

general measurement problems and limitations in both corruption and pay data, as well as challenges in identifying appropriate benchmarks for comparisons.

In addition, should a link between wages and corruption be empirically confirmed, the direction of causality may remain unclear. Corruption may lead to lower pay rather than the reverse, by reducing the public resources available to compensate public officials. As inefficient public services create more opportunities for rent seeking and bribe extortion and corruption, some even argue that higher pay may worsen corruption under certain circumstances, by crowding out other funding necessary for the provision of quality services, undermining the efficiency and productivity of public service delivery. (World Bank analysis of monetary incentives)

Another argument (Low wages and the moral costs of corruption) found in the literature and the knowledge gap in which this study is positioned is that, there is a greater public tolerance for corrupt practices when civil servants' incomes are insufficient for living and their relative level are low or perceived as unfair in comparison to private sector salaries. Informal payments are perceived as a subsistence strategy that compensate for inequitable working conditions and economic hardships make it less reprehensible to demand or accept bribes for poorly paid staff as a survival coping strategy.

Ethiopia is a founding member of the United Nations and signed the United Nation Convention against Corruption in 2003 and ratified it in 2007 (UNODC 2018) and also signed African Union Convention on Preventing and Combating Corruption in 2004 and ratified it in 2007.

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

Bertelsmann Stiftung's Transformation Index (BTI) 2018 ranks the country 113 out of 129 countries. It adds that corruption poses a serious and multifaceted problem to the overall wellbeing of the population and its economy. And according to CPI, Ethiopia's international ranking of corruption; the official value for Ethiopia is given as 37 points in 2019 and 38 points in 2020. The scale has a range from 0 to 100, in which corruption raises; the higher the number is with this result Ethiopia ranks 97<sup>th</sup> in 2019 and 94<sup>th</sup> in 2020. In the long term, it has The

"Corruption Perceptions Index" for the public sector showed 63 points in Ethiopia for 2019.

The World Bank Study in Ethiopia found that corruption is the most challenging problem that all households face after poverty (WB, 2005). According to Global Financial Intelligence, Ethiopia lost US\$26 billion to illicit financial outflows between 2004 and 2013 (Bertelsmann Stiftung 2018) accordingly, the government of Ethiopia commitment to anti-corruption needs to be backed up by investing in building the capacity of institutions with anti-corruption mandates. In addition to what theories and sources of data were mentioned above, the high food and high fuel price make more severe to recent low-pay in the public sector. This impact of soaring prices pushed the inflation rate reached above average time to time. The soaring prices gave the individuals a hard time to survive in this harsh recessional condition.

Most of all the basic mentioned needs are generating from public employees' pay and allowances. It vital for public employees a decent living pay to stay in their job and to work more efficient, then stay out of corruption or if it is not so, it is a vice versa. Likewise, retrieve an improved economic growth and fighting against poverty, the country like Ethiopia need to focus more on the capable, transparent and effective public sector. This is because public sector is the major influence on a country development. That's why, this thesis reflects or emphasis to dig for the level of relationship between low-pay and intent of corruption by public employees working in the federal public organizations of selected Ministries.

### **1.1.1 Background Profiles of the selected Ministries**

#### **I. Ministry of Urban Development and Construction**

The Ministry of Urban Development and Housing is re-established on October 6, 2015 following the issuance of proclamation No. 916/2015 of the Negarit Gazetha that defined the powers and duties of the Executive organs of the Federal Democratic Republic of Ethiopia and is an institution working mainly focusing on urban development and housing sectors. Besides, the powers & duties given by provisions of other laws currently in force to the ministry of urban development & housing & the ministry of construction are here by vested in ministry of urban development & construction

## **Vision**

Realizing the development of complimentary, prosperous and internationally competitive urban centers, which are centers of development, models of democracy, generate development and deliver efficient services to their inhabitants and ensure their livability through plan led development.

## **Mission**

To make residents beneficiaries by making urban centers to become development and good governance centers by supplying standardized services through integration and coordination of customers and stakeholders.

## **II. Ministry of Trade and Industry**

The Ministry was reorganized with a proclamation No 619/2003 issued to amend the reorganization of the executive organs of the Federal Democratic Republic Ethiopia Proclamation No 256/2001. With this proclamation and by other laws, the Ministry has been given the power to supervise and coordinate five government institutions that are involved in the promotion & development of trade, industry and investment activities.

## **Objectives**

The main objectives for the sector are; to ensure modern and fair trading practices; - As such

- To enhance transparency and fairness of the institutional and organizational framework for trade operations.
- Emphasis will also be given to intensifying international trade and improving domestic marketing systems by strengthening consumers' cooperatives and supporting access to viable market opportunities

## **III. Ministry of Mines and Petroleum (MOMP)**

The Ministry of Mines and Petroleum was reestablished by the Proclamation 1097/2018 as a regulatory organ of the Mines and Petroleum Sector of the country including the granting of exploration and Mining licenses.

As one of the priorities sectors for the homegrown economic reform agenda of the country, the ministry is encouraging private sector investment, streamlining bureaucratic and regulatory procedures, updating policies, and building institutional capacity by introducing a digital mining cadaster system.

The Ministry is working to make the country to be a priority destination for international mining and petroleum investors through promoting its strategic minerals such as gold, gemstones mainly Opal, emerald and sapphire, tantalum, lithium, potash, iron ore, and industrial, energy and construction minerals and petroleum. The Ministry through its corporation is promoting a joint venture in the Public-Private-Partnership (PPP) modality to establish a centralized laboratory and drilling service provision.

The ministry has two autonomous institutions under it. The Geological Survey of Ethiopia (GSE) that focuses on strengthening the generation and dissemination of geoscience data, drilling and laboratory analysis and The Ethiopian Mineral, Petroleum and Biofuel Corporations (EMPBC) which public enterprise is engaged in the commercial activity of mining, petroleum and bio-fuel sectors.

#### **IV. Ministry of Innovation and Technology**

The innovation and technology ministry is one of the 19 ministerial offices re-organize in a new manner by being accountable to the office of the prime minister after duly established as per Article 55 Sub Article 1 of the FDRE Proclamation No. 1097/2018.

The Innovation and Technology ministry is established as a government institution for the first time in level of commission as per the provision of Proclamation No. 62/76. Consequent to this, it has been re-organized and operated in the name of the name of “FDRE Science and Technology” in the level of Ministry as per Proclamation No. 603/2009.

As per Proclamation No. 1097/2019 enacted to re-organize executive bodies in the year 2019, the ministry of science and technology and the Ministry of Communication and Information Technology are united and re-organized in the name of “Ministry of Innovation and Technology”. The institution has been carrying out various activities since the time it is established in the level of commission up to these days and with a view to realize the vision to see building up of bridge to transform our country to overall prosperity by supported with innovation technology knowledge and research skill has been implemented as of very recently.

### **1.2 Statement of the Problem**

Corruption negatively affects the on-going poverty reduction program and democratization processes of the country (Eberlei, 2009). When grand corruption is practiced by politicians and senior officials, their manner sets the standard for the people under them, and corruption can



become syndicate with each member of an entire hierarchy playing a role and sharing in the proceeds of corrupt practice within a government organization (Brown et al 2010). While, Petty and bureaucratic corruption in country's bureaucracy is also considered to be complex, creating opportunities for officials and staff to attempt to circumvent rules, and therefore be more open to giving and receiving bribes to secure contracts (Wheatland 2015).

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

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

Rijkeghem and Weder (2001) examining panel data of 31 countries between 1982-94, find a statistically significant negative relationship in the long term between corruption and the ratio of public sector employee's wage level to the wage level of the employees in the private productive sectors. Hence I stand to examine the relationship between low pay and intent of petty corruption by public employees working in the federal organizations case of selected ministries.

Corruption is an important social and ethical problem. Determining root causes of it should be the first step to be able to fight it. There is a large literature on the causes of corruption. Wage level of public employees, level of national income, degree of openness to foreign trade, existence of rule of law, political freedoms, free media and democracy, education level of the people, inflation, quality of bureaucratic services and the justice system, level of unemployment are some of the factors that are shown to affect corruption in some way or another.

Though, even as seen in different ways and cases, there are limited studies about the slim remuneration and corrupted public employees. Beside, in most of previous studies by scholars and authors did not seriously frame context of low-pay and corruption intent study in the Ethiopia public sector, due to lack of logical explanations associated with the empirical evidences. Therefore, this paper has focus very much to fill up the gap.

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 of relational and causality of low pay for intent corruption and much more remains to be done to yield fresh and contextual insights. Thus this study has attempt to contribute facts by showing the relationship between low-pay and intent of corruption, can be moderated by the extent to which active and collaborative tactics has been necessary in the progress. Claims concerning the causes of corruption are conditional, and the robustness of the findings is open to question. 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 disfavor.

These factors have prompted the researcher to investigate the relationship between low-pay and intent of corruption by public employees working in the federal public organization of selected Ministries.

### **1.3 Research questions**

It is with the above background of the problem statement that the study is initiated and conducted. The research mainly enquires as to see the relationship between low pay and intention of corruption. The specific research questions are as follows:

- 1) What is the level of corruption in the selected Ministries, as perceived by low-pay employees working in the public organizations?
- 2) What is the level of intention of the low-pay employees working in the selected public organizations towards corruption?
- 3) Is there a relation between low-pay and corruption intent among the low-pay employees working in the selected public organizations?
- 4) What are the possible reasons for the difference in the perception towards corruption among the low-pay employees working the selected public organizations?

### **1.4 Objective of the study**

#### **1.4.1 General Objective**

The general objective of this study is to dig for the relationship between low pay and intent of corruption by public employees working in the federal public organizations of selected ministries.

#### **1.4.2 Specific Objective**

- 1) To realize the level of corruption in the selected Ministries, as perceived by low-pay employees working in the public organizations.

- 2) To dig for the level of intention of the low-pay employees working in the selected public organizations towards corruption.
- 3) To investigate whether there is a relation between low-pay and corruption intent among the low-pay employees working in the selected public organizations.
- 4) And to identify the possible reasons for the difference in the perception towards corruption among the low-pay employees working the selected public organizations.

## **1.5 Significance of research**

The significance and relevance of this relational Study about low pay and intent of corruption are the following:

- The above mentioned research topic, research questions and sub-research questions have enlightened this paper to pave the way to seek for answers relationship land scape of low-pay and corruption in Ethiopia federal public sector that born as causal relationship with the support by empirical evidences and logical explanation in order to grasp attention by policy-makers, that is low-pay really the matter of corruption.
- Those research questions lead to recommendation to pursue for solutions in fighting corruption in the context of public sector remuneration policies, with further concrete measures of anti-corruption law and law enforcement.
- Moreover, the findings of relational of low pay and intent of corruption will be a huge contribution to pay reform and anti- corruption actions by considering the current inflation with the public employees remuneration policy of the country, that will not only bring about the whole public administration reform in the sense of life or death scenario and also it will regulate the change course of direction of Ethiopia federal public organization of selected ministries towards the socio- economic development.
- Finally, and the most important significance of these study is that, due to lack of logical explanations associated with the empirical evidences, in most of previous studies by scholars and authors did not frame context of low salary and corruption study in the Ethiopia at the federal level, Therefore, in this paper is focus very much to fill up the gap.

## **1.6 Scope of the Study**

Scope of the study is relation between low pay and intent of corruption. However, the study does not address all sources, extents and costs of corruption in the entire public sector at national level. The scope of this study is to assess the linkage between low pay and intention of

corruption by public employees working in the federal public organization of selected ministries based on FEACC six month performances (2013 E.C) that is from the ministries top/good performer (Ministry of Urban Development and Housing and Ministry of Trade) and low performer (The innovation and technology ministry and Ministry of Mines and Petroleum).

