

# U4 Expert Answer



## Overview of corruption and anti-corruption in Lebanon

### Query

**Please provide an overview of corruption and anti-corruption in Lebanon, with a focus on the energy sector.**

### Purpose

To be used as background document to inform the design and implementation of a proposed Oil for Development programme in Lebanon.

### Content

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nor are there indications of a strong political will to fight corruption. Lebanon's confessional power-sharing arrangements fuels patronage networks and clientelism, which undermines further the country's governance system.

Offshore hydrocarbon resources were recently discovered in Lebanon. The exploitation of these reserves has not yet started. It is crucial for Lebanon to create the necessary safeguards to ensure transparent management and maximum social benefits.

### Summary

Corruption in Lebanon is widespread and permeates all levels of society, as reflected by the country's global and regional average performances scores in most governance areas. Political parties, public administration, the Parliament and the police are perceived as the most corrupt institutions of the country. Partly due to political instability, the country has not established the necessary integrity structures

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## 1 Overview of corruption in Lebanon

### Background

To understand how corruption occurs in Lebanon, it is necessary to understand the country's recent history and political situation.

Since its declaration of independence in 1943, Lebanon has been ruled according to confessional power-sharing agreements. The Taif agreement, putting an end to the 15-year civil war in 1990, modified the existing consociational structure and called for the progressive elimination of sectarianism. This agreement was however too fragile to constitute the basis of a peace building process and political unrest persisted, leading to President Hariri's assassination in 2005.

The country subsequently entered an 18-month political crisis, impeding the effective functioning of government institutions. The crisis ended following the Doha agreement held in Doha, Qatar on 21 May 2008 between the two camps: "March 8", named after a pro-Syrian demonstration and dominated by Hezbollah and the Amal Movement, and "March 14" named after anti-Syrian rally and gathering mainly Sunni, Christian and Druze with a few Shia. These last years, Lebanese political life has been characterized by the polarization between these two camps (Foundation 2012).

The confessional power-sharing arrangement runs through all levels of government and society in Lebanon. It created a rigid political system based on the search for compromise between political elites that use the patronage networks resulting from the consociational structure to advance their own interests (Lebanese Transparency Association 2011).

Lebanon's failure to reach an internal consensus in addition to its tumultuous relations with its neighbours contribute to hindering institutional reform and has negative consequences on the country's political, social and economic stability (Lebanese Transparency Association 2011).

This situation has an impact on the country's economic development. The Lebanese economy, predominantly based on the banking, tourism and real estate sectors, has experienced a significant downturn in recent years due to the political instability in the country and the region. The recent discovery of hydrocarbon resources

off Lebanon's coast will change the country's economic profile significantly in coming years. Despite its high score on the human development index (0,739/1), Lebanon has a high poverty rate.

### *Extent of corruption*

Corruption is widespread and permeates all levels of Lebanese society. Pervasive clientelism is at the core of the country's political system (Bertelsmann Foundation 2012) making political corruption and nepotism Lebanon's most serious corruption challenge. With the recent discovery of hydrocarbon resources, there is a need for Lebanon to strengthen the anti-corruption safeguards for Lebanon to avoid the "resource curse."

Transparency International's 2011 Corruption Perception Index ranks Lebanon as the 134<sup>th</sup> most corrupt country in the world, out of the 183 countries and territories assessed, with a score of 2,5 on a scale from 0 (highly corrupt) to 10 (very clean). Lebanon is the 15<sup>th</sup> most corrupt country in its region, only scoring better than Yemen, Libya and Iraq.

Similarly, the World Bank's Worldwide Governance Indicators (WGI) place Lebanon in the lowest quarter of the percentile ranks, with a score of 19,4, on a scale from 0 to 100, in terms of control of corruption. Lebanon's score declined significantly between 2005 (38,5) and 2006 (17,6), and has remained relatively stable. Similarly, Lebanon's score on rule of law plunged from 43,5 in 2005 to 32,1 in 2006, and has remained constant. Lebanon's rule of law score in 2011 was 30 on a scale from 0 to 100.

Consistent with these findings, Lebanese citizens also perceive corruption as an increasing problem in their country, as reflected by Transparency International's Global Corruption Barometer 2011: 82% of the surveyed individuals consider that corruption has increased in Lebanon in the past 3 years. They are also pessimistic about the ability of the government to fight corruption. In 2009, 71% of the surveyed citizens qualified the government's actions against corruption as inefficient or neither efficient nor inefficient and, in 2011, 68% did not trust the government as a credible actor in the fight against corruption.

