

By Nicholas Noe\*

Beset by a legacy of underdevelopment (nearly 30 percent of the country is defined as poor by regional standards) and its unfortunate status as a small country in one of the most conflict-prone neighborhoods in the world, Lebanon — perhaps understandably — has long provided fertile ground for corruption.

Add to that the bloody 15-year Civil War (1975-1990) and two graft-ridden, decades-long occupations each by Israel and Syria, which only ended in 2000 and 2005 respectively, a thoughtful observer could understand the application of a diagnostic framework that is also appropriate to a number of other countries in roughly similar post-conflict situations.

However, as local and international observers involved in the fight against corruption are quick to note, Lebanon is burdened by an additional factor that sets it somewhat apart from other nations: an extensive, de facto and de jure system of power that is anchored in individual religious affiliation (a “confessional” system).

This system “is perceived as the main cause of corruption in Lebanon,” wrote American University of Beirut Professor Randa Antoun in a March 2009 report co-sponsored by the United Nations.

Since power is mediated and legitimated, sometimes exclusively, through one’s religious community and its attendant socio-political leadership, rather than through a state where citizens can claim equal rights and responsibilities, the system constantly “reinforces confessionalism and corruption . . . leaving little or no room for democratic succession in office or participation in the decision-making process.”

“As long as we are linked to this confessional structure, resulting from the power-sharing formula on which Lebanon is based, corruption is prone to keep on going,” agrees Gaelle Kibranian, program director at the Lebanese Transparency Association.

The 2009 elections: free & fair?

Perhaps nowhere was the axiomatic role played by confessionalism in the perpetuation of corruption more evident than in the June 2009 Parliamentary elections.

By any standard, the amount of money that reportedly greased the polls in a country of only four million was extraordinary. According to one widely circulated report published in Newsweek magazine, the Saudi backers of the pro-government alliance (known as March 14) openly bragged that they alone had spent more than US\$715 million to influence the outcome.

But this was only part of the story.

Since the confessional system places an overriding premium on the interests and rights of one's own religious grouping — and also on whatever loyalty one may have to a particular confessional boss (known as the Za'im) — all parties, even those committed to fighting anti-corruption and promoting reform, are reported to have actively and sometimes unabashedly participated in what turned into a deluge of pre-election vote-buying among constituents, project and employment favoritism, official intimidation and the provision of expensive perks such as free travel.

“It is undeniable that the election was the scene of remarkable spending that exceeded the ceiling of expenditures determined by law for each candidate,” charged one report in the July 2009 edition of *The Monthly*, a leading statistical periodical published in Beirut by Information International.

According to one study carried out by *The Monthly*, in part with the help of documents anonymously supplied by the Ministry of the Displaced, a small village in the Northern battleground district of Koura, for example, saw “outright vote-buying done by both parties, with March 14 buying around US\$150,000 worth of votes and March 8 [the opposition party] spending approximately US\$25,000 on votes [emphasis added].”

“There was a huge amount of corruption in the last election; you could see it with your own eyes,” explains Joulia Bou Karroum, program director at the Lebanese Association for Democratic Elections (LADE). “But one of the major problems was validating the incidents of corruption. For example, we were barred from taking pictures inside polling stations by the police, though we succeeded (in documenting corruption) in many other cases,” she says.

However, the wave of international observers who were sent to monitor the June polls seemed to reach the opposite conclusion. In some cases, they generally lauded the elections in preliminary reports issued over the

summer and bemoaned the lack of concrete evidence as far as electoral fraud was concerned.

“While not without flaws,” said one such report from the partly U.S. government-funded National Democratic Institute, “Lebanon’s June 7 election was fundamentally peaceful and well administered and should provide the basis for confidence in the electoral process and, by extension, the formation of the new government.”

“When you see the international reports on monitoring the elections, you sometimes can’t believe it,” as one senior civil society activist put it (on condition of anonymity because of fear that any criticism would jeopardize the flow of international funds to non-government organizations [NGOs]).