This study has included medium level and low level public employees and petty corruption so as to obtain adequate and diversified information about the issue under discussion. However, due to the problem of distance, scarcity of different resources especially time, and money and for the sake of manageability and simplicity, the study is delimited to federal public organizations of selected ministries settled in Addis Ababa.

### **1.7 Limitations of the Study and the Problems Encountered**

- As the Study focused on some Federal government offices/ministries, it does not cover the anti-corruption struggles carried out nationwide and the results they have achieved. While this shows the limitation of the Study,
- The limited time and budget allocated for the Study,
- The current phenomenal characteristic of Ethiopia's public sectors also classified as another constraint while requesting to complete the survey.
- Frequent change of heads and employees of public organizations/Ministries due to the favorable and unfavorable employment opportunities currently available as a result of low salary and when carried out the tasks no longer available for filling questionnaires and discussions, while the new recruits do not know what was done previously.
- The failure of the heads of Federal government offices/ministries to respect appointments arranged for discussion and to return the questionnaires.

### **1.8 Operational Definition of Key Terms**

- **Pay:** is the primary reward encourages people to come and to stay for a job (Pfeffer J., 1998).
- **Low pay:** unable to cover by the substantive salary to ensure the survival or makes less incentive linked with insufficient payments for public official.
- **Corruption:** is the abuse of public roles and resources for private benefits
- **Intent of Corruption:** when the public employees aim to find other sources of income

and involves small gifts, favor or bribes due to the current economic hardship associated with low pay

- **Petty corruption:** is generally regarded as simple/small and it is very common in very normal day-to-day interactions and relations in society. It usually involves small gifts, favor or bribes. (AYT, 2009, p.6).
- **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
- **Physiological needs** are the combination of food, water, air and shelter, which cover by the substantive salary to ensure the survival. (Maslow, 1943, pp.373)
- **Insufficient national budget** is incapable of government to increase more pay to their employees because of the dependency of foreign aids and relentless/ruthless of revenue collection.

## **1.9 Organization of the Paper**

The study is presented in five chapters. The first chapter contain the introduction part of the paper which comprises the background of the study, background of the company, statement of the problem, basic research questions, objectives of the study, hypothesis of the research, definition of key terms, significance of the study, and scope and limitation of the study.

The second chapter provides the relevant theoretical and empirical information obtained from related reviewed literatures pertaining to the topic under the study. The third chapter presents the research methodology part used to carry out the research activities. This part of the research report comprises the type and design of the research, the participants and samples of the study, sampling methods and procedures employed, data sources and data collection instruments used, the data collection procedures, the data analysis and presentation methods used. The fourth chapter shows the findings, the interpretation and discussion parts of the research. Finally, the fifth chapter contains the summary, conclusion and recommendation part of the study report.

## **CHAPTER TWO**

### **Review of Literature**

#### **2.1 Introduction**

The most common definition of corruption is “the abuse of public office for private gain” (Rose- Ackerman, 2004). Generally, corruption is regarded as problematic, but some studies suggest that corruption might be the second best solution to the problem of over-regulation (Leff, 1964; Lui, 1985). According to the grease-to-the-wheel view, too much government regulation may end up choking off economic activities. In such an environment, bureaucrats accepting bribes and turning a blind eye to black markets and smuggling may actually improve social welfare. Likewise, bureaucratic corruption reduces the delay caused by red tape and gets the most efficient applicants ahead of a slow queue. However, these arguments are only valid under very specific situations (Bardhan, 2006). The redeeming effects of corruption cannot offset the burden of even more regulations and delays as deliberately imposed by bureaucrats to extract further bribes.

Over the past decades, a large number of studies have examined the nexus between corruption and development. Corruption is found to lower economic growth either directly (Mauro, 1995; Swaleheen, 2011) or indirectly via lowering the incentives for productive investment (Johnson et al., 2011). Corruption engenders unsustainable economic developments (Aidt, 2009) and erodes public confidence in government institutions (Clausen et al., 2011). Corruption can also cause budget consolidation efforts to fail (Arin et al., 2011). Most importantly, corruption sustains further corrupt activities because the public becomes indifferent to the problem (Mauro, 2004) while every new generation of bureaucrats becomes corrupt because their past and current colleagues and seniors are also corrupt (Dong et al., 2012; Sah, 2007). Many developing countries seem to be entrapped in a bad equilibrium of rampant corruption, poverty and stagnation. Consequently, fighting corruption has been on top of the policy agenda of several international development organizations.

#### **2.2 Theoretical Base of corruption**

The early academic researches by scholars and social science authors are the important part of the chapter. Thus another alternative aspect to prove the linkage, hence According to J.S. Nye., corruption is behavior which deviate from the formal duties of the public role whether elective

or appointee because of private regarding (personal, close family, private clique) wealth or status gains or violate the rule against the exercise of certain types of private regarding influence. In other word, corruption is the abuse of public roles and resources for private benefits, yet corruption and public perception that an action is corrupt are not necessarily the same thing, it is always encounter the words “corruptness and wrongness” (Michael Johnston, 1986). Stephen Kotkin and ArdrasSajo (2002) mentioned that corruption refer to degradation of agent’s ethical sense to their lack of moral integrity or even their depravity. Also, corruption defined as the use of the public office for the private gains. It includes bribe, embezzlement, nepotism, extortion, influence peddling and fraud (Byong S.K, 2012). Eventually, Micheal Johnston (1986) had more precise definition toward corruption by classified the definition into three multiple forms of corruption. According to him, exchange is the first of their kind, which referred to some sort of relationship between people or groups and from this relationship can noticeably vary from one form of exchange to another. The best example for exchanges’ process of corruption can be known as things change hands, money, jobs, contracts, licenses, building material, favorable conditions and it can have more long list of such items according the range of activities. Second, integrative corruption is another form of corruption, it described as the links of people and groups into the lasting network of exchange and share interest, which may solidify by the power authoritarian regime. Last, disintegrative corruption produces division and conflicts, both among those who involved in the corrupt enterprise and between those who included and those who left out (Micheal Johnston, 1986, pp. 464). In addition, the scholar firmly considered disintegrative form is quite more stable and more flexible than integrative form. Micheal Johnston’s multiple forms of corruption are:

- Exchange process
- Integrative
- Disintegrative

Yet, there are still several factors that will influence the multiple forms of corruption that notified as following points:

- Social attachments and customs;
- Attribute of policy process;
- Anti-corruption law and its enforcement;
- Economic characteristic.

Since the developing world is hungry for systematic analysis and practical lessons, such as many will find this a valuable and practical starting point in understanding the challenges for corruption control.” (John S.T. Quah, 2010). However, the definition of corruption is not the only key purpose in this research, but the interaction relations between pay and intent of corruption is the main key that will be derived from this part to other parts for the conducive explanation in the next section. Consequently, raising government wages to combat corruption seems an intuitive solution because it lessens the bureaucrats’ incentive to extract illegal income. Several studies therefore suggest paying higher government wages to break the vicious circle of corruption and poverty (Bond, 2008; Bose, 2004; UIHaque and Sahay, 1996; Van Rijckeghem and Weder, 2001).

### **2.3 Levels, forms and manifestation of corruption**

In order to educate and sensitize people researchers working in corruption area emphasize that one has to know clearly the levels, forms and manifestation of corruption in the society, institutions, organizations etc. Without such clear knowledge the strategies to be employed will not be effective in combating corruption. According to Center for Democracy and Governance (1999) a strategy to fight corruption should fit the particular circumstances of a country, taking into account the nature of the corruption problem as well as the opportunities and constraints for addressing it. Therefore, designing a strategy requires an assessment of the extent, forms, and causes of corruption for the country as a whole and for specific government institutions (p.15). Available literature indicates that Corruption is manifested in various forms and is categorized in terms of levels and types. According to AYT (2009) corruption can, and does manifest itself at the following levels: individual, family, and community, national, regional and international. In terms of categories there is petty corruption and grand corruption. According to a study report entitled, Uganda-the Fight against Corruption (2003) there are two typologies of corruption, namely political corruption versus bureaucratic corruption, and controlled versus uncontrolled corruption. Next to these typologies there are five forms and manifestations: bribery, embezzlement, fraud, extortion and favoritism (p.6).



### **2.3.1 Political versus bureaucratic corruption:**

#### **➤ Political corruption**

Also called grand corruption refers to when political decision-makers use their political powers in order to sustain their own powers, wealth and status. It takes place at the highest levels of the political system. Grand corruption exhibits the following characteristics:

- It is perpetrated by senior public officials and these senior officials often develop a culture of impunity
- The deals are well net worked and involve players from different institutions, public offices and departments.
- The deals are shrouded in secrecy and concealment of crucial information from institutions of transparency and accountability.
- The deals are concluded with unusual speed and excluded from mandatory procedures to hasten the maturity of the benefit to the participants of the deal.
- The senior officers involved ordinarily create safeguards against any repercussions that may result in case the deals are exposed.
- Where a grand corruption scandal is unearthed, the proxies or junior officers in the concerned institutions become scapegoats as the senior officials involved in the deal distance themselves from the illegality in the transactions.
- Investigations are delayed to allow evidences to be lost, conducted inefficiently or altogether done away with where the parties under investigation have influence over the investigating body.
- Many investigations result in further cover-ups on production of reports with recommendations that are not made public (AYT, 2009, p. 7).
- AYT (2009) also pointed out some examples of grand corruption. These included:
- Soliciting or awarding kickbacks to influence the awarding of lucrative government procurements and general tenders;
- Importing goods without paying taxes (tax evasion);
- Grabbing of public land and government houses;
- Payment of fictitious large-scale government projects or for undelivered services such as road construction (p.8).

### ➤ **Bureaucratic corruption**

Also called petty corruption implies corruption in the public administration. Petty corruption is generally regarded as simple/small and it is very common in very normal day-to-day interactions and relations in society. It usually involves small gifts, favor or bribes. However, small as petty corruption may sound, its destructive power is as bad as grand corruption due to its pervasiveness in society and due to its apparent appearance as 'harmless' (AYT, 2009, p.6). Bureaucratic corruption can also be grand sometimes depending on the amount of public officers or resources involved. When both political and bureaucratic corruption is present, it is called systematic corruption. This is more than often the case in developing countries. Political and bureaucratic corruption tends to enforce each other (Uganda: The fight against corruption, 2003, P.6).

### **2.3.2 Controlled versus uncontrolled corruption**

Controlled corruption means the regime has complete control over processes and proceeds of corruption. In cases of controlled corruption, bureaucratic corruption is often kept to a minimum. Uncontrolled corruption means that corruption is disorganized, meaning that for instance paying a bribe will not automatically guarantee that services will be rendered, and that paying one bribe will be enough (Uganda: The fight against corruption, 2003, P.7). According to Center for Democracy and Governance (2009), corruption could be organized vertically or horizontally. In vertically organized corruption scheme, the subordinates are linked to their superiors in a system of pay offs, whereas in a horizontally organized corruption schemes the separate branches of government or agencies are linked in a corrupt network.

The levels and categories of corruption discussed above show the complexity of corruption. Corruption cannot be seen in isolation. It is a societal issue and affects every body. Thus, the fight to stop it must be done with all stakeholders. There are various forms and dimensions of corruption. Some of these are:

- **Bribery** - Bribery is the act of offering some money or other goods in order to persuade him/her to do something for you in return. Both giving a bribe and taking a bribe is considered to be corruption. Bribery is also known as kickbacks, baksheesh, sweeteners and grease money.

