

Corruption - M. East

# Ending Arab corruption

A VIEW FROM THE ARAB WORLD

THE SCENE IN THE BALLROOM OF THE venerable old Bristol Hotel in Beirut a few weeks ago was the epitome of low-keyness — dozens of mature men and a sprinkling of women seated around a large, U-shaped conference setting, in slightly dim lighting, hearing lecturers and participating in open discussions over two days.

This gathering, however, reminded me why I am confident that the dysfunctional mismanagement and occasional criminality of the modern Arab world will not persist forever. The meeting — organised by the Arab Anti-Corruption Organisation — reminded me why I am confident that the Arab world in my lifetime will start to transform top-heavy, mismanaged, and corruption-riddled governments into more productive and humane systems.

It is abundantly clear that sustainable change in our Arab region will not soon occur through three mechanisms that have transformed other societies: Iranian-style internal popular revolutions, foreign military or political intervention, or Gorbachev-style domestic change from above. Existing power structures in the Arab world lean towards personalised permanence, not change.

Having watched the Arab world mostly pound its head against concrete over the past 40 years — fixing it as the only entire region in the world that is collectively and chronically non-democratic — my guess is that the most likely mechanism for change will emanate from these different sources: the expanding private sector businesses that need a rule-of-law foundation; the increasingly cash-strapped governments that find no alternative to liberalising seriously and steadily; and the concentrated pressuring, cajoling and partnering of respected civil society organisations that know how governments operate, and how they must evolve.

Of the latter, the Arab Anti-Corruption Organisation (AACO) is one of several such institutions in the Arab world working to break through — or at least chip away at — the steel wall that protects the prevailing centralised, autocratic power structures. This symposium was about “Better Fiscal and Monetary Controls in the Arab world” — a deceptively technical title. Along with civilian control of security sectors, more efficient public financing offers the best hope for pushing the Arab region from stagnant mediocrity towards dignified citizenship and productive growth.

The organisers and participants of the AACO meeting are not radical rebels, but rather sons and daughters of the modern Arab establishment — former prime ministers and finance ministers, members of parliament, and senior fiscal sector officials. They included Selim Hoss and George Corm from Lebanon, Amer Khayyat from Iraq, Taher Kanaan and Mohammad Hammouri from Jordan, Nasser Sane' from Kuwait, Abboud Saraj from Syria, Ahmad Ashour from Egypt, Abdul Latif Atrouz from Morocco, and many others.

They and others around the region have worked patiently for six years since they founded AACO to pursue several tracks that will eventually penetrate and ultimately puncture the structures of Arab public sector intemperance, incompetence and corruption. They prepare studies — available in books and on their website — documenting the weaknesses of existing accountability systems, and suggesting where and how loopholes must be closed. They clarify why and how corruption damages all Arab societies, such as through waste, poverty- and disparity-promotion, and lower investments. They generate important linkages among civil society institutions, international part-



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ners and groups such as the Arab Organisation of Parliamentarians Against Corruption. And, they lobby incessantly with incumbent government officials to make the changes required to slow down and then reverse the continued decline and marginalisation of the Arab world.

More effective fiscal controls in the Arab world are needed, AACO Executive Director Amer Khayyat says, to avert the recent experience that saw

collective public and private sector Arab losses in global financial investments in the past year — according to some credible Arab estimates — reach as high as \$2.5 trillion. (Yes, trillion with a T.) Many of those losses were probably inevitable in light of the global financial crisis; but many others reflect incompetence or corrupt investment management in a context of a total lack of accountability.

When I asked him at the end of the gathering what struck him most about the discussions, Khayyat said it was the fact that, “the problems and weaknesses of fiscal accountability and monetary oversight and controls are almost identical in every part of the Arab world.”

At the technical level, the priority needs are clear, the symposium concluded. Reducing waste and corruption in Arab public funding needs oversight and accountability through updated anti-corruption laws, an independent judiciary in the context of separation of public powers, strengthened executive branch audit institutions, trained and qualified parliamentarians, and oversight by civil society groups and the mass media.

Especially urgently, all Arab states should sign and ratify the 2003 UN global anti-corruption convention, and pass critical laws on financial disclosure and protection for whistleblowers who expose corruption.

At the political level, though, progress will come through persistent education and pressure.

“The existing power structure has an interest in retaining the status quo,” Khayyat told me, “but we will keep knocking on the doors of those in power.”

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