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# Governance & Corruption – Developments and Issues in Ethiopia

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# Governance & Corruption – Developments and Issues in Ethiopia

## **Abstract**

This paper reports the results of a survey of 400 respondents in Ethiopia about factors generating corruption and the potential of e-Governance to mitigate corruption. It is suggested that e-Governance can help not only in weeding out corruption but also in the establishment of sounder government citizen relationships in Ethiopia. While e-Governance cannot cure all the structural factors that breed corruption in the society, strategic implementation of e-Governance can help improve the critical variable in combating corruption—government citizen relationships. It is argued that while e-Governance initiatives can make important contributions to improving public services they can best do so by helping improve overall relationships between governments and citizens.

## **Comments**

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## **ABSTRACT**

This paper reports the results of a survey of 400 respondents in Ethiopia about factors generating corruption and the potential of e-Governance to mitigate corruption. It is suggested that e-Governance can help not only in weeding out corruption but also in the establishment of sounder government citizen relationships in Ethiopia. While e-Governance cannot cure all the structural factors that breed corruption in the society, strategic implementation of e-Governance can help improve the critical variable in combating corruption—government citizen relationships. It is argued that while e-Governance initiatives can make important contributions to improving public services they can best do so by helping improve overall relationships between governments and citizens.

Keywords: E-Governance, Corruption, Government-Citizen Relationships

## **E-Governance & Corruption – Developments and Issues in Ethiopia**

The prime purpose of governance is to manage, steer, direct or guide a civic body or organization to achieve its goals. SMART (Simple, Moral, Accountable, Responsive, and Transparent) government is in high demand and commitment to improved governance is a frequent pre-condition for external development grants/assistance in the current economic environment.

Recently, e-Governance has emerged as a vehicle for SMART government. It is increasingly realised that appropriate investment in Information and Communications Technology (ICT) in government can contribute significantly to the achievement of good governance goals. Implementation of e-Governance is advocated for wiping out corruption. More positively many developing countries are now realizing the need for e-Governance in order to provide customer-focused, cost effective, and easy to use value added services for citizens, businesses and in the internal workings of government. However, effective implementation of e-Governance initiatives demands sound ICT infrastructure and commitment.

This paper reports the results of a survey of 400 respondents in Ethiopia about factors generating corruption and the potential of e-Governance to mitigate corruption. It is argued that while e-Governance initiatives can make important contributions to improving public services they can best do so by helping improve overall relationships between governments and citizens.

### **1. Corruption: An Obstacle to Good Governance**

The classical conception of corruption is thought to be a decline of moral standards in society. Corruption of one kind or another exists in every society however with varying intensities.

Corrupt actions are so diverse and the concept of corruption so generic that any precise and detailed definition of institutional corruption is difficult to frame. But corruption can be broadly defined as “the abuse of public power for private benefit” (Bardhan 1997; Rose-Ackerman 1999). Corruption includes both monetary and non-monetary benefits. Common forms of corruption are bribery, extortion, influence peddling, nepotism, scams, fraud, ‘greasing money’, and opportunism.

The main drivers of corruption have been identified as economic, political and cultural factors (Rose-Ackerman 1994, 1999, 2004 and Klitgaard 1995, 1996). These vary from country to country (Garcia-Murillo 2005). Corruption corrodes economic and social relations. It distorts markets and erodes attempts to improve quality of life. The World Bank identifies it as the key element in economic underperformance and a major obstacle to poverty alleviation and development. In major parts of the world, the public sector has been plagued with corrupt practices. Corruption has attained serious levels in more than two-thirds of the 159 nations surveyed in Transparency International’s 2005 Corruption Perceptions Index (CPI). These countries have scored less than 5 out of a clean score of 10. Studies also suggest that corruption occurs together with red-tape and is the most ancient and widespread disease of bureaucracy (Guriev, 2004). Corruption, therefore, can also be seen as the behavior that "violates and undermines the norms of the system of political order which is deemed indispensable for the maintenance of political democracy" (Berg 1976).