- **Embezzlement** - Embezzlement is theft of public resources by public officials. Actually, from legal point of view embezzlement is not corruption. Corruption normally involves a civilian agent and a state agent. Thus, embezzlement can therefore be considered as theft.
- **Fraud** - Fraud covers both bribery and embezzlement. It is an economic crime that involves some kind of deceit. Individual enrichment is normally considered to be the case in relation to fraud, but it can also be collective. Collective fraud, of extractive corruption, is used by the ruling group to increase the benefits for the rulers.
- **Extortion** - Extortion entails the use of force to extract money. It is very similar to bribery only the money is extracted with more violence.
- **Favoritism** - Favoritism is also known as cronyism and entails to grant offices or benefits to friends and relatives, regardless of their abilities. Favoritism can be considered as corrupt act because it involves the abuse of power. A special form of favoritism is nepotism. Nepotism means that an office holder will favor his relatives and family members, and for instance can nominate them to prominent position.
- **Cheating** - This type of corruption is usually perpetrated by an individual or a group of individuals who are out to influence or distort the truth for their selfish gains.
- **Systematic corruption** - When corruption goes on for too long unabated and it becomes institutionalized or accepted as the 'norm' and as part and parcel of the procedures of running private and public and/or private affairs of an organization or a society at large.
- **Trans-active corruption** - Trans-active corruption arises from dealings of at least two individuals or parties. It may occur when the nature of the transaction being undertaken is illegal or illegitimate or when particular parties in the deal want to get most part of the benefits at the expense of others. For instance, when a high school head-teacher colludes with a supplier of school uniforms and the latter supplies goods of substandard quality to the school at an inflated cost so that they not only share the profits but also so that the students get poor quality uniform, then trans-active corruption is said to have taken place.
- **Abuse of discretion** - Some individuals can abuse the discretion vested in them for personal gains. For instance, an official responsible for government contracting may exercise discretion to purchase goods or services in which he/she has vested personal interest.

- **Electoral** - This type of corruption takes place in the process of organizing, managing and delivering elections at different levels and times at the organizational, civic, parliamentary and national level. It is referred to also as electoral rigging.
- **Sexual** - This type of corruption involves the use of sexual favors to enable an individual gain access to services, employment, resources and opportunities in private and public institutions (AYT, 2009; Uganda: the fight against corruption, 2003).

## 2.4 Theoretical Base of pay

The early academic researches by scholars and social science authors are the important part of the chapter. Thus another alternative aspect to prove the linkage, and to make a clear understanding in this paper in term the concept of pay, there are some key words such as pay, salary; reward and compensation are mutually exchangeable. For some reasons, pay is the primary reward encourages people to come and to stay for a job (Pfeffer J., 1998). There are many notions that using of pay and reward are in the same way (Klingner et al,2010 pp. 126). Pay or reward system tend to formulate and conduct policy to reward people fairly, equitably and consistently in accordance with the value and characteristic organization. This also to accelerate the organizational team and individual performance (Armstrong & Murlis, 2004) In this sense of complexity, Armstrong and Murlis (2004) provide the backbone to make clearly understand the type of pay or reward including compensation as following:

- **Base pay** is the fix rate pay represents the rate for job which pays related to performance, competence; contribution or service may be consolidated. (Armstrong&Murlis,2004, pp.6)
- **Contingent pay** classified as the pay for individuals that is related to performance, competence, contribution or service (Armstrong & Murlis, 2004, pp. 8).
- **Variable pay** is the pay in a form of bonuses or cash payments that will be liable on individual, team or company performance. (Armstrong & Murlis, 2004, pp. 8).
- **Variable of pay** is another different type of performance-based pay while seeing the base pay and other indirect pays influence the attraction and retention of the quality of employee, variable pay is believe to affect employee's motivation and routing of work toward the organization goals and objectives (Klingneretal, 2010 pp. 137).
- **Compensation** were known as the non-pay basis or pay-for-time-not- worked which include sick leave, annual leave, disability holidays and personal days.

Moreover, if the employee thinks about their salary, they think about the take-home-pay which

make non-notified other benefits and compensation (Klingneretal. 2010, pp.128).

In addition, it seems the performance based pay is a good mechanism in the above mentioned pay structures. However, it still faces some problems of pay associated with the rate of pay for job, the relative pay between the jobs and job's holder are paid which will explain in two requisite scenarios namely, general factors that influencing jobs values and factors influencing by pay levels for individual (Armstrong & Murlis, 2004, pp. 72-78). General factors that influencing jobs, values had classified in to four categories, such as intrinsic values, internal relative, external relative, inflation and market movement.

- **Intrinsic values** are the concept of value based on the apparently reasonable that the rate of job should be computed by the amount of responsibility, degree of skill, level of competence to perform a job effectively (Armstrong & Murlis, 2004, pp. 73).
- **Internal relative** is the extension of intrinsic values with its problem. Intrinsic values were not taking into account of other factor effecting values. For instance, economic factor, the outputs and the added values created by the employees (Armstrong & Murlis, 2004, pp.73-74).
- **External relativities** considered as salary or wage is the price that buyer and seller gave to the value of services. The external value of the job, market rate is primarily limited to the laws of supply and demand. Nevertheless, the market never allows us to presume that people have the same position will be equally paid. Therefore, the market's concept in any case is always the imprecise one (Armstrong & Murlis, 2004, pp.74).
- **Inflation and market movement** in the absolute term was mentioned that inflationary pressures clearly affect general trends in rates of pay and earnings. Taking into account of inflation and adjustment of pay structure to prepare the increase pay's rates by less than inflation in hard times or have reserved the right to restrict increases to individuals to below the rate of inflation if the employees' performance does not justify the retention of their real level of earnings. In practice, the baseline pay expectancy always acknowledges by the employees or employers to make a responsive to the inflation rate, (Armstrong & Murlis, 2004, p75), yet take action and take-no-action to the inflation is another story. Factors influencing by pay levels for individual is crucial point in the part of theoretical understanding of pay in this paper. The pay levels of the individual jobs holder will be prejudiced by the three differentiated factors:

- The market's rate which already mentioned above;
- The level of skills, competence and inputs possessed by the job holders;
- The level of job performance, outputs and overall contribution to make the organization succeed.

However, it is more practical in the non-bureaucratic and flexible institutions, where level of technology, employee's knowledge and individual worth is importance than hierarchy (Armstrong & Murlis, 2004, pp.75-76).

From above the description, we can recognize that in the public sector, the pay setting focus on maintaining the internal equality within institution and make sure the external equity in alternative sector rather than outside world. Still, the public institution usually has faced many challenges. These challenges characterized by highly hierarchical standardized, inflexibility, slow response to the changing market conditions and inadequate link to the employment performance. In this regards, many public organizations have implemented more flexible pay setting so-called rank-in-person, broad- banding and pay-for-performance system (Klingner et al., 2010, pp. 129).

According to Klingner, public employees who work in the public sector are mainly focus on the job security compare to other jobs in the private sector. Even though, the pay is considerably low but the benefits were good and permissible to keep them to pursuit for the long run. However, the movement towards public agencies into the flexible employment relationship related to market-based model, which was understandable, that public employees may consider their reward system again. Once again, to search and diversify the other sources of income by public employees is inevitable some activities which comprise of corruption activity and will be precisely explained more detail in the coming section.

#### **2.4.1. The effects of low pay on Public Employees**

There are much more acceptable perceptions that low pay has influenced public employees. Firstly, the low pay makes less incentive associated inadequate allowances for public official, there is more incentive to find other sources of income rather than solely rely on monthly salary for their supplementary expenses. These uncontrolled activities lead in the recession manner which makes public employees applied their full commitments to their work. More and more professional and skilled public employees are likely to get multiple jobs as much as the availability or possibility of their time or making the decision to leave public sector to seek for

higher salaries in the private sector alike. Likewise, less competence, corrupt and unskilled public employees also look for additional jobs because their pays are below the subsistence level. Reaching at this point, the quality and perhaps quantity of public services are reduced and the intention of corruption may likely increase.

Secondly, the low salary scale of the public sector provides a strong motive for public personnel to abuse their authority in order to generate unofficial income through corruption. A World Bank study drew attention to a stating that “it is clear that low public sector wages provide a breeding ground for corrupt practices” (R. Korm, 2011, pp. 79). At the same time, it is apparently that low pay is a leading cause for developing countries relatively poor standing on public sector. Corrupt practices are ranging from those aimed at survival stage to those conducted on a large scale, according to Global Financial Intelligence, Ethiopia lost US\$26 billion to illicit financial outflows between 2004 and 2013 (Bertelsmann Stiftung 2018).

## **2.5 Anti-corruption Movements (Initiatives) in Ethiopia**

Corruption is not a new phenomenon and each country has its own experience. This is also true with Ethiopia. Ethiopia established the Federal Ethics and Anti-Corruption Commission of Ethiopia (FEACC) in 2001 to combat corruption. The focus areas of FEACC are: Prevention, investigation and prosecution. Since its establishment FEACC paid special attention to education and training. Awareness creation among the public using different media (print media, radio, TV, workshops, seminars) was employed as repeatedly reported in the publications of FEACC. FEACC also embarked upon the "training of trainers" (TOT). In reference to this, FEACC in 2000 (Eth. Cal.) rationalized that:

The Commission made a shift in the approach of expanding ethics and anti-corruption education and started to launch "training of trainers programs" instead of conducting awareness-raising programs as it used to do previously (Ethics, 2000 {Eth.Cal.} No.2, Vol. 7, page, 34).

According to FEACC belief the approach mentioned above would help to reach more people within the country. Furthermore, FEACC played an important role in collaboration with the ministry of education to introduce ethics and civics education in the country's formal education curriculum. In many government institutions, ethics and anti-corruption offices were established throughout the country to combat corruption. However, there is a long way to go in order to reverse the current trend concerning corruption. Basically, corruption arises from

institutional attributes of the state and societal attitudes toward formal political processes. Possible responses to these underlying causes of corruption include institutional reforms to limit authority, improve accountability, and realign incentives, as well as societal reforms to change the attitudes and mobilize political will for sustained anti-corruption interventions (Center for Democracy and Governance, 2009) Thus, any educational and training program that is being designed to fight corruption need to consider the aforementioned causes of corruption. This was what has been observed from the experiences of other countries. According to SADC document of 2002, the building blocks for ant-corruption initiatives are:

- Political will
- Effective anti-corruption legislation
- Provision of adequate law enforcement tools
- Provision of adequate human, financial and physical resources
- A determination to continue with the campaign as long as it takes
- Independent, skilled, effective and corruption-free judiciary
- Effective public education campaigns
- Independent, courageous and skilled media
- Continuing public support
- Skilled personnel in the following disciplines:
  - Investigation
  - Prosecution
  - Accountancy
  - Public education
  - Corruption prevention

## **2.6 Empirical Literatures on the relational of low pay and intent of corruption**

There are various explanations, evidences, and scientific proofs by some scholars and researchers about the topic, both local and international such as, (Edward et al., 2006), mentioned that corruption has major component, the payment that violate the explicit laws and implicit social norms. Due to the slim pay, define the term of corruption as the use of public institution for the private gains, (Byong S.K, 2012). Moreover, there is a broad consensus that low salaries for civil servants in developing countries can create incentives for corruption.



