



Sibehat Nega gets millions in bribe

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Addisvoice.com—Sibhat Nega, allegedly one of the most corrupt TPLF top guns, received tens of millions of dollars from Chinese telecom giant ZTE in bribe, a new book alleges. Written by a former World Bank economist, Dr. Aklog Birara, the well-researched book titled, *Wave: Epidemic poverty that globalization can't tackle but Ethiopia can*, detailed pervasive corruption within the TPLF, which has illegally and discriminatorily dominated the Ethiopian economy.

The new book dealt with the illicit ethnic-based businesses run by the TPLF. According to reliable sources, Sibehat Nega was sidelined from TPLF businesses after his pervasively flagrant corruption and womanizing became a subject in TPLF's harsh evaluation, Gimgema.

“The TPLF/EPRDF government reached an agreement on a multi-billion dollar telecommunications project with a Chinese enterprise called ZTE. This was facilitated through a generous Chinese line of credit of US \$1.5 billion. This large scheme should be seen in tandem with the Ethiopian Telecommunications (ETC) project expected to boost capacity, “ the book asserted. It mentioned that the commission in securing the firm which would build the telecommunications network was over 10 percent or a whopping US \$150 million. According to Dr. Aklog's book, this sum was secured by Sebhat Nega, one of the richest men in Ethiopia today.

Chinese companies are widely alleged to secure mining, construction and other profiteering projects by paying bribes to corrupt African rulers and their cronies. A former government official once said that the biggest and most lucrative contracts are usually signed by those at the top of the TPLF power ladder.

“The Chinese serve their own national interests the same way Western nations serve theirs. Corruption and human rights violations are common in Ethiopia. These are not of concern to the Chinese leadership,” Dr. Aklog wrote. “The telecommunications deal with ZTE was agreed with and financed by the Chinese because it serves their long-term interests. The TPLF/EPRDF found a willing partner in the Chinese government and a firm it supports to implement the project. Ethiopia’s ability to make optimal use of such deals depends on the commitment and dedication of government officials to do the right thing for the Ethiopian people.”

Dr. Aklog also dealt with the implications of pervasive corruption and economic crimes being perpetrated in the name of the Endowment Fund for the Rehabilitation of Tigray, which owns scores of companies.

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The following is a brief excerpt from Dr. Aklog Birar’s book, pages 320-322 .

One fundamental reality that is often ignored in the polarized atmosphere of Ethiopian politics is the claim that this or that nationality group is better off than the other. The truth is that the vast majority of Ethiopians shares and suffers from the depths of poverty. This includes politically preferred and privileged regions and ethnic-groups, except for political and social elites. Poverty transcends age, gender, religion, ethnicity and geography. For Ethiopia to join the family of prosperous and modernized nations—where poverty will be history—socioeconomic and political governance must be equitable, innovative, invigorating, reform and change oriented as well as hopeful. The theoretical underpinning of development must move from benefitting political and social elites to communities and citizens. It must be people centered. Government officials must promote and instil an environment that will unleash the creative and productive potential of all citizens and tap into the reservoir of natural resources with which the country is blessed. This takes a compelling vision. Political and social leaders as well as intellectuals must believe in Ethiopia’s potential to change for the better. Corrupt practices diminish this potential. I believe in Ethiopia’s possibility to develop. I have always believed that the country had enormous natural and human resources potential to modernize its economy rapidly for everyone’s benefit. I also believe that there are huge impediments in unleashing this potential, corruption being one of them. Supporters of the ruling-party may see privileged status in isolation from potential gains which would accrue from economic growth and development in which everyone benefits.

This enclave mentality is selfish, self-serving and short-sighted. There are a couple of effects that I should like to draw to their attention. Privileged status and corrupt practices reduce productivity, overall national growth and development and equity. There will be

growth without development. Corruption which comes from privileged status is an impediment to private sector development. Privileged status creates inequality, uneven development, instability and resentments. People who are deprived of opportunities resent their conditions and will ultimately revolt. I like to ask defenders of privileged status to look at the issues in reverse. What would they feel if it happened to them? There is a social side to privileged status and corrupt practices....

The young generation of Ethiopians may begin to believe that the only route to higher incomes, property and wealth and asset accumulation is through political and ethnic-connections and not through hard and honest work. When youth sees that the political system does not favor the common interest and rewards narrow and sectarian interests, it disengages and is disillusioned. This has long-term social, cultural and political implications which would be hard to reverse. The young generation may feel that the model from the top tolerates and even encourages the use of the national economy to extract proceeds for individual and group gains. They see manifestations in castle like homes built and luxury cars driven. This trend is corrosive and destabilizing.