Many aid agencies and governments, including the United Nations and its agencies, are working to get rid of problems blocking development in Asia and Africa. "Business Crime Control" (Ricks 1995) and "Transparency International" (Eigen 1995) are two major Non Governmental Organizations that have done remarkable work in combating corruption. In 1994 the OECD

promulgated guidelines against corruption in international business. Members of the European Parliament (MEPs) have called for tougher measures against corruption as a precondition for making EU aid more effective. Even the UN General Assembly on 31 October 2003 unanimously adopted the United Nations Convention against corruption. Member States provided unprecedented levels of support in sending representatives to the negotiation and subsequent signing of the Convention. These examples demonstrate the acute severity of the problem of corruption and provide notable public statements of political commitment to tackle it.

## **2. E-Governance – A Weapon against Corruption**

E-Governance is more than just floating government web-sites on the internet. Definitions of e-governance range from “the use of information technology to free movement of information to overcome the physical bounds of traditional paper and physical based systems” to “the use of technology to enhance the access to and delivery of government services to benefit citizens, business partners and employees”. A useful definition for the purposes of this paper is to characterize e-governance “as the application of electronic means in the interaction between government and citizens and government and businesses as well as in internal government operations, to simplify and improve democratic government and business aspects of Governance” (Backus 2001). Government and governance are inter-related. Government operates in an environment increasingly shaped by non-state actors. For both state and non-state actors improving policy making and service-delivery processes is an important objective (Castells 1996; Stoker 1996).

While the use of ICT by government agencies is steadily increasing, the hoped for impacts extend well beyond the boundaries of government itself. The application of ICT in government often aims to improve efficiency and effectiveness in the public sector and to lift transparency

and accountability of informational and transactional exchanges within government. It also aims to do the same for interactions between governments and government agencies at national, municipal and local levels (G2G), citizens (G2C), and businesses (G2B). The use of ICT in government tries to transcend simply a focus on efficiency and effectiveness. By making available interactive access to and use of information it hopes to empower citizens (Gage 2002).

Cisar (2003), Tangkitvanich (2003), and Mahmood (2004) argue that if e-Governance is to curb corruption then designing such systems needs an appropriate conceptual framework. Further, designing e-Governance systems as deterrents for corruption, requires understanding on the part of policy makers and public managers too. The work of Rose-Ackerman (1978, 1994) and Klitgaard (1988, 1995, 2004), which is heavily based on the principal-agent framework is especially pertinent here. They stress three dimensions of institutional structure as the most critical in bearing on the opportunities for corruption: (1) the monopoly power of officials; (2) the degree of discretion that officials are permitted to exercise and (3) the degree to which there are systems of accountability and transparency in an institution. A complementary study by Kaufman et al (2001) constructed six indicators of good governance. From their database for 175 countries, the authors constructed quantitative measures for six dimensions of governance. Control of corruption was one of these six dimensions.

It is argued that all types of bureaucratic corruption can be powerfully reduced through the increased transparency achieved by using modern electronic media. Generally, the introduction of the Internet in the administrative proceedings of all fields of public administration brings more transparency and thereby minimizes the opportunities for public officials to monopolize access to relevant information and to extract bribes from their clients. Literature indicates the cases of a number of Latin American and Indian states where petty corruption was reduced by employing

e-Governance (Bhatnagar 2003; Sarah 2003). Further, the employment of ICT can also powerfully foster the anticorruption struggle against self-serving asset stripping by state officials (Cisar 2003).

Increased transparency also helps prevent some types of grand political corruption. Such corruption flourishes when there is a monopoly of power, including discretion in administering it, and lack of accountability. ICT can be directly helpful in curbing political corruption by increasing the transparency of the political and administrative systems. In this respect, e-Governance can enhance the involvement of various social actors so as to take care of the monopoly and make accessible information about the activities of other actors.

The strategic objective of e-Governance is thus to support and simplify governance for all parties, citizens and businesses. E-governance uses electronic means to support and stimulate good governance. With e-Governance reformers aspire to reinforce the connection between public officials and communities thereby leading to a stronger, more accountable and inclusive democracy.

This paper argues that the rampant corruption found in various parts of the world can only be taken care of through the success of e-governance. But the success of e-government requires fundamental changes in how government works and how people view the provisions through which government is helping them. Governments need to undertake e-Governance initiatives actively, strategically and resourcefully (Moon 2002).