“It is not easy for the local NGOs to work, to compile information about corruption, especially when it comes to elections,” the activist continues. “We have faced intimidation in the past, but international organizations, some of which are affiliated in one way or another with foreign interests, sometimes make our job even harder when they pronounce an election essentially free and fair after the local observation is that corruption was widespread.

Verification is “hard, yes. And they say we don’t see proof,” says Jawad Adra, managing partner at Information International. “But if I were them, I would go to the Ministry of the Displaced and demand to see how much money the ministry spent two months before the elections. We got files that show how, in just one village, families who had already been compensated received an additional US\$5,000.”

The fight to date: “marginal improvements,” sizeable obstacles

Of course, the 2009 elections provide only one, although significant, example of the scale of corruption that most observers seem to agree is not only widespread, but has also deepened over the past three years of almost constant civil unrest, increased confessional agitation and the literal paralysis of nearly all state institutions, including the Parliament, which was shut down by the opposition for more than a year and a half.

“The scale of corruption in the electricity sector is of course huge,” notes Toufic Gaspard, an economist who estimates that the public subsidy to cover operating losses by the state electric company exceeds US\$1.4 billion a year.

(According to one 2008 World Bank report, there are “multiple beneficiaries of the dysfunctional status quo in the sector, ranging from corruption in payments flows or procurement, to buying of voters through free electricity...”).

“But this is only the most blatant example. The real game is in the monetary sector, particularly in interest rate policy that resulted in an ‘unheard of’ \$38 billion in interest payments by the government between 1993 and 2008, even though only \$12 billion have been utilized in public sector investments,” Gaspard continues.

The result: by 2009, the Central Bank announced that the country’s debt-to-GDP ratio was a whopping 162 percent (\$47.2 billion), with more than half of the high interest rate owned by politically connected Lebanese banks.

According to Fadi Abboud, the head of the Lebanese Industrialists’ Association, matters have reached a point where small- to medium-sized Lebanese companies can attribute 2-3 percent of their turnover directly to corruption.

“This is extremely high and we are just talking about day-to-day corruption, not the indirect costs of corruption in general,” says Abboud.

Member of Parliament Ghassan Moukheibar acknowledges the scale of the problem and describes a grim scene of “corrupt politicians all across the board,” an ineffective judiciary where corruption is both widespread and accepted and the almost total lack of parliamentary or civil society tools (such as an ombudsman, a whistleblower law, public access to information law etc.).

But at the same time, Moukheibar points to several of what he calls modest improvements: “We have created the preparatory steps for action. And we ratified the UN Convention against Corruption last year, implemented some of the electoral reforms recommended by the Butros Commission and convened the Constitutional Council overseeing the elections for the first time in years.”

Nevertheless, he quickly adds, the Parliament has not taken steps to actually implement the UN convention, and the Constitutional Council will likely not be able to overturn even the most blatant cases of electoral fraud “because the evidentiary standards are so high” and, when it comes to changing the way elections are held, “we [the MPs] failed to curb the extreme situation of bribery. So, in practice, even the limited reforms of the electoral law have failed to be implemented and respected.”

Which way forward?

Given that a fundamental change in the confessional system appears far-off, to say the least, one critical question for local and international actors involved in the fight against corruption centers on whether or not Lebanon has finally developed enough protections and capacity to more directly attack the problem.

Ghada Id, for example, an advocate who strongly encourages a more aggressive approach, regularly exposes corruption committed by all political sides on a show she hosts via the independently-owned New TV station.

“Civil society organizations working against corruption here must change,” she argues. “We want them to take a more active role . . . . People trust my program because I name the corruptors and those who have made mistakes in government and at different levels,” she says.

For MP Moukheibar, however, the choice need not be mutually exclusive. “You need multiple actors doing different things,” he says, pointing out that the lack of a strong, independent judiciary failed to protect Id when one judge ordered police to surround her station in an attempt to arrest her. “When you name and shame, you can be accused of having no effective follow-up, of having no due process and inadequate access to all the facts in a certain case.

“That’s why we need several types of efforts — including Ghada’s — working together if we are going to finally turn all of our preparations into reality,” he says.

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