

By Maha Al-Azar

When the fifteen-year Lebanese civil war ended and the reconstruction process was set into motion, then-Prime Minister Rafik Hariri came up with a revolutionary idea. In 1994 he created a private company called Solidere, an acronym for *Société Libanaise de Développement et Reconstruction* (Lebanese Company for the Development and Reconstruction of Beirut). All Lebanese, including government officials, could be shareholders.

In many ways, Solidere could be considered a microcosm of corruption in the Lebanese system, representing many of the problems existing throughout the country.

To begin with, it operates in a sort of gray area, being a private company subject to commercial laws while performing a very public function. It also is a prime example of conflict of interest—its primary shareholder is also the head of the executive branch of the country, putting him in a position to award government contracts to his own company. Finally, all Lebanese are potential shareholders (part of the company's selling point), giving them a motive to maintain the system of corruption.

"Every Lebanese has become a shareholder in the corruption system," says Jawad Adra, who heads Information International, a private company that regularly conducts polls and studies on the public's perception of various issues, including corruption.

Professor George Yacoub, in his unpublished study "Lebanon Security Dilemma: A Strategic Reading into Lebanon's Political History," argues that "the great majority of Lebanese, regardless of religion, social status, location, political affiliations or wealth are unwilling to change the present system, not because they are blind to its hazards, but because they have developed a stake in maintaining it."

Indeed, corruption has become internalized and systemized to the point that small bribes are often considered "tips" and grand-scale personal benefit from holding public office is, in the Lebanese psyche, often called "cleverness."

It is this general acquiescence to the corrupt status quo, combined with the pursuit of personal over public interest that keeps corrupt people from being scandalized or the news media from actually investigating alleged cases of corruption. In fact, all major TV stations but one (NewTV), are at least partially owned by a government official. This privately owned TV station, NewTV, only recently started broadcasting a program that addresses cases of corruption, a few months before the Syrian troop withdrawal from Lebanon in April 2005. This program, called *Fassad* (Corruption), has been touted by many as a flagship for raising awareness about corruption. As a result, its host, Ghada Eid, often receives threats to her life because of the controversial topics she raises in her program.

Similarly, in 2001, when a United Nations-commissioned report on corruption named Hariri allies involved in corruption, Hariri took it out on the National Integrity Steering Committee to Fight Corruption, blaming it for allowing the report to be publicized. As a result, the committee's work was frozen by Hariri and has not been reactivated since.

Many blame sectarianism and its resulting clientalism for the current state of corruption.

Each sect leader always favors people from his own sect for public appointments. For this reason, ministries headed by a minister of one sect are mostly staffed by personnel belonging to the same sect.

Member of Parliament Ghassan Mokheiber, a member of the opposition, said that the duty-free zone at the airport was allegedly leased out "for peanuts" to Prime Minister Fuad Siniora's close friend. Lately, news reports have accused the Sunni-led government of favoring Sunni appointments to security agencies.

In contrast, the cost of corruption on the Lebanese economy was estimated at about 1.5 trillion pounds (US\$1 billion) annually in a 2000 study. This should not come as a surprise, since a 2001 U.N.-commissioned report mentioned that out of 9 trillion pounds (US\$6 billion) in project expenditures, only 2.4 percent (US\$143 million) was awarded by the state Administration of Tenders. The remainder did not go to the most qualified applicants, but to those willing to pay the highest bribes.

But the problem remains one of lack of accountability, argues Adnan Iskandar, a public administration expert. Indeed, no matter how many reports come out regarding an alleged case of corruption, one rarely ever hears of anyone being penalized.

In 2002, documentary evidence implicating former agriculture minister Ali Abdullah in embezzlement and fraud did not lead to his prosecution. It was only after he was ousted from the Amal movement to which he belonged and his immunity stripped that his successor personally pursued legal action against him (in 2003), leading to his trial and prosecution.

One of the major corruption scandals that still makes headline news to this day was the 2003 Al-Madina Bank scandal, in which high-ranking Lebanese and Syrian officials were allegedly implicated in money-laundering, fraud and the misappropriation of funds amounting to losses of over 1.5 trillion pounds (US\$1 billion) to depositors. To date, no clear convictions, barring brief arrests, have been made, fueling suspicions that powerful politicians had been involved.

After the war, both Hariri and former Prime Minister Salim Hoss, each during their terms in office, tried to carry out reforms and purge the administration from corrupt elements. Neither succeeded, and both were criticized for only punishing those from a different political group or those with no political backing. In many cases, those purged or scandalized returned to assume posts in the government.

Even government officials acknowledge that it is not possible to penalize people.

“Very few people have been penalized for accepting bribes for several reasons,” said Roger Melki, a senior advisor at the Ministry of Finance. “First, (the corrupt staff) protect each other. Secondly, the end user never reports bribes or complains, as he considers it’s not worth his while ... Even the few cases that were penalized did not act as deterrent to others, because political interference causes them to be released.”

In cases when people actually seek justice, the government tries to paralyze oversight bodies, either directly or indirectly, by pressuring judges. During the 2005 parliamentary elections, 11 candidates contested the results of the election, alleging vote-buying by the winners. The response was that the government has halted the work of the Constitutional Council, the body that examines the validity

of election results and constitutionality of laws, on the grounds that the terms of five of the 10-member council had expired. But it has also refused to appoint replacements, effectively freezing the body's work. As a result, 11 seats in parliament are currently contested, but the members of parliament filling these seats are passing laws and going about their business as usual.

In parallel, reports of judges being pressured to issue a certain verdict abound, despite lack of conclusive legal measures against a single judge.

Similarly, other oversight mechanisms are also dysfunctional because of the absence of laws that support transparency and accountability.

Member of Parliament Mokheiber argues that parliamentarians do not have the infrastructure and support system needed to properly monitor the executive branch. Presently, business hours at Parliament are from 8 a.m. to 2 p.m., after which all support staff exit the building, leaving members of parliament to fend for themselves—should they choose to work after hours. But such short working hours do not permit members of parliament to successfully do their work, especially since none of them have research assistants or aides to help them in their oversight responsibilities. Mokheiber says that bills for enhancing the efficiency and building the capacity of Parliament are required, in addition to bills on access to information and public reporting that would compel public servants and officials to disclose how they are spending public money.

Although everyone, from public servants to businessmen to members of parliaments, acknowledges that bribery takes place in the administration, they also all agree that any step toward computerization will likely curb such practices by minimizing contact between citizens and public servants. A number of transactions, such as the declarations of the Value-Added-Tax, have been computerized over the past five years, prompting many to be hopeful of the future. Moreover, recruitment procedures have over the past year been gradually standardized and tests are administered by independent, government-appointed committees of experts, something which Iskandar believes will improve the quality of public servants that are hired.

While polling shows these measures did not improve public perceptions of corruption, they leave some hope for the next generation to do better than this one, focusing on reform, in addition to reconstruction and development.