### **3. Africa and e-Governance**



The African Union estimates that corruption accounts for 25% of Africa's annual GDP - around \$148 billion - and is stifling the continent's chances of taking off economically. The state of e-Governance is also poor in Africa in comparison to other economies. Poor telecommunication infrastructure in Africa causes low Internet connectivity, which in turn restricts the reach and effect of e-Governance. Governments in many African countries are still reluctant to completely free their telecommunication services from their control. Further, in most of sub-Saharan Africa, ICT has not been effectively integrated into the development agenda of government plans (Mutula 2003).

However, even if Africa is not ready for the information revolution, it is still arriving (Pascal 2002). More and more African countries have begun to use sophisticated technologies and ICT (Intelecon Research, 2000). But though there has been some rise in Internet usage and connectivity in the last few years it has not been enough, keeping in view the progress secured by other developing and developed parts of the world. By 2000 all countries were able to achieve permanent connectivity. But the problem is that Internet connectivity is mainly confined to the capital cities and a few bigger cities and towns (Gyapong 2002). Most African countries are presently confronted by the challenge to implement the Science and Technology Action Plan championed by the African Union and the National Economic Partnership for African Development. Efforts are being made to harness technology for rapid economic development. But much more needs to be done.

Sub Saharan Africa is characterized by poor e-readiness. South Africa and the North African countries are better equipped than Sub-Saharan Africa in terms of e-readiness. E-readiness connotes how nations across the globe perform in terms of creating, diffusing, adopting and

using various components of a networked economy. South Africa outperforms the rest of Africa in terms of e-readiness. While Tanzania (the largest of the East African nations showing very low Internet and computer penetration) has shown some rapid progress in the field of ICT in the last few years access to ICT in rural areas remains woefully low. Short-term planning and inadequate infrastructure hinder progress.

Recent initiatives focusing on ICT Development and ICT for Development in the region include the New Partnership for Africa's Development (NEPAD) program. "Business Endorsement of the New Partnership for Africa's Development" is a program by which companies doing business in Africa commit themselves to support NEPAD's objectives observing a set of standard corporate citizenship criteria, such as transparency and proper accounting principles.

The promoters of the e-Africa conference (CAFRAD, UNDESA and NEPAD), in consultation with other participants and partners, have recognized the need to mobilize the African and global public administration and ICT communities for e-Governance in Africa and have agreed on an overall "Framework for Action on e-governance for Africa". But this is not yet sufficient to spread the real benefits of e-Governance in eradicating the most important evil of corruption.

#### **4. e-Governance Initiatives and Corruption in Ethiopia**

These issues are illustrated by a case study of Ethiopia. In the not too distant past Ethiopia has seen repeated political upheavals. But the incumbent government has nevertheless declared good governance to be a priority. At present, Ethiopia spends one tenth of its GDP every year on IT. The government plans to invest some \$100m in computers for the public sector over the next five years. It aims to equip hundreds of government offices and schools with broadband internet connections. By 2007 it is proposed to provide Ethiopia's 74 million people with broadband

access points. According to government sources, the backbone of this network, 4,000km of optical fibre has already been laid and will be fully commissioned soon.

Efficient implementation of e-Governance can substantially reduce the cost of Ethiopian government by increasing civil service productivity, by dramatically cutting the time for the processing of information and regulatory implementation, and through the wide implementation of e-procurement. Singapore provides a good example in this regard. Singapore used to spend US\$100 million per year on ICT. Civil service studies have found that every dollar spent on this program has generated US\$ 2.70 returns through expanded productivity and reduced operational costs. As a result 1,500 jobs were eliminated from the public payroll and an additional 3,500 jobs were reoriented towards more productive outputs (Grace 2001).