Similarly, according to the World Economic Forum's Global Competitiveness Report 2012-2013, business executives perceive corruption as one of the most significant obstacles to doing business in Lebanon (11,7% of the respondents), just after insufficient

infrastructure, burdensome bureaucracy and government instability.

### *Forms of corruption*

#### **Political corruption**

Political corruption is a predominant problem in Lebanon: citizens consider political parties and the Parliament amongst the top three most corrupt institutions of their country (Transparency International 2011).

Lebanon is a consociational democracy, meaning that its political system is constructed around a power sharing arrangement based on sectarian division between all the different religious communities represented. There are 18 different recognized religious communities in Lebanon, represented by the nearly 100 political parties (Lebanon Transparency Association, 2011). Sectarianism and nepotism weight heavily in the balance when it comes to the allocation of government positions (Lebanon Transparency Association 2011).

The Parliamentary Election Law of 2008 prohibits the use of public venues for electoral events, as well as the use of civil servants' resources to favour a candidate or party (Lebanon Transparency Association 2011). However, the Lebanon Transparency Associations' report on the 2009 elections show that a majority of the activities of the ministers running for election were of electoral nature (as opposed to the duties resulting from their mandate) and aimed at their constituencies. Vote buying is another major issues plaguing Lebanese political life according to this report, to the extent that Freedom House stated "Lebanon is not an electoral democracy" (Freedom house 2012).

The main source of political corruption in Lebanon lays with the lack of regulation of political party financing and the inadequate legislative accountability, both categorized as "very weak" by Global Integrity in 2009. These areas will be further developed in the following section on corruption-affected sectors.

#### **Petty and bureaucratic corruption**

The Lebanese administration is burdensome and ineffective due to corruption and lack of resources (Bertelsmann Foundation 2012). According to the WEF Global Competitiveness Index, inefficient government bureaucracy is the second most important obstacle for doing business in the country, which encourages the use of bribery to speed up or "grease" processes (Lebanese Transparency association 2011).

According to the results of a survey conducted in 2010 by the Lebanese Transparency Association, 65% of the surveyed companies faced a situation where they had to pay bribes to facilitate or accelerate government procedure and 47,8% of these companies had to pay between 1 to 5% of their annual revenues as unofficial payments to public officials. As a result, corruption has been identified by companies as one of the primary obstacles for doing business in Lebanon (WEF 2012) and almost a fifth of the companies surveyed by the World Bank/IFC Enterprise Survey in 2010 expect to have to offer gifts to civil servants to "get things done."

According to Transparency International's Global Corruption Barometer 2011, more than one out of three citizens admits having paid a bribe in the previous year, with the customs, the registry and permit service, the police and the judiciary being the most common bribe takers.

#### **Grand corruption**

According to the World Bank/IFC Enterprise survey, 97.7% of surveyed companies admitted to having paid a bribe or been expected to pay a bribe to secure a government contract. Procurement regulations are inadequate and the system is opaque. There are no provisions against conflicts of interest for public procurement officials. Experts say that the procurement system is subject to the same rampant patronage scheme as most sectors of Lebanese society and political powers often interfere in contract attributions to promote their interests (Lebanese Transparency Association 2011). No mechanism allows for the monitoring of the assets of procurement officials and it is impossible for unsuccessful bidders to investigate decisions (Global Integrity 2009).

### *Sectors most affected by corruption*

#### **Political parties**

According to the Bertelsmann Foundation, many Lebanese parties profoundly lack institutionalisation and internal accountability structures, and are mere mechanisms to gather support for the existing political elites, along sectarian lines. The safeguards to ensure the integrity of political party financing and the financial support of candidates are largely insufficient. In Lebanon, political parties are seen as the most corrupt sector of society according to Transparency International's Global Corruption Barometer 2011.

### Public administration

Lebanon's public administration lacks adequate resources, and access to basic public services is unequal. According to the Lebanese Transparency Association, the laws regulating the public administration are outdated. No significant reform has been undertaken since 1959. The Lebanese public administration is structured around the Ministries and their administrations on the one hand and a number of autonomous offices on the other hand, some of which completely circumvent government oversight (Lebanese Transparency Association 2011). The inefficiency of Lebanon's public administration is partly due to the misuse of available resources and inadequate staffing. Sectarianism and nepotism hamper meritocratic recruitment and employment opportunities are used in clientelist arrangements (Bertelsmann Foundation 2012). The public administration lacks efficient safeguards against political interference. The WEF Global Competitiveness Report lists inefficient government bureaucracy as the second main obstacle to doing business in Lebanon (Lebanese Transparency Association 2011).