Scholars pointed to the negative relationship between the level of civil service salaries and incidences of corruption, contending that poorly paid civil servants are more vulnerable to illicit rent-seeking (Van Rijckeghem & Weder, 2001). Likewise, one of the main arguments on the link between low salaries and corruption is that for civil servants with low salaries, corruption becomes a coping strategy to compensate for economic hardship. While the “need-based” arguments focus on the situation in which an under paid official accepts bribes for basic necessities (Pilapitiya, 2004). In addition, the perception of failure to receive adequate remuneration may also reduce the moral costs of corruption (Abbink, 2009). In other words, public employees might find it less unacceptable—thus more tolerable—to accept bribes if they are poorly paid. Similarly, it has been argued that there is greater public tolerance for corrupt practices when civil servants are under paid (Samira Lindner, 2013). When salaries are low but expectations for service remain high, government officials may demand more compensation from informal or even illegal channels than what is officially sanctioned, hence, corruption arises (Samira Lindner & Marie Chêne, 2013). In the sense to compare with private sector, due to perceptions of unfair payment, lower compensation level in the public sector as compared to that of the private one is reckoned as a key factor in the spread of corruption (Mahmood, 2005). Lastly, it has also been argued that low salaries in the public service attract only incompetent or even dishonest applicants, which results in an inefficient and non-transparent and corrupt administration (Abbink, 2009).

More frank examples reveal in the book called *The Russians* by Hedrick Smith (1976). He recounted what a computer specialist told him: “No one can live on his regular pay. You know, in Odessa [Ukraine], they have a saying that if you get really mad at another person, you put a curse on him let him live on his salary. It's a terrible fate”. No one can imagine it (Hedrick Smith, 1976, pp. 116-117) Furthermore, in a comparative study of the control of bureaucratic corruption in Hong Kong, India and Indonesia, Leslie Palmier (1985, pp. 2) has identified low salary as one of the three causes of corruption: "If the official is not to be tempted into corruption and disaffection, clearly there is an obligation on the government to provide or at least allow such benefits as will ensure his loyalty; one might call it an implicit contract." Subsequently, Palmier (1985, pp. 6) contends that "adequate pay" is "an essential ingredient in reform." Likewise, Paulo Mauro (1997, pp. 5) argued that "when civil service pay is too low, civil servants may be obliged to use their positions to collect bribes as a way of making ends

meet, particularly when the expected cost of being caught is low."

Therefore, opposed to greed-based corruption, which is more apparent in cases of well-paid officials in higher level positions (Wraith & Simpkins, 1963) An analysis by Bond (2006) on corruption among court officials, he argues that not only does the practice of raising salaries increase the cost of corruption – and thus reduce the incentive for corruption – it also reduces the corruptibility from the labor pool. He further argued that by paying court officials above the market-clearing rate, it increases the number of honest individuals who are attracted to the position by more than it increases the number of dishonest individuals. Other than alleviating the need for corruption, a main argument in favor of raising salaries to reduce corruption is the so-called “efficiency wage” argument, which maintains that higher salaries raise the stakes of engaging in corruption (Van Rijckeghem & Weder, 2001). In other words, higher salaries make it costlier to engage in corruption due to the fear of losing a well-paid job. Similarly, the “fair wage model” contends that officials engage in corruption only when they see themselves as not receiving a “fair” income, a perception that could be eliminated through higher salaries (Mahmood, 2005).

Corruption is often identified with low government wages (Feinberg, 2009; Klitgaard, 1989; Lindauer, 1987; Stasavage, 1999), but there is no conclusive evidence that raising government wages will reduce corruption (Ni and Van, 2006). On the one hand, it has been argued that higher government wages may deter corruption because corrupt bureaucrats and politicians face higher costs when detected (Becker and Stigler, 1974) or because public servants will forgo corrupt activities when they are paid wages that they perceive as fair (Van Rijckeghem and Weder, 2001). Higher government wages will also attract better employees thereby improving the bureaucratic quality and reducing corruption (UIHaque and Sahay, 1996). On the other hand, it also has been argued that corrupt bureaucrats in highly corrupted environments often use their power and income to influence the probability of corruption detection (Marjit and Shi, 1998) and/or avoid legal punishment if they are detected (Chang and Lai, 2002; Qijun and Kahana, 2010). Under those circumstances, the threat of job loss is low, thereby mitigating the effectiveness of higher wages as a means to deter corruption. In view of the conflicting theoretical arguments, the effect of government wages on corruption has to be settled through empirical research (Van Rijckeghem and Weder, 2001).

The most common definition of corruption is “the abuse of public office for private gain”

(Rose- Ackerman, 2004). Generally, corruption is regarded as problematic, but some studies suggest that corruption might be the second best solution to the problem of over-regulation (Leff, 1964; Lui, 1985). According to the grease-to-the-wheel view, too much government regulation may end up choking off economic activities. In such an environment, bureaucrats accepting bribes and turning a blind eye to black markets and smuggling may actually improve social welfare. Likewise, bureaucratic corruption reduces the delay caused by red tape and gets the most efficient applicants ahead of a slow queue. However, these arguments are only valid under very specific situations (Bardhan, 2006). The redeeming effects of corruption cannot offset the burden of even more regulations and delays as deliberately imposed by bureaucrats to extract further bribes.

Over the past decades, a large number of studies have examined the nexus between corruption and development. Corruption is found to lower economic growth either directly (Mauro, 1995; Swaleheen, 2011) or indirectly via lowering the incentives for productive investment (Johnson et al., 2011). Corruption engenders unsustainable economic developments (Aidt, 2009) and erodes public confidence in government institutions (Clausen et al., 2011). Corruption can also cause budget consolidation efforts to fail (Arin et al., 2011). Most importantly, corruption sustains further corrupt activities because the public becomes indifferent to the problem (Mauro, 2004) while every new generation of bureaucrats becomes corrupt because their past and current colleagues and seniors are also corrupt (Dong et al., 2012; Sah, 2007). Many developing countries seem to be entrapped in a bad equilibrium of rampant corruption, poverty and stagnation. Consequently, fighting corruption has been on top of the policy agenda of several international development organizations.

To sum up, we found so many sophisticated components to above said relationship, “low payment that violate the explicit laws and implicit social norms”, “negative relationship between the level of civil service salaries and incidences of corruption”, “poorly paid civil servants are more vulnerable to illicit rent-seeking”, “corruption becomes a coping strategy to compensate for economic hardship”, “need-based arguments”, “failure to receive adequate remuneration may also reduce the moral costs of corruption”, “greater public tolerance for corrupt practices when civil servants are underpaid”, “low salaries in the public service attract only incompetent or even dishonest applicants”, “low pay results in an inefficient and nontransparent corrupt administration”. At the end of this section has end up with “efficiency

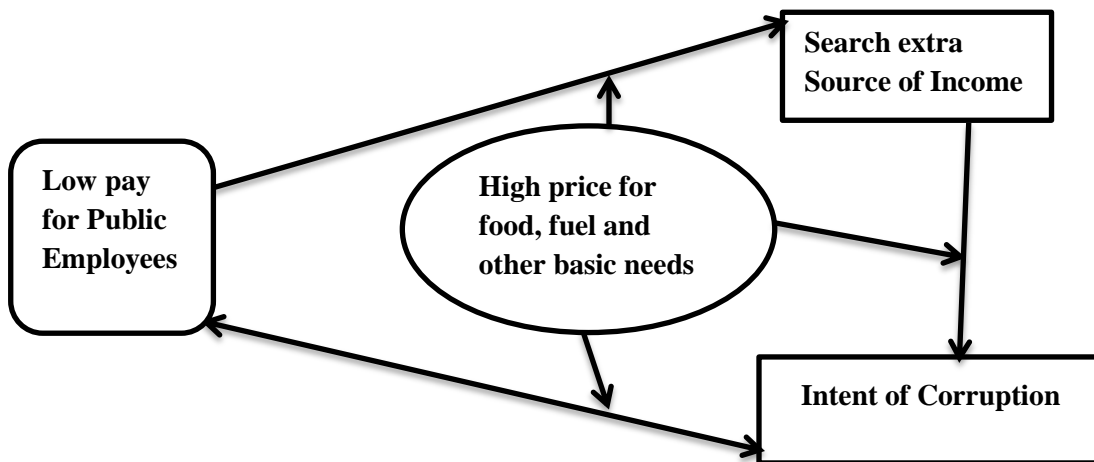
wage argument”, which maintains that higher salaries raise the stakes of engaging in corruption. Therefore, now we are doubtless that it is really happening “relationship between pay and intention of corruption” in the real life.

## 2.8. Conceptual Frameworks

Many reasons which may lead to corruption take deep root in Ethiopia’s society. One of the major pretexts, that salary is too low for public employees, forces some officials use their working time to diversify more sources of income from other activities which include bribery and corruption, and resulted some major challenges in public sector effective performance. Therefore, the objective of this thesis reflects how low pay is a main driving cause of corruption in Ethiopia public sectors.

For further enhancing and understanding claim of relationship between the **dependent variables “intent of corruption”** and **independent variable “low pay”**. In the following figure will show more descriptive understanding, how low pay and corruption take shape.

Figure 3: Perspectives of Low Pay and Corruption in Ethiopia public sector



Adapted from other source (2021): Perspectives of Low Pay and Corruption as conceptual frameworks

The figure shows that public employees receive a tiny pay in Ethiopia, that leads to Dissatisfied Physiological and Safety Needs due to inflation rate, dramatic increased commodities’ prices and other necessity consumptions then generating other sources of income would be preferable among public employees; From all these constraints, the gratitude and the great tolerant to corruption has enlarged its possibility to push forward the temptation of committed corrupt activities by the public employees.

## **CHAPTER THREE**

### **Research methodology**

The study was mainly covered up by research questionnaire survey in the selected ministries, based on FEACC six month performances (2013 E.C) that is from the ministries top/good performer (Ministry of Urban Development and Housing and Ministry of Trade) and low performer (The innovation and technology ministry and Ministry of Mines and Petroleum). Besides, questionnaire survey, informal information such as short conversations, discussions, documents and reports was played parts as a modifier to the statistical findings with in this multiple case study design method.

#### **3.1. Research design**

Design refers to “the logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions” (Yin, 2003 p. 20). As have been mentioned above, multiple case study design by Yin method was a scale to investigate the research questions because it is not only the acceptable research design but also compatible for the causal relationship finding in this thesis. The study was designed for empirical observation that was useful for the inquiry of social science research.

The concept study has been variously defined as a process, unit of study and that can investigate a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident (Yin,2003, pp.9-13).

Therefore, multiple case study design by Yin is most acceptable while endeavor to understand the complex relationship as have been mentioned in the context of this thesis topic study. Moreover, the research questions in this thesis was focuses on enabling clarification on the complexity of influence causes of pay and corruption rather than testing experiment and survey techniques.

These factors of pay and its relationship with corruption were importantly having many features. It has impossible to find all the features through-out the entire government ministries, but it sufficient enough to capture the related pay factors and its relations with intent of corruption in some main key institutions like have been mainly mentioned in 4 ministries. In addition, rather than only one available source of data the triangulations also the measurement of the case study by enforcing the accuracy. Triangulation of multiple sources of evidence was included the

questionnaires, academic documents and reports, and conversations.

As a part of one of the four major mixed method triangulation is the best mechanism while the combining and qualitative in order to provide “a better understanding of research problems than either approach alone can provide” (Creswell & Plano Clark, 2007).

According to Yin, Case study researchers need to guarantee construct validity (through the triangulation of multiple sources of evidence, chains of evidence, and member checking), internal validity (through the use of established analytic techniques such as pattern matching), external validity (through analytic generalization), and reliability (through case study protocols and databases).

