

Corruption in Lebanon is a fact of life. Since Syria withdrew its 30,000 troops in 2006, ostensibly ending 30 years of military occupation, the symbiotic and spiraling threats of internal unrest and Islamic extremism have posed an intractable problem for Lebanese officials. Preoccupied by these insidious threats to the very survival of a viable state, the Lebanese government found itself neglecting its duties of cracking down on the unofficial system of bribery, greed and graft, which is woven into the tapestry of life in Lebanon.

Groups such as Fatah al-Islam, an extremist Islamist terrorist organization, which engaged the Lebanese Army in a bitter three-month battle in the north of the country, would likely never have emerged, were it not for an alleged steady flow of funds from corrupt officials close to the ruling majority.

It could similarly be argued that all Lebanese militias, including Hezbollah, would not have emerged were it not for the existence of a weak state, combined with corrupt leaders who were working for sectarian interests rather than for the good of the nation. The failure of leadership led disenfranchised groups — Palestinians, Christians, Shia, and Druze — to feel the need to fend for themselves. Each of them, in turn, created their own independent security enclaves, each of which poses a potential threat to the Lebanese central government and undermines its authority within their spheres of influence.

The government's problem is also compounded by political infighting. The year 2007 was characterized by a political impasse between the ruling and oppositional factions of Parliament. As a result, the Cabinet and Parliament have both found themselves paralyzed, unable to make any significant policy changes to combat the growing problem of corruption. In fact, for much of the past year, Parliament did not even convene.

“Parliament, which is supposed to be the largest oversight body in the country, does not really fulfill its role,” said Paul Salem, director of the Carnegie Endowment for International Peace's Middle East Center in Beirut. There are two main reasons for Parliament's failure in fulfilling its oversight duties. For one, the politically biased and ill-conceived electoral laws devised in the past neither place a ceiling on campaign expenditures nor divide the districts in a manner that would optimize representation. As a result, direct and indirect vote-buying have become prevalent in elections, to the extent that voters have come

to expect it. Thus, those entrusted to act as watchdogs of the government are themselves under question, and people who are supposed to evaluate the performance of their representatives are not fulfilling their role, either.

In parallel, because of the prevailing sectarian and tribal/clan culture in Lebanon, most voters often choose candidates who can “protect them from the power establishment, rather than represent them in this power,” says economic analyst Ghaleb Abu Muslih. “As a result, this paralyzes democracy, oversight processes and accountability, since the citizen satisfies himself with receiving services from the political leader, so he can benefit from available resources, instead of encouraging his political representative to act as a watchdog against misuse of public resources by the power establishment.”

Perhaps most depressingly, the people of Lebanon have become resigned to the problem.

“There isn’t a single political leader in Lebanon who lost his popularity just because he became tainted with corruption,” Abu Muslih said.

“Political discord is the best thing for curbing corruption,” argues Salem. “When politicians are living in harmony ... they pat each other’s backs and divide the pie among themselves, whereas when they don’t agree with each other, each group keeps the other in check.”

Salem may have a point. When Parliament and Cabinet have been in agreement, they have allowed each other to violate the Constitution without any qualms. Case in point: The Cabinet sent a law to Parliament, requesting the cancellation of the current Constitutional Council. The Constitutional Council, though, struck the law down, on the ground that it was unconstitutional. Nevertheless, Parliament passed the law again in 2006.

Moreover, the Cabinet has not even issued a budget for the past two years. Without a budget for review, Parliament cannot exercise its constitutional role as a check on executive authority. Consequently, as a practical matter, transparency in Lebanon’s spending decisions is nearly nonexistent.

Improving transparency could help curb corruption. But in the absence of any equivalent to the Freedom of Information Act as it exists in the United States, which would ensure that citizens have access to public records, it is nearly impossible to monitor the performance of public officials. For example, the Association of Industrialists has

alleged that the government gave preferential treatment to one dairy plant, a plant that happened to be majority-owned by individuals friendly to the government. When the association asked that all similar plants be treated equally, the Finance Ministry ignored their request.

Ghada Eid, whose TV show on corruption, *Fassad*, has been digging up stories on misuse of power or public funds since early 2005, is never banned or shut down, yet rarely does a corruption scandal ever prompt any action from the judiciary, with the exception of cases that pro-government politicians could benefit from. Cases in 2007 exposing hazardous waste being allegedly dumped into the sea, or other cases involving public officials allegedly landing contracts without having gone through the required tendering and bidding process, have been officially ignored outside the realm of the news media.

“Things have not changed since the Syrians were in control. Then, as now, if I run an episode on a corruption case that implicates the opposition, the judiciary takes action, but if it’s against pro-government politicians, the judiciary does nothing,” said Eid, adding that her fight against corruption effectively starts with the judiciary, “which is not doing its job.”

The selection of Lebanese judges has been particularly marred by political interference. Judicial reformers in Lebanon have argued that since judicial appointments require the approval of the president, the judiciary can never be truly independent. Judges, moreover, may feel threatened with punishment by the executive branch.

This absence of independence has compromised the judiciary’s reputation for fairness. “Every day, we hear of verdicts that contradict all jurisprudence and include blatant legal errors,” says Nizar Saghieh, an attorney and expert on the topic of judicial reform. “This leads us to infer that there was political interference. However, it’s impossible to prove.”

Nevertheless, the paralysis of the executive and legislative branches has spilled over. For example, when the Higher Judicial Council, the body entrusted with appointing or promoting judges, proposed a set of appointments contrary to the wishes of the prime minister, it had to come up with a new set of appointments. But the next set of appointments was vetoed by the president, a member of a rival political party to the prime minister. The end result: no judicial appointments at all.

Instances of small-scale corruption are commonplace throughout the Lebanese economy but almost impossible to quantify. Citizens and businessmen frequently complain that tariffs and fees for official transactions are not always transparent — enabling unscrupulous bureaucrats to grease their own palms.

“I estimate that actual port-handling fees are at least half of what businessmen end up paying,” says Fadi Abboud, chairman of General Packaging Industries and president of the Industrialists Association. “One of the main problems preventing the control of hidden fees is that one rarely gets a receipt.”

A few governmental departments have computerized transactions — or at least have publicly announced the required fees and documents for particular transactions. For example, procedures for paying the value-added tax are clear, and in general businessmen have few complaints about them. Similarly, procedures at the Surete General — the equivalent of the U.S. Immigration and Naturalization Service — have become transparent, often requiring no person-to-person contact whatsoever. But complaints about municipal tax collectors are still commonplace. Municipal officials are likely to turn a blind eye to violations, or charge a more reasonable tax fee if residents pay them a bribe.

Economist Kamal Hamdan cites an example of a man who renegotiated his lease with his landlord from US\$25,000 a year to US\$17,000, but quickly had to face another kind of negotiation — this time with municipal authorities, who were collecting the required 8 percent municipal tax on his rent. The authorities still wanted to charge him 8 percent on his original lease agreement, which would have lasted for five years had the tenant not renegotiated it downward. “Who will pocket the difference?” asked Hamdan, who suspects that the \$650 difference would probably go to the municipal official.

“This is one example,” Hamdan insists. “Such things happen on a daily basis.”