Internet usage in Ethiopia, according to Internet World Statistics is somewhat equivalent to that of Niger and the Democratic Republic of Congo but far less than that of Kenya (1.2%) and South Africa (7.3%). Ethiopia is one of the few African countries that still maintains a monopoly in the telecommunications sector. Total telephone line penetration is very low at 5.95 per 1000 people. However, the government is keen on privatizing the national operator—Ethiopian Telecommunications Corporation (ETC)—and introducing competition in mobile and Internet services. The mobile sector has been growing by 100% or more per annum in recent years crossing the capacity limits. Broadband initiatives taken in 2005 are intended to bring the country closer to the information society with higher budgets allocated for infrastructure improvements in 2006. With the new ICT program the government of Ethiopia is endeavoring to improve deteriorating public services. Its dream relies on the spread and usage of Internet technology.

However, Ethiopia is yet to realize the potential benefits of employing ICT to curb corruption in public sector. The wealth accumulated through corrupt means seeks safer destinations and moves out of the country. Government agencies do not seem to be much motivated to distribute information online, and automate processes that are subject to corrosive and corrupt influences. Most government websites developed to show the government's commitment to e-Governance have become dysfunctional or obsolete. Bureaucracy remains opaque. Therefore, it becomes essential to identify specific targets in Ethiopia where ICT can be successfully applied as a tool in curbing corruption and improving the quality of public services for the mass of citizens.

Further initiatives are underway. These include a project to connect all Federal Courts with a centralized database through a Wide Area Network (WAN). To showcase the value of ICT for facilitating information delivery in local administration, recently the Economic Commission for Africa (ECA), in collaboration with the Information Technology Center for Africa (ITCA), launched a multimedia touch-screen kiosk in Amharic (the national language of Ethiopia) at the Nefa Silk Lafto Sub-City of the Addis Ababa Municipality. The kiosk is part of the Development Information Services Division's (DISD) input to the cooperation framework established in 2003 between ECA and the Mayor of Addis Ababa. Further in August 2005 a ceremony was held in the historic Ethiopian city of Harar to mark the inauguration of a UNESCO sponsored community telecentre. Harar is to be included in UNESCO's list of World Heritage Sites shortly. The city, which was founded before the 13th Century, was the centre of Islamic culture and religion in the Horn of Africa. The centre which offers 5 Internet connected PCs, access to digital photography, scanning and printing equipment brings to a total of six the number of UNESCO supported telecentres in Ethiopia.

The availability of Internet broadband facilities in major cities, even with varying degree of penetration, and its non-availability in rural areas itself creates problems. It shifts power but still leaves it in the hands of a few. Therefore the use of ICT for removal or reduction of corruption in Ethiopia appears to be limited, not because of the failure of technology but because of the limits to its reach among citizens generally. It may that the best that can be hoped for is a phased approach that gradually extends reach and impact first in the cities and then in the rural areas.

This study was conducted with the objective to investigate the potential of e-Governance applications in the Ethiopian public sector in terms of both policies and processes to curb corruption and increase efficiency, responsiveness, accountability and transparency. The study used the following research hypotheses formulated from the analysis set out above:

**Hypothesis 1:** e-Governance is positively related to the government–citizen relationship and corruption reduction.

**Hypothesis 2:** Government-citizen relationship accounts for more corruption reduction as compared to other variables

## **5. Methodology**

The paper presents the outcomes of a study conducted with 400 citizens in major regions of the country. These respondents were selected using a convenience-sampling technique. The study used an adapted version of a questionnaire developed by Naz (2005). The reliability of this questionnaire was calculated using Cronbach’s Alpha and the value depicted that the measure was reliable (Cronbach’s Alpha =.7768). The paper also incorporates material from in-depth

interviews with officials, decision-makers and other interest groups involved in e-Governance initiatives.

Table 1 below presents the demographic profile of the 400 respondents (N=400) selected for the study:

**TABLE 1: DEMOGRAPHIC PROFILE OF RESPONDENTS**

<b>Demographic Profile of the Sample (N=400)</b>			
Demographics	Percent	Demographics	Percent
<b>Age</b>		<b>Education</b>	
6-39	55.5	Secondary	3.8
Over 40	17.8	University	78.8
Under 25	26.8	Professional	15.8
		Other	1.8
<b>Marital Status</b>		<b>Job Status</b>	
Married	28.0	Business	14.3
Unmarried	70.3	Housewife	.8
Widowed/Divorced	1.8	Others	2.3
<b>Ethnicity</b>		Service	62.0
Amhara	57.0	Students	19.3
Oromo	13.3	Unemployed	1.5
Tigrean	8.5	<b>Gender</b>	
Others	21.3	Female	16.0
		Male	84.0