### **3.2 Population and sample**

A population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study. (Samy Tayie, 2005). The study population consists of all low and middle level public employees who carry out the daily government tasks. Therefore, the rank of public employee will range from common public employee to director of the department.

The target population of this study consists of 274 employees working in the Federal Public Organizations: The Case of Some Selected Ministries. (*Source*: Manger, Training and Succession Plan). According to (Samy Tayie, 2005) a sample is defined as a subset of the population that is taken to be a representative of the entire population. In this study, Cochran’s sample size formula for categorical population is used. Accordingly, for a population of 274, the required sample size is 160.

#### **3.2.1 Purposive sampling**

Having determined the acceptable sample size, individual information will have needed purposive sampling technique will use to gather useful data and information because of that it wouldn’t have been possible using stratified simple random sampling techniques.

As a purposive sampling is selecting the people who have been selected with a particular purpose, the results of purpose full sampling are usually expected to be more accurate than those who will select 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.

### 3.2.2 Stratified Simple Random Sampling

An approach used when adequate representation from sub sample is desired and then within each stratum employees are being selected using a sample random method. The characteristics of sub sample may include almost any variable. Age, sex, income level etc... In the present study, the natural classification of the Ministries (Ministries being geographically dispersed and each Ministries having regular sub set of the population) was taken as the characteristics used in stratifying the population and a random sample in which each individual in the population has an equal probability of being selected was employed. Related with this, as the sample random method requires a complete list of respondents, for this each respective Ministry was advised to use payroll list.

### 3.2.3 Sample Size Determination

Cochran's sample size formula for categorical population is used.

$$n_0 = \frac{z^2 * (p)(1-p)}{e^2}, \quad n_1 = \frac{n_0}{1+n_0/population}$$

$$n_0 = \frac{z^2 * (p)(1-p)}{e^2} = \frac{1.96^2 * (0.5)(1-0.5)}{0.05^2} = \mathbf{384}$$

Therefore, for a population of 247, the required sample size is calculated as:

$$n_1 = \frac{n_0}{1+n_0/population} = \frac{384}{1+384/274} = \mathbf{160}$$

$n_0$  = Sample error size

$z$  = standard normal distribution which is 1.96 (a confident interval of 95% sample estimates

$p$  = sample proportion of successes (0.5), thus the variance of  $P * (1-P)$  gives the maximum possible sample size = 0.25,

$e$  = Acceptable margin of error for proportion being estimated which is 0.05 % (error the researcher is willing to accept).

**Table 3.1: Proportionate sample size from each Ministries**

| <b>Participants (Ministries)</b>          | <b>Target population</b> | <b>sample Size</b> |
|---|--------------------------|--------------------|
| Ministry of Urban Development and Housing | 75                       | 44                 |
| Ministry of Trade                         | 98                       | 57                 |
| The innovation and technology ministry    | 56                       | 33                 |
| Ministry of Mines and Petroleum           | 45                       | 26                 |
| <b>TOTAL</b>                              | <b>274</b>               | <b>160</b>         |

Sample computation for each Participant (Ministries)

Example Ministry of Urban Development and Housing  $(n) = 75/274 * 160 = 44$

Sample criteria of all respondents are the public officials in the government ministries who were meeting the following criteria:

- The brief and explanation about the survey have been made;
- Have a willing to participate on the survey, by bring in their level of salary and understanding basic perception of corruption and bribery;
- Understand the current basic change of Ethiopia's economy;
- Being served the same work place not less than one year;
- Have been experienced hierarchical relation in work place;
- Self-motivate to dedicate to success sand reforms of the Ethiopia public sector.

### **3.3. Data Source and Data Collection Method**

This study was used both primary and secondary data sources. Civil servants and public sector officials was considered as primary data sources whereas previous empirical studies, related literatures, official documents, journals, articles, government policy directives, and internet resources was used as secondary data sources. The primary data was obtained through structured questionnaire. The secondary data was reviewed from the secondary data sources mentioned above.

A survey questionnaire was used in this study as the instrument and designed to collection information that was beneficial for that data analysis. The data collection from the questionnaire was evaluated the relationship between low pay and corruption.

In addition, plan for this data collection was 160 respondents, therefore, Despite of above said, the survey was proceeding and data collection has also mainly using covered up by research survey in selected ministries.

The survey questionnaire was composed with related questions with some open-end questions that required respondents write some comments and alternative answers.



The questionnaire was classified into four sections associated with:

- i. Demography/personnel's information of the respondents;
- ii. Level of corruption in the ministries;
- iii. Perception of employees towards corruption and
- iv. Possible reasons for the difference in the perception towards corruption.

### **3.4. Method of Data analysis**

Data analysis “consists of examining, categorizing, tabulating, testing, or otherwise recombining both quantitative and qualitative evidence to address the initial propositions of a study” (Yin, 2003 p. 109)

After the survey has been done, data was collected. It was an organization to do the analysis. Basically, the data was computed by SPSS and statics 20 to show and pursue and realization of the relationship of low pay with intention of corruption in public sector of selected Ministries.

Thus the statistical techniques that have been used to analyze the data for this Study are:

1. Percentage: to show the number of respondents in hundredth and to know how many of the respondents have or have not answered the questions set in the questionnaires.
2. The descriptive statistical results are presented by tables, frequency distributions and percentages to give a condensed picture of the data. This was achieved through summary statistics, which includes the means, standard deviations values which are computed for each variable in this study.
3. Pearson Correlation: to show the relation between low pay with intention of corruption.
4. Reliability Analysis: to ensure that the questionnaires distributed have the quality to help obtain the data necessary for the Study.

Analysis of data has been made to resolve those of fundamental questions which need to be answered in the Study by triangulating the data gathered through the above mentioned statistical techniques, namely questionnaire, short discussion and review of documents.

The analysis was Suggest in pay scale in the different income group associated, was tested to seek the correlation with the intension to act corruption.

Moreover, the conversations, reports and empirical evidences had included to increase the validity the finding from analyzing data in survey questionnaire. The entire data was recorded and grouped under each theme based on the objective stand the basic research questions, and Summarized.

### **3.5 Ethical Issues**

According to Leedy and Ormrod (2013), in doing any research, there is an ethical responsibility to do the work honestly and with integrity. The basic principle of ethical research is to preserve and protect the human dignity and rights of all subjects involved in a research project in this regard, the researcher was informed respondents that, information is confidential and used only for the study purpose. Before the data collection, the ethical issues were taken in to consideration when the study was conduct. Appropriate communication was under taken with the staff of the low and middle pay public employees in the selected ministries. Some uninterested respondents to involve and bring any information were not included in the study. For the purpose of respondent's security their names were not written on the questionnaire. As a general rule, therefore the study was not raised any ethical anxiety.

## CHAPTER FOUR

### Data Presentation, Analysis and Interpretation

This chapter shows the, presentations and discussions of the findings derived from the analysis of data. Both descriptive and inferential techniques of data analysis are employed to see the characteristics of the sample and identify and discuss the relationship between dependent and independent variables also done.

#### 4.1 Response Rate

The study targeted a total number of 160 questionnaires distributed and 75% or 120 questionnaires were fill and returned with valid response. According to Patrick, B. (2003) the return or success rate 50% is 'adequate'; 60% response rate is 'good' and 70% rate or higher is 'very good'. This is therefore, the study uses 75% response rate is expecting and remaining 25% may be non-response rate, and sample size determine at 95% confidence level and margins of error at 5%. This is therefore, the study is go for further detail analysis after having get more than 70% response rate; therefore, the response rate is adequate for analysis and reporting with excellent response rate. The data was analyzed using SPSS version 24.

#### 4.2 Demographic Information

Demographic information, generally describe the characteristics of the respondent gender, age, educational background, occupation, year of experience, monthly income and other income from other source per month were asked. The results obtained from the structured questionnaires are present on the table below.

**Table 4.2.1: Demographic Analysis.**

| Demographic Character    | Frequency  | Percentage |
|--------------------------|------------|------------|
| <b>Gender</b>            |            |            |
| Male                     | 71         | 59.2       |
| Female                   | 49         | 40.8       |
| <b>Total</b>             | <b>120</b> | <b>100</b> |
| <b>Age</b>               |            |            |
| Below 30                 | 33         | 27.5       |
| 30-40                    | 65         | 54.2       |
| 41 And Above             | 22         | 18.3       |
| <b>Total</b>             | <b>120</b> | <b>100</b> |
| <b>Educational Level</b> |            |            |

|   |            |              |
|---|------------|--------------|
| Certificate                                     | 5          | 4.2          |
| Diploma   | 35         | 18           |
| First Degree                                    | 74         | 61.7         |
| Masters & Above                                 | 6          | 5            |
| <b>Total</b>                                    | <b>120</b> | <b>100</b>   |
| <b>Position</b>                                 |            |              |
| Director  | 4          | 3.3          |
| Team Leader                                     | 9          | 7.5          |
| Expert  | 21         | 17.5         |
| Just Employee                                   | 86         | 71.7         |
| <b>Total</b>                                    | <b>120</b> | <b>100</b>   |
| <b>Year Of Experience</b>                       |            |              |
| Below 5 Years                                   | 44         | 36.7         |
| 6-10 Years                                      | 53         | 44.2         |
| Above 10 Years                                  | 23         | 19.2         |
| <b>Total</b>                                    | <b>120</b> | <b>Total</b> |
| <b>Monthly Income</b>                           |            |              |
| Below 5000                                      | 46         | 38.3         |
| 5001-10000                                      | 25         | 20.8         |
| 10000 And Above                                 | 8          | 6.7          |
| I Can't Say                                     | 41         | 34.2         |
| <b>Total</b>                                    | <b>120</b> | <b>100</b>   |
| <b>Other Income From Other Source Per Month</b> |            |              |
| Below 5,000                                     | 46         | 38.3         |
| 5,000 To 10,000                                 | 25         | 20.8         |
| 10,000 And Above                                | 8          | 6.7          |
| No Other Income                                 | 41         | 34.2         |
| <b>Total</b>                                    | <b>120</b> | <b>100</b>   |

Source: Own survey (2021)

The result obtained from demographic characteristics of the respondents shows that 71% are males and the rest 29 % are females. The majority of the respondents constitute 54.2 % ( or 65) lied in the 30-40-year age group. The second dominant age group was Below 30 age group, comprise 27.5% or (33), and the last age group are 41 And Above year with 18.3 % ( or 22). Respondent is educational status shows: 4.2% (5) are certificate, diploma 29.2% (35), Degree 61.7% (74) and masters and above have 5% (6). When we see in to work occupation of the respondents, the largest work force belongs to officers' (just employee) category i.e. 71.1%. Followed by experts 17.5%, and 9 (7.5%) are team leaders and the rest 3.3% (4) are director.

With regard to work experience of the respondents, 6-10 years are take the majority of the work force they take 44.2% (53), and below five years of experience takes 36.7%(44), and the rest 19.2%(23) are serving more than 10 years. Monthly income of the respondents was observed as 38.3% (46) earning less than 5,000, 20.8% (25) earning 5,000-10,000, and 5.8 % (7) earning 10,000 and above. From this we can conclude that the majority of the workforce monthly incomes are below 10,000birr. 38.2 % ( 46) of the respondents are generate below 5000 birr from other source, 20.8% (25) of the respondents can generate 5000 to 10000 birr per month,6.7%(8) of the respondents are gain 10,000 and above per month, and also 34.2%(41) of the respondents are cannot generate any income from other source.