As a result, public administration is perceived by citizens as the second most corrupt sector in Lebanon (Transparency International 2011). This is confirmed by the Lebanese Transparency Association which considers that "Bribery is rife within the public administration and is considered a basic norm in the domestic political life" (Lebanese Transparency Association 2011).

The Lebanese government provides the public with minimal information regarding its financial and budget activities. The country scores 32 out of 100 on the 2010 Open Budget Index, which is less than the average score (42) of the surveyed countries. Lebanon does not perform too poorly in comparison to its surveyed neighbours, coming in third after Jordan (50/100) and Egypt (49/100). According to the International Budget Partnership, Lebanon's budget transparency has remained unchanged since 2008 and there are signs of political will to improve in this domain.

The customs authority was referred to as the institution requesting the most bribes, by surveyed citizens (Transparency International 2011) and the Lebanese Transparency Association reports that petty bribery in customs transaction is a widespread problem. The WEF Global Competitiveness Index gives Lebanon a poor score for the heavy burden of its customs procedures.

According to a survey conducted in 2010 by the Lebanese Transparency Association, 74% of the surveyed companies had to pay more than LBP 500,000 (US\$ 1 is approximately LBP 1,500) when dealing with tax inspectors. The payments are not always made in cash: in 12% of the cases, tax inspectors asked for services in return. The survey results also show that 56% of the companies had to pay less than LBP 1,000,000 (in addition to the registration costs) to register their business, while 18.2 % had to pay between LBP 4,000,000 and LBP 5,000,000. As for the electricity sector, 31% of the surveyed companies were asked to pay bribes.

### Police

Police corruption is a serious problem in Lebanon and 61% of the citizens see the police as one of the most corrupt institutions in the country. 38% of respondents report having paid a bribe to the police in the last 12 months (Transparency International 2011). Employment in the police follows the confessional power-sharing arrangements and thus encourages the maintenance of patronage networks as opposed to equal treatment by law enforcement agencies. In practice, there is no functioning complaints mechanism to report police abuse and no agency to investigate and prosecute police corruption. As many other government bodies, the police lacks the funds necessary for it to function properly (Global Integrity 2009).

### Parliament

The Lebanese public opinion considers the Parliament as the third most corrupt institution of the country, together with the police (Transparency International 2011). This is supported by Global Integrity's report on Lebanon, scoring its legislative accountability as "very weak." The Lebanese Parliament, as most governmental institutions, is weak. The Parliament is structured along the provisions of the power-sharing agreements which means that decision-making depends on compromises between political elites and heads of parliamentary blocs. The country fell into a deep political crisis after the assassination of Prime Minister Rafik Hariri, and between 2006 and 2008 (year of signature of the Doha Agreement) the Parliament did not convene on a regular basis (International Crisis Group 2007).

The Taif agreements of 1989 introduced accountability mechanisms to the parliamentary system but the weakness of the state institutions and the continuous political unrest has considerably challenged their implementation. The executive branch of government

has never used its prerogative to dismiss the Parliament if the latter failed to meet adequately and the Constitutional Council, in charge of reviewing the constitutionality of the laws, ceased to exist during the political crisis of 2005-2008 (Lebanese Transparency Association 2011).

### Judiciary

An effective judiciary plays a significant role in the overall integrity system of a country and judicial corruption undermines the rule-of-law. In Lebanon, more than half of the citizens thought the judiciary is corrupt and one third reported having paid a bribe to this institution in the last 12 months (Transparency International 2011).

The Constitution guarantees judicial independence and law professionals are adequately educated and trained. There are also transparent mechanisms of case attribution to judges. The institution is however subject to heavy political interference according to Freedom House 2012. The power-sharing structure and confession-based appointments make the Lebanese judiciary more vulnerable to political intrusion (Global Integrity 2009). The WEF Global Competitiveness Index ranks Lebanon 131<sup>st</sup> out of 144 surveyed countries with regards to the independence of its judiciary. The World Justice Project Rule of Law Index gives Lebanon a poor score both in the areas of Access to civil justice and Effective criminal justice (0,48/1), indicating that the Lebanese judiciary is subject to corruption, to improper influence and that it is not impartial.

The Judicial Inspection Authority is the body responsible for the oversight of the judiciary, but it has not functioned since 2007 (Lebanese Transparency Association 2011).