Almost 27% of the respondents were under 25 years of age while 55% and 18% of the respondents were in the 26-39 and ‘over 40’ category respectively. Since the majority of the respondents were in the mid age group, their responses can be considered mature. Out of the total respondents 84% were males, 28% married, and 70% unmarried. ‘Amharas’ (57%) were in the majority in terms of ethnicity followed by others (21.3%), ‘Oromo’ (13.3%) and ‘Tigrean’ (8.5%). The ethnic composition of respondents was broadly equivalent to the actual composition of the entire population. This ensures that a balanced response was secured without any ethnic bias. This is important because a minority ethnic group—‘ Tigrean’—presently rules the country. Resentment among ‘Amharas’ could have been a cause of bias, had there been imbalances in

sample composition. Of the total respondents 78.8 % had a ‘university’ education, 15.8% ‘professional’ Education, 3.8% ‘secondary’ education and 1.8% other education. They held a diverse range of jobs, with 14.3% in business, 62% in service, 19% students, 1.5 % unemployed, approximately 1 % housewife and 2 % in other jobs. The majority had a university or professional education with sufficient representations of different job status. Respondents were thus well aware of e-Governance and its pros and cons. However, most of the population is not aware of e-governance and its scope and benefits. The questionnaire was not administered to those who claimed themselves absolutely unaware.

## 6. Results and Discussion

### 6.1 Public Service Corruption in Ethiopia

Table 2 shows the views of respondents about corruption in public services.

**TABLE 2: VIEWS OF RESPONDENTS ON PUBLIC SERVICE CORRUPTION IN ETHIOPIA**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	317	79.3	79.3	79.3
	No	34	8.5	8.5	87.8
	Neutral	49	12.3	12.3	100
	Total	400	100.0	100.0	

In the view of respondents corruption in the Ethiopian public service is widespread and a large majority of people (79.3%) were of the view that corruption is increasing in public service agencies. Only a small percentage (8.5 %) feels otherwise. As exhibited in the above table a

small percentage (12.3%) were unable to say anything with regard to increase or decrease in corruption as far as public service agencies are concerned.

## 6.2 Extent of Public Service Corruption

Table-3 highlights perceptions of public service corruption in Ethiopia.

**TABLE 3: PERCEPTIONS OF PUBLIC SERVICE CORRUPTION IN ETHIOPIA**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fairly High Corruption	159	39.8	39.8	39.8
	Fairly Low Corruption	25	6.3	6.3	46.0
	Medium	143	35.5	35.5	81.8
	Very High Corruption	73	18.3	18.3	100.0
	Total	400	100.0	100.0	

A sizeable majority of respondents (58.1%) rated public service corruption as either fairly high or very high. A small minority (6.3%), however, rated it fairly low. Perceptions about public services appear to be negative because of high corruption. This finding should serve as a warning signal to the Ethiopian government to initiate policy measures to curb widespread corruption in the public services.

## 6.3 Time Factor in Public Service Delivery and Corruption

Table 4 reports people's perception of 'Time Factor' in dealing with public service delivery.



**TABLE 4: TIME FACTOR IN DEALING WITH PUBLIC SERVICE DELIVERY AND RESULTING CORRUPTION**

STATEMENT	Frequency	Percent	Valid Percent	Cumulative Percent
Time is not a problem-Totally Agree	5	1.3	1.3	1.3
Time is not a problem -Mostly Agree	8	2.0	2.0	3.3
Time is not a problem -Somewhat Agree	13	3.3	3.3	6.5
Okay-Time Factor makes no difference	62	15.5	15.5	22.0
Time is a problem-Somewhat Agree	90	22.5	22.5	44.5
Time is a problem –Mostly Agree	111	27.8	27.8	72.3
Time is a problem –Totally Agree	111	27.8	27.8	100.0
Total	400	100.0	100.0	

As highlighted in Table 4, a sizable majority (88%) of respondents considered the time factor to be a major problem in dealing with public service delivery. On the contrary, only 6.5% of the respondents considered the time factor in dealing with public service delivery as not important. According to this small percentage of respondents, public service delivery response is timely and efficient. However, almost 22% preferred to remain neutral on the issue. On the basis of these responses we can say that the time factor is the biggest obstacle in dealing with public service delivery and a major cause of concern in Ethiopia. The majority of respondents find it difficult to

get their grievances redressed in time. There is a need for the government to develop timely and ongoing contact with the general public for mitigating their problems.