**Table 4.2.2 Part two demographic information of the respondents**

|   |   | YES | Y%  | NO  | N%    | Total | T%  |
|---|---|-----|-----|-----|-------|-------|-----|
| 1 | Is your official salary sufficient for your monthly expenses                    | 5   | 4.2 | 115 | 95.83 | 120   | 100 |
| 2 | Do you engage in other activities in order to supplement your official earnings | 80  | 67  | 40  | 33.33 | 120   | 100 |
| 3 | Do you know any of your colleagues who have received compensation               | 70  | 58  | 50  | 48.61 | 120   | 100 |
| 4 | Is corruption an important and pressing issue for your organization             | 85  | 71  | 35  | 29.17 | 120   | 100 |

Source: Own survey (2021)

The evidences from table 4.2.2 are clear enough to prove these theoretical claims. Almost 96 percent said they do not have enough salary to encounter what they will spend each month. Therefore, the opportunities to seek for other jobs is about 96 percent of the respondents, and 67 percent of respondents have been engaged in other activities in order to supplement their official earnings. And also 58 percent of the respondents said that they know their colleagues who have received compensation from working in a secondary job outside their organization. And 71 percent of the respondents said that, corruption is an important and pressing issue for their organization. Thesis led to above- said “the greater level of public tolerance for corrupt practices when civil servants’ incomes are insufficient for living and their relative level are low or perceived as unfair in comparison to private’s sector salaries or others”. This is also make no doubt where rank almost the lowest of corruption perception index amongst the developing

countries while public employees are suffering from their low pay. Thus, we can obviously see the mutual relationship both level tolerant of corruption and low pay in according to dataset, theoretical and real practice of Ethiopia`s public sectors.

### 4.3 Perception of Employees towards Corruption

**Table 4.3 Frequency analysis of Perception of Employees towards Corruption**

| Statement/Questions  | SDA   |    | DA    |    | N     |    | A     |    | SA    |    | Total (%) |
|--|-------|----|-------|----|-------|----|-------|----|-------|----|-----------|
|  | Freq. | %  | Freq. | %  | Freq. | %  | Freq. | %  | Freq. | %  |           |
| Public official have the temptation of commit corruption, if there is good chance.                           | 32    | 27 | 25    | 21 | 30    | 25 | 20    | 17 | 13    | 10 | 100       |
| Low pay for public officials and civil servants are the main causes of corruption in public sector           | 11    | 9  | 16    | 13 | 23    | 19 | 40    | 34 | 30    | 25 | 100       |
| increase salary for public official” can helps to fight against corruption                                   | 5     | 4  | 10    | 8  | 15    | 13 | 50    | 42 | 40    | 33 | 100       |
| I am willing to report or send the complaints to FEACC, if there are the corruption cases                    | 15    | 12 | 10    | 8  | 25    | 21 | 38    | 32 | 32    | 27 | 100       |
| Corruption is a way of life and I would not hesitate to do it if it helps me and my family to be prosperous. | 45    | 37 | 15    | 13 | 20    | 17 | 25    | 21 | 15    | 12 | 100       |
| I don’t mind paying a bribe if it helps me to get things done quickly and effectively.                       | 25    | 21 | 10    | 8  | 5     | 4  | 45    | 37 | 35    | 30 | 100       |
| Federal Ethics & Anti-Corruption Commission (FEACC), can sincerely fight against corruption                  | 30    | 25 | 15    | 12 | 15    | 12 | 38    | 32 | 22    | 19 | 100       |
| I have confidence and trust in the tribunal that they can transparently judge the case of corruption         | 36    | 30 | 14    | 11 | 15    | 12 | 28    | 25 | 27    | 22 | 100       |
| governments/public sectors have effective measure in enforcing Anti-corruption law                           | 19    | 16 | 11    | 9  | 22    | 18 | 48    | 40 | 20    | 17 | 100       |
| if you are paid a bribe once much more than your salary will you accept it?                                  | 17    | 14 | 13    | 11 | 35    | 29 | 24    | 20 | 31    | 26 | 100       |

Source: Own survey (2021)

From the above table 27 %( 32) respondents are respond strongly disagree about public official have the temptation of commit corruption, if there is good chance. 21 %( 25) are disagree, 25% are neutral, 17 %( 20) are agree and 10% of the respondents are strongly agreed. From this result

majority of the respondents says that there is no temptation of commit corruption, if there is good chance. And 25% and 34% of the respondents are respond strongly agreed and agree respectively about Low pay for public officials and civil servants are the main causes of corruption in public sector 41% agreed while 17% of respondents were neutral. More over 6% disagree and 9% strongly disagree with the result compilation. 9%, 13% and 19% of the respondents are respond strongly disagree, disagree and neutral about low pay. And almost 75% of the respondents are agree and strongly disagree about increase salary for public official” can helps to fight against corruption. The rest of the respondent are strongly disagreed, disagree and neutral. and (27%) and (32%) of respondents are strongly agree and disagreed respectively with the question I am willing to report or send the complaints to FEACC, if there are the corruption cases, 21% were neutral while 8% and 12% disagreed and strongly disagreed respectively so that it can be conclude that 59% of the respondents are willing to report or send the complaints to FEACC, if there are the corruption cases. As per Question Corruption is a way of life and I would not hesitate to do it if it helps me and my family to be prosperous,12% strongly agreed and 21% agreed while 17% were neutral. More over 13% and 37% were disagreed and strongly disagreed respectively. This consolidates the fact that although many respondents shared even if their salary is low to cover all their monthly expense majority of the respondents aren’t agreeing to commit corruption. From question I don’t mind paying a bribe if it helps me to get things done quickly and effectively, (30%) and (37%) of the respondents strongly agreed and agreed respectively up on the question, 4 % were neutral while 8% and 21% were disagreed and strongly disagreed. Therefore, it can be concluded that majority of respondents paying a bribe if it helps to get things done quickly and effectively due to the existence of bad bureaucracy in the service provider office. From question Federal Ethics & Anti-Corruption Commission (FEACC), can sincerely fight against corruption, (19%) and (32%) of respondents were strongly agreed and agreed respectively under the question, 12% were neutral when 12% and 30% of respondents are disagreed and strongly disagreed. This indicated that Federal Ethics & Anti-Corruption Commission (FEACC) are not properly works and perform their responsibility. From question I have confidence and trust in the tribunal that they can transparently judge the case of corruption, 22% strongly agreed, 25% agreed while 12 % were neutral. Beside this 11%and 30% of respondents were disagreed and strongly disagreed respectively. Based on the question governments/public sectors have effective measure in enforcing Anti-corruption law, (17%)

strongly agreed, (40%) agreed while (18%) are neutral with the research question. and also to this 9% and 16% of respondents are disagreed and strongly disagreed. This implies that 57% of respondents respond that governments/public sectors have effective measure in enforcing Anti-corruption law but there is a problem implementing the law. From question, do you perceive that if you are paid a bribe once much more than your salary will you accept it? 26% strongly agreed, 20% agreed while 29 % were neutral. Beside this 11%and 14% of respondents were disagreed and strongly disagreed respectively.

Descriptive statistical analysis provided the mean and standard deviation for each variable in order to depict the level of agreement on Low pay and the intent of corruption dimensions. The mean and standard deviation were calculated for the interval scale of independent variables (Low pay) and dependent variables (intent of corruption). The mean indicates to what Extent the sample group averagely agrees or does not agree with the different statements whereas standard deviation shows the variability of an observed response from a single sample. All the questions related with both the dependent and independent variables of this research were prepared using a Linkert scale in the form of ordinal scale. But for the sake of simplicity of analysis the variables transformed into interval scale leading the researcher to obtain a single variable for the six constructs based on Al-Sayaad et al. (2006) which summarized as follows

#### **4.4 Level of Corruption in the Ministry, as Perceived by Employees**

**Table 4.4 Descriptive Statistics Level of Corruption in the Ministry, as Perceived by Employees**

| Level of Corruption in the Ministry, as Perceived by Employees  | N   | Mean | Std. Deviation |
|---|-----|------|----------------|
| Hierarchical public officials were appointed according to their professional criteria/competencies/merit. | 120 | 2.6  | 1.103          |
| Nepotism, cronyism, kinship and special connection exist within the Public service of the Ministry.       | 120 | 2.98 | 1.223          |
| During the past three years I'm not observed any act of corruption by a public official.                  | 120 | 2.15 | 0.906          |
| No one has been sentenced by corruption in the past three years   | 120 | 3.45 | 0.906          |
| I know the Sector have practiced one window service to smoothen the public service delivery.              | 120 | 2.25 | 0.906          |
| online tasks mechanism were introduced  | 120 | 2.95 | 0.906          |
| Timeframe and service fees of the service to be delivered are regulated by laws and regulations.          | 120 | 3.45 | 0.906          |
| Corruption commit is less than before.  | 120 | 2.45 | 0.906          |
| Valid N (list wise)   | 120 |      |                |

*Source- Own Survey (2021)*



Indicated in the table above (table 4.4), the Means of the eight dimensions of Level of Corruption in the Ministry, as Perceived by Employees namely Hierarchical public officials were appointed according to their professional criteria/competencies/merit, Nepotism, cronyism, kinship and special connection exist within the Public service of the Ministry, During the past three years I'm not observed any act of corruption by a public official, No one has been sentenced by corruption in the past three years, I know the Sector have practiced one window service to smoothen the public service delivery. Online tasks mechanism was introduced Timeframe and service fees of the service to be delivered are regulated by laws and regulations and Corruption commit is less than before. Is range from 2.15 to 3.45, this can show that the intent of corruption level of the employees can generally be considered moderate. But, when we compare the intent of corruption level of the employees in respect of each Level of Corruption in the Ministry, as Perceived by Employees factor, the employees of the Ministry are more Perceived for intent of corruption by Timeframe and service fees of the service to be delivered are regulated by laws and regulations and No one has been sentenced by corruption in the past three years than the rest of the factors. Level of Corruption related to Hierarchical public officials were appointed according to their professional criteria/competencies/merit, Nepotism, cronyism, kinship and special connection exist within the Public service of the Ministry, During the past three years I'm not observed any act of corruption by a public official, I know the Sector have practiced one window service to smoothen the public service delivery. Online tasks mechanisms were introduced and Corruption commit is less than before the below average. Thus online mechanisms were introduced by government like as visa application and that will reduce face to face contact opportunities of service provider and the service receiver and helps to make less commits of corruption by public employees.

Furthermore, in table 4.4 summaries statistically the respondents' perceptions about the level of corruption in their ministry's currently compared with three years ago. Although some of the respondents felt that corruption had become not as good as during the past few years and others considered it as being well today, the overall mean score (2.46 on a 8-point scale) reveals that a considerable proportion of the respondents from the eight categories were of the opinion that level of corruption in the selected Ministries today is about the same as before.