### *Money-laundering and financing of terrorism*

Lebanon has one of the most sophisticated banking systems in the region, which makes it an important banking and financial centre (MENAFATF 2009). The country has criminalized money-laundering in 2001 and terrorism financing in 2003 but still faces significant risks of occurrence of both phenomena (US Department of State 2012). Lebanon enjoys bank secrecy following the adoption of the banking secrecy law in 1956. The Tax Justice Network Financial Secrecy Index ranks Lebanon among the world's most secretive financial systems (Tax Justice Network 2011). The cases dealt with by the Lebanese financial intelligence unit (the Special Investigation Commission

see below), concern, among other things, organized crime, drug trafficking, embezzlement of funds, forgery and terrorism. Most proceeds are the result of crimes committed outside Lebanon (MENAFATF 2009).

### *Energy sector*

#### **Hydrocarbons**

Historically, Lebanon has been dependent on external energy sources. The country is however facing major changes, with the discovery of hydrocarbon reserves off the coast of Lebanon and the political will to reform the Lebanese energy sector.

The first estimations indicate that the seafloor off the Lebanese coast holds immense reserves of oil and gas that could not only represent a significant source of fiscal revenue but could also satisfy the energy needs of the population (Baroudi 2012). Lebanon has not yet started to exploit its reserves and the government is planning to construct a coastal gas pipeline stretching from from Beddawi to Tyre to import and use Liquefied Natural gas to produce electricity, in parallel to the development of the exploitation infrastructure.

As Lebanon is just starting its exploitation of hydrocarbon resources and it can still avoid the "resource curse" through enhanced transparency coupled with a solid system of check and balances between the government and society (Sassine 2012). The government has been slow in creating and staffing the necessary administration hindering an independent and self-sufficient management of the newly discovered resources (Baroudi 2012). There is no publicly available evidence that donors have engaged in this sector so far.

In 2010, the Offshore Hydrocarbon Law was ratified by the Parliament introducing a power-sharing system through which Exploration and Production Agreements are granted to companies. These agreements shall be concluded between the State and at least three selected contractors that will form an unincorporated joint venture. It gives the government authority to determine royalties, rental fees and profit sharing percentages.

The law envisages the creation of a Petroleum Administration, the deposition of the revenues in a sovereign wealth fund and also states that the State retains the right to establish a national oil company (Millar 2011). The law specifies that the calls for exploration and production applications shall be made public but does not provide any other transparency



safeguards. It only mentions that the sovereign wealth fund shall be regulated by a law “based on clear and transparent principles for investment and use of proceeds”, but the aforementioned law has not yet been drafted. There is no provision requiring the government to publish its hydrocarbon revenues and the International Budget Partnership has indicated that Lebanon did not perform well in publishing financial and budgetary information (see above). Nothing indicates that the Ministry shall make the procurement process public and transparent which increases the risk of conflicts of interest and corruption.

### Electricity

Electricity is currently produced by hydroelectric plants and bought from Egypt and Syria. Basic infrastructure does not reach remote areas of Lebanon and blackouts remain a continuous problem of daily life due to the lack of capacity of the state-owned electricity company, Electricité du Liban. “Electricity theft” is also a common problem in Lebanon (Le Figaro 2012).

The privatisation of the electricity sector has been discussed since the early 2000s and encouraged by the international community but has not been decided yet. The government’s strategic plan for the energy sector envisages diversifying Lebanon’s energy production through gradual privatization, modernizing the hydroelectric plants, using solar wind energy and “waste to energy” technologies (Ministry of Energy and Water 2010).

## 2 Governance structure and anti-corruption efforts in Lebanon

### Overview of anti-corruption reforms in Lebanon

Transparency and anti-corruption were put quite late on the Lebanese political agenda, due to the civil war and the political instability that has affected the country. Lebanon only ratified the United Nations Convention Against Corruption (UNCAC) in 2008 and the implementation of the convention is still in process. The country does not have an anti-corruption strategy nor has it established an anti-corruption commission or an ombudsman. Integrity mechanisms and access to information laws are lacking and the regulations that are in place are most often not implemented.

### Legal framework

#### International Conventions

Lebanon became a party to the UNCAC in 2008. Its ratification was delayed by the political crisis that paralysed the country until 2008 (Lebanese Transparency Association 2011). Law No. 33 authorises the government to ratify the convention but specifies that Lebanon is not bound by Paragraph 2 of Article 66 regarding the settlement of disputes through arbitration. The difficulties faced by the Parliament have so far also hindered the implementation of the UNCAC. In 2012, the Lebanese Transparency Association produced a report reviewing Lebanon’s compliance with Chapter II of the UNCAC, outlining the country’s shortcomings with regards to preventive anti-corruption measures. Lebanon will be reviewed by peers, in the framework of the implementation review mechanism in 2013-2014.