#### 6.4 Cost Factor in Public Service Delivery and Corruption

Table 5 highlights cost factors in dealing with public service delivery.

**TABLE 5: COST FACTORS IN DEALING WITH PUBLIC SERVICE DELIVERY AND CORRUPTION**

STATEMENT	Frequency	Percent	Valid Percent	Cumulative Percent
Cost Factor is not relevant-Totally Agree	0	0	0	0
Cost Factor is not relevant -Mostly Agree	11	2.8	2.8	2.8
Cost Factor is not relevant –Somewhat Agree	23	5.8	5.8	8.5
Cost Factor in service delivery-Makes No Difference	59	14.8	14.8	23.3
Cost Factor is a major bottleneck-Somewhat Agree	117	29.3	29.3	52.5
Cost Factor is a major bottleneck –Mostly Agree	94	23.5	23.5	76.0
Cost Factor is a major bottleneck –Totally Agree	96	24.0	24.0	100.0
Total	400	100.0	100.0	

As exhibited in Table 5, only a few (8.5%) respondents felt that cost factors are not relevant in public service delivery, whereas a sizable majority (76.7%) agreed that cost factors were a major bottleneck due to excessive centralization, corruption and favoritism in public service delivery.

However, 14.5% of respondents claimed that cost factors in service delivery make no difference. Reduction in corruption and favoritism along could substantially reduce the costs of concern to respondents.

## 6.5 Red Tape Procedures in Public Service Delivery and Corruption

Table 6 reports public red tape procedures involving more than one agency and more than one step.

**TABLE 6: PUBLIC RED TAPE PROCEDURES INVOLVING MORE THAN ONE AGENCY AND MORE THAN ONE STEP**

STATEMENT	Frequency	Percent	Valid Percent	Cumulative Percent
Public Red-tape procedures are not problematic -Totally Agree	13	3.3	3.3	3.3
Public Red-tape procedures are not problematic –Mostly Agree	7	1.8	1.8	5.0
Public Red-tape procedures are not problematic -Somewhat Agree	26	6.5	6.5	11.5
Public Red-tape procedures- Make No Difference	31	7.8	7.8	19.3
Public Red-tape procedures are a major problem-Somewhat Agree	116	29.0	29.0	48.3
Public Red-tape procedures are a major problem -Mostly Agree	110	27.5	27.5	75.8
Public Red-tape procedures are a major problem -Totally Agree	97	24.3	24.3	100.0
Total	400	100.0	100.0	

The data presented in Table 6 reveal that public red-tape procedures are seen to involve more than one agency and also more than one step. This gives important insights in judging the importance of initiatives in citizen-centered government, including one-stop shops and measures to cut major problems arising from centralization of decision making. Almost 80.7% of

respondents agreed that public red tape procedures are a major problem due to excessive centralization, corruption and favoritism. It is to be noted that only 7.8 percent of respondents agreed that public procedures ‘Make No Difference’ for them, while only 11.5 percent considered public red-tape procedures not a problem because of the initiative of one-stop shop services.

Overall, the survey confirms that time factors, cost factors and public red-tape procedures in public service delivery are a major problem in Ethiopia because of excessive centralization, corruption and favoritism.

## 7. Hypothesis Testing

The results of hypothesis testing are as follows:

Hypothesis 1: (H1) e-Governance is positively related to government–citizen relationship and corruption reduction.

Pearson’s correlation coefficient was calculated to test the above hypothesis and Table 7 below presents the correlation results.