#### 4.5 possible reasons that would help you to avoid corruptive behaviors

**Table 4.5 Descriptive analysis possible reasons that would help you to avoid corruptive behaviors**

| Statement/Questions                              | SDA   |    | DA    |    | N     |    | A     |    | SA    |    | TOTAL |
|--|-------|----|-------|----|-------|----|-------|----|-------|----|-------|
|  | Freq. | %  | Freq. | %  | Freq. | %  | Freq. | %  | Freq. | %  | (%)   |
| High/reasonable salary                           | 5     | 4  | 10    | 8  | 12    | 10 | 63    | 53 | 30    | 25 | 100   |
| Steady other source of income                    | 3     | 2  | 5     | 4  | 12    |    | 68    | 57 | 32    | 27 | 100   |
| Family standard of life                          | 5     | 4  | 10    | 8  | 15    | 13 | 50    | 42 | 40    | 33 | 100   |
| Religious ethics                                 | 4     | 3  | 10    | 8  | 6     | 5  | 32    | 27 | 68    | 57 | 100   |
| Well to do family.                               | 12    | 10 | 8     | 6  | 15    | 12 | 55    | 47 | 30    | 25 | 100   |
| Organization policy/strict rule and regulations. | 35    | 30 | 45    | 37 | 5     | 4  | 25    | 21 | 10    | 8  | 100   |
| Good management style                            | 30    | 25 | 15    | 12 | 15    | 12 | 38    | 32 | 22    | 19 | 100   |
| Group norms                                      | 36    | 30 | 14    | 11 | 15    | 12 | 28    | 25 | 27    | 22 | 100   |
| Social sanction                                  | 19    | 16 | 11    | 9  | 22    | 18 | 48    | 40 | 20    | 17 | 100   |

*Source- Own Survey (2021)*

From the above table 53 % ( 63) respondents are agree about High/reasonable salary are very important to avoid corruptive behaviors, 25 % ( 30) are strongly agree, 10% are neutral, 8 % are strongly disagree and 10% of the respondents are disagreed. From this result majority of the respondents says that High/reasonable salary are very important to buy and pay monthly expense such as food, cloth, utility bills, house rent, educational fee and health care. And 27% and 57% of the respondents are responding strongly agreed and agree respectively about the importance of

Steady other source of income to avoid corruptive behavior, while 10% of respondents were neutral. More over 4% disagree and 2% strongly disagree with the result compilation. This implies that in uncertain economic times, these can help you add to your monthly income, changes tend to be sudden and quick not giving a person enough time to adjust. Loss of jobs, high inflation and high volatility in investment are some of the things we have to live with today. And (33%) and (42%) of the respondents strongly agreed and agreed respectively about Family standard of life to avoid corrupt behaviors, 13 % were neutral while 8% and 4% were disagreed and strongly disagreed. from the result we can conclude that a good Family standard of life is important to avoid corrupt behaviors.it contribute to an individual quality of life. As per Question Religious ethics, 57% strongly agreed and 27% agreed while 5% were neutral. More over 8% and 3% were disagreed and strongly disagreed respectively. This consolidates the fact that religious promote equality, condemns deception and rejects corruption. As per Question Well to do family, 25% strongly agreed and 47% agreed while 12% were neutral. More over 6% and 10% were disagreed and strongly disagreed respectively. This consolidates the fact that a family that has a lot of money is fewer victims compared to low income family. As per Question Organization policy/strict rule and regulations, 21% strongly agreed and 8% agreed while 4% were neutral. More over 8% and 21% were disagreed and strongly disagreed respectively. From the result majority of the respondents disagree by organization policy/strict rule and regulations politicians and public officials use regulation both to create rents and to extract them through campaign contribution, votes, and bribes. As per Question Good management style, 19% strongly agreed and 32% agreed while 12% were neutral. More over 12% and 25% were disagreed and strongly disagreed respectively. From the result we can see that good management style are a very important to avoid corruptive behavior it demonstrates commitment to ethics and value is a critical factor in preventing and mitigating the risk associated with corruption. As per Question Group norms, 22% strongly agreed and 25% agreed while 12% were neutral. More over 11% and 30% were disagreed and strongly disagreed respectively. Group norms are the unwritten rules of beliefs, attitudes, and behaviors that are considered acceptable in a particular social group or culture so that from the result majority of the respondents respond that group norms are some very important things to avoid corruptive behaviors. As per Question Social sanction, 17% strongly agreed and 40% agreed while 18% were neutral. More over 9% and 16% were disagreed and strongly disagreed respectively. Majority of the respondents respond that

social sanction is necessary thing to avoid committing corruption and also unethical and unacceptable things in the society.

#### 4.6 Relations between pay and intention for corruption

Under this section, The Pearson's Product Movement Correlation Coefficient was computed for the purpose knowing the relationship between low pay and intent of corruption by public employees working in the federal public organizations: the case of some selected ministries

**Table 4.6 Implication of figures (correlation & significance)**

|                      |                     | Correlations       |           |                |                      |                   |                         |   |   |                       |
|----------------------|---------------------|--------------------|-----------|----------------|----------------------|-------------------|-------------------------|---|---|-----------------------|
|                      |                     | Low pay/Low salary | Inflation | Cost of Living | Corruption expansion | Cost of education | Cost of health services | Lack of housing/very expensive to buy or rent | Public Services (cost, quality, availability) | political instability |
| Intent of Corruption | Pearson Correlation | 0.87**             | 0.68**    | 0.612**        | .83**                | .54**             | 0.65**                  | .64**   | .48**   | .71**                 |
|                      | Sig. (2-tailed)     | 0                  | 0         | 0              | 0                    | 0                 | 0                       | 0   | 0   | 0                     |
|                      | N                   | 120                | 120       | 120            | 120                  | 120               | 120                     | 120   | 120   | 120                   |

\* Correlation is significant at the 0.01 level (2-tailed)

\* Correlation is significant at the 0.05 level (2-tailed)

In this research, two-tailed test was used as a relationship of the two variables considered as expected but the direction of the relationship is not known. But, with regard to the correlation that exists between the variables, when each variable is perfectly correlated with itself (obviously) and so  $r=1$ , when each variable is perfectly correlated but not with itself  $r<1$  and when each variable is perfectly correlated but the direction of the relationship is opposite and so  $r=$  negative value correlation analysis is used to quantify the association between two continuous variables (e.g., between an independent and a dependent variable or between two independent variables) Which ranges between -1 and +1 and quantifies the direction and strength of the linear association between the two variables. The correlation between two variables can be positive (i.e., higher levels of one variable are associated with higher levels of the other) or negative (i.e., higher levels of one variable are associated with lower levels of the other). The sign of the correlation coefficient indicates the direction of the association. The magnitude of the correlation coefficient indicates the strength of the association. For example, a correlation of  $r = 0.9$  suggests a strong, positive association between two variables, whereas a correlation of  $r = -0.2$  suggest a

weak, negative association. A correlation close to zero suggests no linear association between two continuous variables.

### **Low pay/Low salary and intent of corruption**

H1: There is positive and significant relationship between Low pay and intent of corruption

H0: There is no positive and significant relationship between Low pay and intent of corruption

As can be seen in the table above, Low pay relatedness to intent of corruption i.e. ( $r=.87$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease in Low pay will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected.

### **Inflation and to intent of corruption**

H1: There is positive and significant relationship between Inflation and to intent of corruption

H0: There is no positive and significant relationship between Inflation and to intent of corruption

As can be seen in the table above, Inflation relatedness to intent of corruption i.e. ( $r=.68$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease Inflation will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected.

### **Cost of Living and intent of corruption**

H1: There is positive and significant relationship between Inflation and intent of corruption

H0: There is no positive and significant relationship between Inflation and intent of corruption

As can be seen in the table above, cost of living relatedness to intent of corruption i.e. ( $r=.612$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease cost of living will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected.

### **Corruption expansion and intent of corruption**

H1: There is positive and significant relationship between Corruption expansion and intent of corruption

H0: There is no positive and significant relationship between Corruption expansion and intent of corruption

As can be seen in the table above, Corruption expansion relatedness to intent of corruption i.e. ( $r=.83$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease Corruption

expansion will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected.

#### **Cost of education and intent of corruption**

H1: There is positive and significant relationship between Cost of education and intent of corruption

H0: There is no positive and significant relationship between Cost of education and intent of corruption

As can be seen in the table above, cost of education relatedness to intent of corruption i.e. ( $r=.54$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease Cost of education will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected

#### **Cost of health services and intent of corruption**

H1: There is positive and significant relationship between Cost of health services and intent of corruption

H0: There is no positive and significant relationship between Cost of health services and intent of corruption

As can be seen in the table above, cost of health services relatedness to intent of corruption i.e. ( $r=.54$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease Cost of health services will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected.

#### **Lack of housing/very expensive to buy or rent and intent of corruption in**

H1: There is positive and significant relationship between Lack of housing/very expensive to buy or rent and intent of corruption

H0: There is no positive and significant relationship between Lack of housing/very expensive to buy or rent and intent of corruption

As can be seen in the table above, Lack of housing/very expensive to buy or rent relatedness to intent of corruption i.e. ( $r=.65$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease Lack of housing/very expensive to buy or rent will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected.

#### **Public Services (cost, quality, availability) and intent of corruption**

H1: There is positive and significant relationship between Public Services (cost, quality, availability) and intent of corruption

H0: There is no positive and significant relationship between Public Services (cost, quality, availability) and intent of corruption

As can be seen in the table above, Public Services (cost, quality, availability) relatedness to intent of corruption i.e. ( $r=.64$ ,  $p<.05$ ) is both positive and significant. In other words, an increase or decrease Public Services (cost, quality, and availability) will result in corresponding change in intent of corruption in the same direction. Therefore, the null hypothesis is rejected.

Generally, the independent variables show strong correlation with the intention to corruption. This gives a sign that the variables may have causal relations with the dependent variable and it invites further study with explanatory methods, regression analysis for example, to study the predictors of corruption intent of employees in public organizations.

## **CHAPTER FIVE**

### **Summary, Conclusion and Recommendations**

#### **5.1 Summary and Conclusion**

There was a general consensus that corruption is one of the major encounters that the ministries must overcome to have any real chance of development of the country. The sources of corruption, however, still remain a point of dispute. Lack of conclusive data and the great disparity of outcomes show that there is a countless need for more researches as to complement this complex and pressing issue.

In this thesis set out the key effort to understand the predictable relationship that low pay and intent of corruption are closely linked in the country's public sector. This belief has been provided more concrete confirmation and more empirical evidences by applying and collecting significant data which provide the insightful information lead to analytical tool and further provide the hints for the natural relations between low pay and act of corruption. The result from the data analysis and triangulation method includes reports, documents and real-time comments give the paper more scientific findings that low pay is main drive to commit and great level of tolerant to corruption. It is important that this paper also became new evidence that public employees were heavily poorly paid to their decent living standard, which they divert this situation into extra-income sources to justified the insufficient part of their negative income compare to living expense and most of cases in public services is the occurrence of corruption. As been found this thesis, corruption of public institutions and individual are out of numbers to transparent and accountability institutions or individuals.

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. 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. Hence, rather than considering the matter only from the corruption point of view, civil service reform should encompass a more wide- ranging program, including adjusting salaries to cover the living expenses of an average family.

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 federal public organizations. As most of the respondents explained price inflation in consumptions and goods was pushing civil servants below the minimum income. 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 favor seekers.

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 evidence from this survey further showed that, much of the corruption that takes place is petty corruption committed by a relatively poorly paid public employees that is trying to make ends meet in the face of rising inflation. And the poor are its primary victims; petty corruption affects them directly and immediately as they are forced to pay bribes to civil servants in order to obtain basic public services and to get things done.

This is therefore, root of low pay is truly leads to unprecedented corruption while retarding of the public service delivery is most preferable by corrupted officials who keep delaying the service, and to ask more bribe from service receiver where discrimination for whom paid bribe and do not pay bribe is likely occurred.

The most crystal clear evidence of corruption is increase where the public employees still live in their starvation-wage, was exposed by the Transparency International, which Ethiopia ranks 97<sup>th</sup> in 2019 and 94<sup>th</sup> in 2020 two years in the row.

The paper also shows that the incapability of government to increase more pay to their employees because of the dependency of foreign aids and relentless of revenue collection. The revenue is big issue to sustain financial strength of government that is because the Ethiopian tax systems really applied on both public and private employees. Tax collection from the private business/traders and others are very weak compared to monthly salaried employees.