#### National legislation

Lebanon’s legal structure criminalizes bribery of domestic public officials but not bribery of foreign public officials<sup>1</sup>. Decree No. 112 and the Lebanese Penal Code contain provisions regulating bribery of domestic public officials. In the case of a conflict between the Lebanese laws and the UNCAC, the international instrument will prevail. According to the Lebanese Penal Code, both the act of giving and receiving a bribe are crimes. Legal entities as well as individuals are liable for bribery according to Article 210 of the Penal Code. It also prohibits the acceptance of gifts or benefits by private sector employees in order to reveal confidential information or act with the intent to harm the company (Getting the Deal Through 2012).

Regulations providing a framework for the integrity of political life and public administration are insufficient in Lebanon, as are the safeguards against conflicts of interest. The judiciary and public administration are the only institutions to have codes of conduct but these are neither binding by law nor properly implemented. Regulations regarding gifts and hospitality exist in most sectors, as for example the Civil Servants Regulation, but they are not consistently applied. Regulations of post-employment activities to prevent the phenomenon of revolving doors are largely inadequate. Public administration is the one institution that restricts post-

<sup>1</sup> Public official being defined as any individual employed in the public institutions and administrations, in the municipalities, in the army or the judicial system, any worker in the public sector as well as elected or appointed people.

employment activities, through Article 100 of Legislative Decree no 112, but the restrictions are very specific and only concern a small number of positions in the permanent staff.

Law 154 of 1999 criminalizes illicit enrichment. It requires senior public officials and members of political bodies to disclose their financial and non-financial assets. These are however not made public. Moreover, citizens must pay an unreasonable deposit (USD16,000) if they wish to access this information. Article 15 of this law represents a disincentive for whistleblowing since it stipulates that if a complaint turns out faulty, the complainant risks a significant fine or even imprisonment. A new Illicit Enrichment Draft Law, defining the criminal and civil offenses as well as sanctions, was submitted to Parliament in 2009 but has not yet been reviewed (Lebanese Transparency Association 2011).

The Ottoman Associations Law of 1909, governing political parties does not contain any provisions regulating the funding of political parties nor does it limit the contribution they receive. There is no requirement for the disclosure of donations to political parties (Global Integrity 2009). There are provisions regulating the financing of individual candidates and their campaigns. The Parliamentary Election Law of 2008 sets limits to both individual and corporate donations to candidates. According to the legal provisions in place, the SCEC is in charge of the oversight of electoral spending and monitors the financing of campaigns (Global Integrity 2009).

Lebanon does not have any laws for reporting corruption and protection of whistleblowers. Neither are there any mechanisms in place to facilitate the process. In June 2010, a draft law on whistleblower protection was submitted to Parliament through a number of parliamentarians, members of the National Network for the Right of Access to Information. This draft law covers both the private and public sectors (National Network for the Right of Access to Information 2012).

### **Access to Information**

Lebanon does not have a law guaranteeing the right of access to information and some of its regulations governing the public administrations are even restricting disclosure (Almadhoun 2010). Some ministries and administrations have nevertheless taken initiatives in favour of access to public information: in 2002, the Office of the Minister of State for Administrative Reform introduced a website to better communicate information

regarding interactions between citizens and administrations (e.g., fees and forms) and in 2001 a Citizens' chapter was developed to inform citizens about their rights (Almadhoun 2010). In 2012, the Administration and Justice Committee at the Lebanese Parliament started discussing the Access to Information draft law submitted to the parliament in 2009 National Network for the Right of Access to Information.

### *Institutional framework*

#### **Office of the Minister of State for Administrative Reform (OMSAR)**

The Office of the Minister of State for Administrative Reform was created in 1993 with the aim to ensure efficient delivery of public services, eliminate redundancies and waste in the civil service, combating corruption and integrating the latest technologies and methods of work. The OMSAR has, since its creation, taken a number of anti-corruption steps such as draft anti-corruption laws, draft access to information laws, the Citizens' Charter, the Youth Charter against Corruption, the Code of conduct for civil servants etc. Recently, the OMSAR has been working on improving internet accessibility to public information and services. Despite these initiatives, OMSAR has not been seen to have lived up to expectations due to general indifference and absence of political will. The previous Minister, Ibrahim Shamseddine, also pointed to the lack of funds and follow-ups as major obstacles faced by the Office (Lebanese Transparency Association 2011).