**TABLE 7: CORRELATIONS**

		e-Governance Model	Govt. Citizen Relationship	Corruption reduction
eGovernance Model	Pearson Correlation	1.000	.159**	.204**
	Sig. (2-tailed)		.001	.000
	N	400	400	400
Govt. Citizen Relationship	Pearson Correlation	.159**	1.000	.220**

	Sig. (2-tailed)	.000	.	.000
	N	400	400	400
Corruption reduction	Pearson Correlation	.204**	.220**	1.000
	Sig. (2-tailed)	.000	.000	.
	N	400	400	400

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

Data analysis from the above table indicates that e-Governance and the Government Citizen Relationship (public service agencies & citizens) are significantly correlated (.159\*\*) at 0.01 level ( $p < 0.01$ ). E-Governance is positively related to Government Citizen Relationship and corruption reduction. On the basis of this analysis we can say that Hypothesis 1(H1) is accepted. It may be inferred that the Government Citizen relationship can play an important role in reducing corruption in Ethiopia and e- Governance initiatives by the government need to be strengthened further.

Hypothesis 2: (H2) Government Citizen Relationship accounts for more Corruption Reduction as compared to other variables

To test the above hypothesis, step wise method of regression was performed taking corruption reduction as the dependent variable over five independent variables—e-Governance model, reasons to develop e-Governance, reasons to utilize e-Governance, priority features of e-Governance and Government Citizen Relationship. The purpose of this was to select from these five predictor variables a small subset of variables that account for most of the variation in the dependent variable. Three variables—Government Citizen Relationship (Beta = .220,  $t = 4.497$ , Sig. = .000), e-Governance model (Beta = .174,  $t = 3.555$ , Sig. = .000), and reasons to utilize

(Beta = .112, t = 2.071, Sig.= .039) were respectively found to be the most important predictors of corruption reduction. To identify an optimal regression equation, the enter method of regression was used to compute combinatorial solutions. The following regression equation was derived:

$$\begin{aligned} \text{Corruption Reduction} = & 35.033 + .169 (\text{Government Citizen Relationship}) \\ & - 6.29\text{E-}02 (\text{Reason to Develop e-Governance}) \\ & + .118 (\text{Reasons to Utilize e-Governance}) \\ & +.174 (\text{Priority Features of e-Governance}) \\ & + 9.79 \text{ E-}02 (\text{e-Governance Model}). \end{aligned}$$

Since reasons to develop, reasons to utilize and priority features were found to be insignificant with respect to their t test scores, the equation was reduced to:

$$\begin{aligned} \text{Corruption Reduction} = & 35.033 + .169 (\text{Govt. Citizen Relationship}) \\ & + 9.79 \text{ E-}02 (\text{e-Governance Model}). \end{aligned}$$

This conveys that the Government Citizen Relationship accounts for more corruption reduction than other variables in the study. The five independent variables concerning e-Governance could explain only 8.2% of the variance in the dependent variable (Adjusted R Square = 0.82). It can be concluded that e-Governance can have at the most 8.2% stake in corruption reduction.

Thus ICT needs to be effectively integrated in the development agenda of government plans in Ethiopia. Government agencies in Ethiopia do not seem to be much motivated to build sound government-citizen partnerships. Citizens can see little of the internal workings of government. Bureaucracy is more or less opaque and very little attention has been paid to improving transparency, including through the use of e-Governance processes. Time, cost and red-tape

procedures are major constraints in public service delivery. In order to realize efficiencies, government needs to develop a citizen-centric model that involves increased participation of key stakeholders outside the government. Without their involvement, e-Governance projects are unlikely to succeed. Government needs to take cautious steps to ensure better reach and access otherwise disparities in access would only increase problems of corruption and of social and economic injustice.

## **8. Conclusion**

This survey conducted with 400 respondents in various parts of Ethiopia reveals that ‘corruption’ seems to affect local lives and public sector red-tape is the biggest hurdle in the way of improved government-citizen relationships. It is suggested that e-Governance can help not only in weeding out corruption but also in the establishment of sounder government citizen relationships in Ethiopia. However, e-Governance cannot cure all the structural factors that breed corruption in the society. The time, cost and red tape procedures associated with public service delivery are the main cause of discontent among citizens. But strategic implementation of e-Governance can help improve the critical variable in combating corruption—government citizen relationships.

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