Ordinary Ethiopian citizens seem to understand fully the toxicity associated with economic and financial privileges for party-owned and endowed enterprises. They see their effects and impacts on their lives. In 2008, the Transparency International (TI) Corruption Index ranked Ethiopia 127th among the group of countries surveyed. This was at the same level as Nigeria, one of the most corrupt-ridden countries in the world. In 2005, TI identified Ethiopia as one of the most corrupt countries in the world—as corrupt as Liberia, Nigeria, Somalia and Sierra Leone. A wise Chinese saying goes “A fish rots from the head down”. Whether visible or invisible, corruption starts from the top and gradually infects the entire system bit by bit. Lower level officials become corrupt as they feel a sense of impunity they see from their patrons. If the top is not accountable, others won’t be. They feel secure in their behaviors because of manifestations at the top. In the sub-section on party owned and favored firms, I provided evidence that privileged enterprises have amassed fortunes and that most enterprises were owned and managed by the party and its loyalists. Corruption in Ethiopia is an extended family affair. It is based on strong relationships between policy and decision-makers and economic and social actors who also game the system. There is every indication of favoritism, nepotism, cronyism and patronage. The Indian Ocean Newsletter had an exhaustive piece on the Ethiopian ruling-families’ extensive network of businesses. It characterized the network of patronage and corruption as corrosive. “Other members of the Prime Minister’s inner circle who have the reputation of having enjoyed unwarranted privileges include his brother Nikodimos Zenawi, the Prime Minister’s wife, Azeb and Benyam Mesfin, son of the Foreign Minister”.

The Indian Ocean Newsletter confirms my contention that corruption in Ethiopia is molded and modeled from the top of the political leadership giving validity to the wisdom that “A fish rots from the head.” When officials at the top practice and condone corrupt practices, they institutionalize and make it part of the social and economic culture of the society. The services delivery deficit and the letter from the Indian-Ethiopian woman’s testimonial confirm the wide-spread nature of corruption. One of Ethiopia’s

leading Ethiopian economists who carried-out the most exhaustive research on corruption is Professor Seid Hassan, Professor of Economics at Murray University in the US. He draws parallels between corruption in Ethiopia and the rest of Africa. In one summary presentation he said that “My preliminary studies show interesting similarities between the TPLF and corruption activities in other parts of the world. The corruption scourge in Ethiopia is so high that the Ethiopian people seem to be overwhelmed by the scourge.

There is some sort of fatigue among the general public.” I was more interested in two things from Professor Seid’s presentations and writings: how corruption is carried-out and its potential impacts on social and economic development. He characterized the TPLF organization as an effective oligarchy that exercises singular control over the commanding heights of the economy by deploying the arsenal of the state through the judiciary, laws, police, civil service, security, armed forces and social institutions. This preponderance of power offers the ruling-party ample opportunities to divert resources without challenge. He called this type of corruption “kleptocratic,” referring to the “strong correlation between ethnocentric regionalism and corruption.” He identified the means by which undeserved wealth and assets are secured by the “oligarchy. The means includes mega projects conceived by high level officials and justified by budget employees; with the rationale that infrastructure is important for economic development. Mega projects are the ultimate money-making machines for corrupt and powerful lobbyists who stand to make lots of money on rent-seeking activities. Many of the dealings of mega project contracts are accomplished secretly and in a hurry. Some of the mega projects are known to be environmentally damaging and saddled with delays. There is no transparent and open international competitive bidding for these mega projects.”

These assertions are consistent with my own findings. Another important insight Professor Seid brought up in his presentations and writings are how the TPLF’s “divide and rule” policy and the weakening of national institutions have facilitated its overwhelming authority over national resources. He noted that following the Washington Consensus in the 1990s, it privatized publicly held enterprises and transferred the proceeds to party-owned and endowed firms. In another exhaustive piece written in Amharic on Meskerem 2, 2001, Ethiopian calendar (September, 2009) Professor Seid reported that a major international group on corruption had identified Ethiopia 139th out of countries surveyed. The measurement gave Ethiopia a score of 2.4 out of 10. There were a number of important lessons I drew from his analysis. According to this expert, “corruption constricts honest and decent public services to citizens, corrodes national culture, promotes a “scratch my back and I will scratch yours” model of social and economic interaction, forces honest people to be part of the new corrupting culture which is evolving and promotes a corrosive culture of selfishness and unhealthy rivalry at the cost of the entire society.”