#### **Lebanese Court of Account**

The Lebanese Court of Account is the administrative court in charge of monitoring the use of public funds and ensuring compliance with laws and regulations. The Court of Account has a broad mandate and insufficient resources: it is responsible for the oversight of state administrations, the autonomous offices and the municipalities. The position of President of the court remained vacant between 2005 and 2010, paralysing the institution. The Court of account is not an independent institution; it is under the authority of the Prime Minister (Global Integrity 2009). The Court of Account is required to publish Annual Reports containing information about its activities and proposals for amending laws but no reports were published between 2005 and 2010. The court's employees are civil servants and must comply with the laws regulating the civil service and there are regulations covering gifts and hospitality. The institution however lacks a specific

code of conduct and rules governing post-employment activities (Lebanese Transparency Association 2011).

### **Special Investigation Commission of the Central Bank (SIC)**

The Special Investigation Commission was created in 2001 to investigate suspicious transactions. It is a financial intelligence unit with judicial status attached to the Lebanese Central Bank. It is composed of four units: the audit and investigation unit; the financial investigation administrative unit; the compliance unit and the information technology and security unit. The SIC has the exclusive power to lift bank secrecy, and deals with cases of forgery, financing of terrorism, embezzlement of funds, laundering of organized crime proceeds etc. The SIC produces annual reports published on its website and, in 2011, it had received 335 cases. Almost 10% of the cases concern the financing of terrorism, which goes beyond the competencies of the SIC meaning that the commission does not have legal cover when dealing with these cases (MENAFATF 2009).

### **Other actors**

#### **Media**

The Lebanese Constitution recognizes the “freedom of expression of word or pen, and the press is free to express freely”. Most media outlets are privately owned by the main political, confessional players, which makes the Lebanese Transparency Association say that “the media is (...) a true reflection of the state: polarized, and divided along confessional and political lines.”

Lebanon ranked 93rd out of 179 on the Reporters Without Borders Press Freedom Index 2012. The government and its burdensome administration can be an obstacle to the creation of new media entities (Global Integrity, 2009). Broadcasting media companies are required to disclose their ownership but not print media companies. The Marahat Foundation produced an assessment of the Lebanese media which indicates that the Lebanese media is biased and politically affiliated. Global Integrity reports that self-censorship is widespread among Lebanese journalist, especially with regards to politically sensitive questions such as corruption.

In practice, journalists are not safe when investigating sensitive case in Lebanon. The Marahat Foundation monitored attacks against journalists in 2008 and reported that 23 journalists had, to their knowledge, been physically, morally or legally attacked. More

recently attacks on journalists were reported in several Lebanese towns during the 2011 protests (Freedom House 2012). In 2012, Rami Aysha, a correspondent for major international media, was arrested while covering an arms-trafficking case. He was detained for a month (Reporters Without Borders 2012).

#### **Civil Society**

Freedom of association and assembly are guaranteed by law and relatively unrestricted. Lebanon has a long history of free and independent NGOs, many civil society organisations are however an integral part of the patronage system resulting from the power-sharing structure of the State (Bertelsmann Foundation 2012). The Lebanese Transparency Association indicates that civil society organisations are generally free and independent but their scope and influence is limited. The decision-making structure is closed and controlled by the political elite, hindering NGOs from playing a significant role (Bertelsmann Foundation 2012). Civil society organisations do not operate in a completely safe environment: in 2011, an activist investigating on torture and human rights violations was questioned twice by military authority and in 2012 security forces attacked demonstrators in support of electoral reform (Transparency International 2012).

#### **Private sector**

Anti-corruption and good governance initiatives are voluntary for businesses in Lebanon. There are a number of syndicates and business associations in Lebanon whose role is to defend the interests of the private sector and that have had a significant impact on reforms in the business sector: the Association of Banks in Lebanon contributed to the adoption and implementation of the money-laundering legislation; the *Rassemblements des Dirigeants et Chef d'Entreprises Libanais* adopted a code of ethics for its members etc. (Lebanese Transparency Association 2011). The Lebanese Transparency Association highlights that businesses are increasingly interested in undergoing good governance assessments and implementing anti-corruption policies. The Lebanese Transparency Association, together with the Center for International Private Enterprise launched the Lebanese Anti-bribery Network in 2008, which developed a code of conduct for SMEs and an anti-bribery guidebook for businesses.

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