Beside the heavy corruption, Ethiopia political characteristic toward remuneration policy is apparently associated with patron-client relationship, while they keep public official poorly paid and then it is easy for them to control them either by the patron networks or abuse of power over public employees to maintain the political sustainability or commercial benefits.

Therefore, the curiosity to the low pay and corruption is always pointed out “increase pay can deter corruption”. This thesis suggests that there are always the cases. At some levels increase can give the opportunity cost to commit or not commit corruption. Public employees will have the temptation and fearful if they commit corruption at the mean time they have sufficient salary, where the risk is being fired for this most secured and fair-pay-job. That is the reason why, Singapore is good example to explain this causal relation. Generally speaking, Singapore is a well-paid country for their public employees which is lowest committed corruption public officials happen.

In addition, brought the experiences from countries in Africa, for instance, Somalia, Uganda public employees and judges are suffered from the low pay and end up with huge corruption’s cases to compensate their survival standard of living. These experiences show the vital examples to roots of Ethiopia’s starvation-wage and incidents of corruption’s linkages.

It is true that during EPRDF with development partners was tried to increase or compensate the low public employees pay, but the successful is rare due to reluctant of the party and unsophisticated strategic policies toward the remuneration reform. The sustainability of funds both development partner and government to keeps those projects alive is another story. Most projects supported remuneration supplement was quite narrow, which development partners were focusing only the areas where they prioritized interests, not the entire public sector. This bias brought the failure from tremendous efforts, for instance, salary supplement and priority operating cost. Still, this thesis shows that pay factor is not solely factor to deter corruption, yet the strength and the enforcement of anti-corruption is another crucial factor.

Now Dr. Abey Ahmed administrations also, had drafting anti-corruption law through FEACC. But the beliefs of these drafts has interrupted due to political instability, political unwillingness, lack of resources, experts and institutional frameworks and those institutions are also lack of vital components, independency, taking consideration of owns resources, institutional frameworks, human capacity and that will be a backbone of effective implantations to counter corruption.

Thus, 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 the study. 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.

## **5.2 Recommendations**

The following recommendations are submitted for consideration of the policy maker, public sectors, FEACC and other relevant authorities involved with development and review of strategies for combating corruption.

- There is need for continuing and rigorous efforts on ethical education for civil servants in general. But the entire sample groups in this survey were agreed that public employees were paid low compared to their monthly expenses and needs to consider the buying power of the salary.
- For smoothening public service delivery, it's important that the public Sector practice one window service and online tasks mechanism. So, the chance of personal contact among public officials and service receivers are going to be less.
- 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.
- Make sure the government that, hierarchical public officials essentially appointed according to their professional criteria/competencies/merit. Plus, FEACC and other

relevant authorities need to comprehend and take corrective action on Nepotism, cronyism, kinship and special connection within the Public sector.

- Increase salary for public official can helps to fight against corruption, because the survey output shows that, Low pay for public officials and civil servants are the main causes of corruption plus it's a Serious Problems and Possible Reasons that push public employees for corruption in public sector.
- Strengthening anti- corruption law, transparency and accountability is important and needed.

Furthermore, the anti-corruption law will give the precise effects of the implement process and meanwhile, recruiting more clean public employees, protection of whistle blowers, investigate and catch the main players incorruption, reinforce tax collection, introduce e-government, privatization some necessary sector that will be well-control by private enterprise, and learning from best practice both within local public organizations and rational experiences of foreign countries which were done well in anti-corruption, are the priorities mission for Ethiopian government with the participation of non-governmental organizations (NGOs), civil societies and related development partners.

Finally, increase pay and law enforcements are always the important key to fight against corruption.

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**APPENDIX**  
**Addis Ababa University**  
**College of Business and Economics**  
**Department of Public Administration and Development Management**

Dear Respondent,

I am a Master of Public Management student of the above-mentioned Graduated School to conduct a research on the topic “**The Relation between Low Pay and Intent of Corruption by Public Employees working in the Federal Public Organizations**”. Please, be assured that confidentially of your response is highly guaranteed and used for academic purpose only. Name or any form of identify in this questionnaire is not required, Please feel free in responding to the questions and should you need finding of this research do not hesitate to send a request to [girumbir2@gmail.com](mailto:girumbir2@gmail.com). And for call: 0912 16 87 04/0966 21 60 65

I really appreciate and thank you for giving your valuable time to complete these questionnaires.

**SECTION ONE: GENERAL INFORMATION**

Please mark or tick in the following box that you think is appropriate.

Ministry of .....

1. Gender:

Male  Female

2. Age:

Below 30  31-40  41 and above

3. Educational level?

Certificate  Diploma  Degree  Masters and above

4. What is your position in the organization?

Director  Team Leader  Expert  Just Employee

5. Your working experience in the organization?

Below 5years  6-10 years  more than 10 years

6. Your official Salary per month?

Below 5,000  5,000 to 10,000  10,000 and above

7. Other income from other source per month?

Below 5,000  5,000 to 10,000  10,000 and above  I can't say

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

1. Yes  2. No



9. Do you engage in other activities in order to supplement your official earnings?

1. Yes  2. No  3. I can't say

10. 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  3. I can't say

11. Is corruption an important and pressing issue for your organization?

1. Yes  2. No  3. I can't say

### SECTION TWO: Level of Corruption in the Ministry, as Perceived by Employees

Please mark or tick in the following box that you think is appropriate.

(Note: Strongly agree = 5, Agree = 4, Null = 3, Disagree = 2, Strongly Disagree=1)

|    | Level of Corruption in the Ministry, as Perceived by Low-Pay Employees  | STRONGLY<br>AGREE | AGREE | NULL | DISAGREE | STRONGLY<br>DISAGREE |
|----|---|-------------------|-------|------|----------|----------------------|
| 12 | Hierarchical public officials were appointed according to their professional criteria/competencies/merit.   |                   |       |      |          |                      |
| 13 | Nepotism, cronyism, kinship and special connection exist within the Public service of the Ministry.   |                   |       |      |          |                      |
| 14 | During the past three years I'm not observed any act of corruption by a public official.  |                   |       |      |          |                      |
| 15 | No one has been sentenced by corruption in the past three years   |                   |       |      |          |                      |
| 16 | I know the Sector have practiced one window service to smoothen the public service delivery.  |                   |       |      |          |                      |
| 17 | For smoothening the service, online tasks mechanism were introduced therefore, the chance of personal contact among public officials and service receivers is less than before. |                   |       |      |          |                      |
| 18 | Timeframe and service fees of the service to be delivered are regulated by laws and regulations.  |                   |       |      |          |                      |
| 19 | From above mentioned practices, corruption commit is less than before.  |                   |       |      |          |                      |

### SECTION THREE: Perception of Employees towards Corruption

Please mark or tick in the following box that you think is appropriate.

(Note: Strongly agree = 5, Agree = 4, Null = 3, Disagree = 2, Strongly Disagree 1)

|    | <b>Perception of Employees towards Corruption</b>   | STRO<br>NGLY<br>AGRE<br>E   | A<br>G<br>R<br>EE | N<br>U<br>L<br>L | DISA<br>GRE<br>E | STRO<br>NGLY<br>DISA<br>GREE |
|----|---|---|-------------------|------------------|------------------|------------------------------|
| 20 | I perceive that public official have the temptation of commit corruption, if there is good chance.  |   |                   |                  |                  |                              |
| 21 | Low pay for public officials and civil servants are the main causes of corruption in public sector  |   |                   |                  |                  |                              |
| 22 | I perceive that the “increase salary for public official” can helps to fight against corruption.  |   |                   |                  |                  |                              |
| 23 | I am willing to report or send the complaints to Federal Ethics & Anti-Corruption Commission (FEACC), if there are the corruption cases occur against my personal interest or my workmate’s interest. |   |                   |                  |                  |                              |
| 24 | I perceive that corruption is a way of life and I would not hesitate to do it if it helps me and my family to be  |   |                   |                  |                  |                              |
| 25 | I don’t mind paying a bribe if it helps me to get things done quickly and effectively.  |   |                   |                  |                  |                              |
| 26 | I perceive that the Federal Ethics & Anti-Corruption Commission (FEACC), can sincerely fight against corruption?  |   |                   |                  |                  |                              |
| 27 | I have confidence and trust in the tribunal that they can transparently judge the case of corruption.   |   |                   |                  |                  |                              |
| 35 | I believe that governments/public sectors have effective measure in enforcing Anti-corruption law.  |   |                   |                  |                  |                              |
| 28 | I perceive that strengthening anti- corruption law, transparency and accountability is important and needed.  |   |                   |                  |                  |                              |
| 29 | Do you perceive that if you are payed a bribe once much more than your salary will you accept it?   | If “Yes” Please choose:<br>1) Bribe bigger than 01-month salary<br>2) Bribe bigger than 03 months’ salary<br>3) Bribe bigger than 06 months’ salary<br>4) Bribe bigger than 01-year salary<br>5) If “No” Please specific your reasons:..... |                   |                  |                  |                              |
| 30 | How much salary increase do you think it would be affordable for your households’ expense and will be strong influence over corruption?   | a) From 0% to 10% b) From 10% to 20%<br>c) From 20% to 40% d) From 40% to 60%<br>e) From 60% to 100%<br>f) 100% and above<br>g) If “No” Please specific your reasons:.....  |                   |                  |                  |                              |

**SECTION FOUR: Possible reasons for the difference in the perception towards**

**corruption**

Please mark or tick in the following box that you think is appropriate.

(Note: Please answer on a scale from 1 to 5, where 1 corresponds to “very unimportant” and 5 corresponds to “very important reasons”).

**31.** How important are the following possible reasons that would help you to avoid corruptive behaviors?

| <b>Possible reasons that would help you to avoid corruptive behaviors.</b> | Very Unimportant | Unimportant | Fairly | Important | Very Important |
|--|------------------|-------------|--------|-----------|----------------|
| High/reasonable salary   |                  |             |        |           |                |
| Steady other source of income  |                  |             |        |           |                |
| Family standard of life  |                  |             |        |           |                |
| Religious ethics   |                  |             |        |           |                |
| Well to do family  |                  |             |        |           |                |
| Organization policy/strict rule and regulations                            |                  |             |        |           |                |
| Good management style  |                  |             |        |           |                |
| Group norms  |                  |             |        |           |                |
| Social sanction  |                  |             |        |           |                |

**32.** How serious each of the following problems as a reasons that push public employees for corruption?

(Note: Please answer on a scale from 1 to 5, where 1 corresponds to “Not a Problem” and 5 correspond to “Extremely Serious”).

| <b>Serious Problems and Possible Reasons that push public employees for corruption.</b> | Not a problem | Negligibly serious | Fairly serious | Serious problem | Extremely Serious |
|---|---------------|--------------------|----------------|-----------------|-------------------|
| Low pay/Low salary  |               |                    |                |                 |                   |
| Inflation   |               |                    |                |                 |                   |
| Cost of Living  |               |                    |                |                 |                   |
| Corruption expansion  |               |                    |                |                 |                   |
| Cost of education   |               |                    |                |                 |                   |
| Cost of health services   |               |                    |                |                 |                   |
| Lack of housing/very expensive to buy or rent   |               |                    |                |                 |                   |
| Public Services (cost, quality, availability)   |               |                    |                |                 |                   |
| political instability   |               |                    |                |                 |                   |
| Any pressing social problem(specify)  |               |                    |                |                 |                   |

Thank you for your cooperation. Together we fight against corruption and promote good governance, transparency and accountability for the sake of our beloved country Ethiopia.