Middle East and North Africa

Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestinian Territories, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, Yemen

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Overview

The incidence of grand corruption in the Middle East and North Africa (MENA) declined in 2001–02 owing simply to reduced opportunities for 'commissions' as a result of an economic recession. Global slowdown, reduced investment in emerging markets and a fall in oil prices resulted in declining capital investment and a slump in construction and arms procurement.[1] With the decline in real income, however, petty corruption was on the rise. Corruption among senior state officials and politicians was still considered rampant throughout the region.

International efforts to curb corruption in the MENA region were hampered during the year by concerns about security, with 'good governance' conditionality rarely applied with great effect. Governments trumpeted the anti-corruption cause, but initiatives to curb corruption generally lacked sincerity. In a widespread climate of authoritarian rule, the root causes of corruption have failed to be addressed. Anti-corruption strategies are unlikely to achieve greater success in the future without the initiation of far-reaching political reform. Numerous corruption cases were brought to the public's attention in 2001–02, but they were usually driven by a government's need to improve its image or settle political scores, and did not signify real structural change.

Civil society anti-corruption initiatives rarely translated into tangible change owing to the low levels of civil rights, freedom of expression and political participation that are prevalent throughout the region. Nevertheless, public opinion surveys suggest increasing public concern about corruption, and several NGOs across the region have focused on the issue.

The MENA business community also indicated its concern about corruption, particularly because of its impact on foreign direct investment in the region. It is, however, often difficult to separate private sector venality from that in the public domain, given the intimate links between the family networks that hold power and the principal business interests in the region.

International and regional

Strategic and security interests have dominated the MENA countries' relations with the international community, often to the detriment of anti-corruption efforts. Following the attacks of September 11th, the United States pressed for the adoption of stricter legislation against money laundering to stem the flow of financial support from the Gulf to terrorism around the world. Prior to the attacks, only Bahrain, Israel and Lebanon had enacted legislation against money laundering, but Egypt, Iran, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE) rapidly followed suit. Nevertheless, the Financial Action Task Force (FATF) removed only Israel and Lebanon from its blacklist of countries deemed 'uncooperative' in adopting effective steps against money laundering.[2] Egypt remained on the FATF blacklist and, in other countries, banks were widely used to conceal the proceeds of corrupt or illicit activities.[3]

Donor conditionality is very rarely applied as a tool to fight corruption in the MENA region. In February 2002, donors committed more than US $10 billion in aid to Egypt for 2002–04 but, as in the past, transparency did not feature among the conditions attached to the package.[4] By contrast, the United States put intense pressure on the Palestinian Authority (PA) to effect deep reforms in its administration and security forces, including measures to fight corruption.[5] Few Palestinians would argue with the need for reform in the PA, but there were suspicions that Washington's interest in corruption was dictated more by Israeli policy or the desire to remove President Yasser Arafat from office than regard for transparency and good governance.[6]

International organisations and donors launched a number of initiatives to counter corruption but they were too disparate, low-level or inadequately reinforced to make any discernible impact. EU association agreements with Algeria and Lebanon in April 2002 broadened the scope of the Euro-Mediterranean Partnership to further economic cooperation. The agreements contained generally phrased commitments to fight corruption and money laundering, but it was unclear how such measures would be enforced. Little has emerged from the anti-corruption component of ratified EU agreements with other partners in the region, notably Israel, Morocco, the PA and Tunisia.

World Bank efforts to strengthen privatisation programmes in Algeria and Lebanon have done little so far to ensure fair or transparent bidding. Similar attempts were launched more successfully in Jordan and Morocco.[7] In collaboration with the United States Agency for International Development, the Bank helped Morocco to improve the functioning of commercial courts, but a poll by the U.S. Chamber of Commerce in Casablanca showed that 78 per cent of foreign entrepreneurs continued to believe that the Moroccan judicial system was inefficient and prone to corruption.[8] The World Bank launched a comparable programme in Yemen aimed at strengthening the judiciary. Judicial independence has yet to be realised, although initial results included a purge of more than 20 judges on corruption charges in September 2001.[9]

An affiliate of the United Nations in the region was accused of corruption in July 2001. Indian members of the United Nations Interim Force in Lebanon (UNIFIL) peacekeeping forces allegedly took bribes to turn a blind eye to Hizbollah's seizure of three Israeli soldiers in October 2000.[10] UNIFIL strongly denied the allegations.

National

Corruption continued to thrive in virtually all domains of economic, administrative and political activity across the region. The period under review saw numerous examples of increased restrictions on freedom of expression, non-transparency in government and the lack of judicial independence.

Corruption in MENA countries stems from a few key factors. First, the lack of institutional reforms accompanying economic liberalisation programmes has created new opportunities for rent seeking. The granting of private licences for providers of mobile phone networks, for example, failed to put in place impartial and effective regulators in Algeria, Lebanon, Syria and Tunisia.[11] This explains the wide levels of discretionary powers enjoyed by private providers and state officials, which often degenerate into corruption.

Second, the prevalence of authoritarian rule in the region constitutes a major hindrance to transparency and accountability at both state and private sector levels. State budgets are insufficiently itemised to permit close scrutiny, while important state revenues are managed in extra-budgetary funds or parallel institutions that allow for discretionary spending. Libya's oil revenues, for example, constituting 95 per cent of the nation's exports, are held in secret funds controlled exclusively by Colonel Muammar al-Qaddafi and his associates.[12] Furthermore, most MENA governments compensate for low popular support or poor legitimacy by granting opportunities for bribery to leading families or cliques to ensure political survival.

The installation of democratic institutions would help in promoting accountability but would not be sufficient to eradicate all forms of corruption. This principle is amply illustrated by Israel, which, despite strong institutions and a robust civil society, is no stranger to corruption. During 2001–02, allegations of impropriety incriminated licensing agents in the municipality of Jerusalem, involving Minister without Portfolio Sallah Tari and Minister of Labour Shlomo Benizri, the management of army veteran funds and senior officials in the Construction Workers Pension Fund.[13] Corruption in Israel is closely associated with the thriving black markets in intellectual property rights, arms, narcotics and labour.[14]

Endemic corruption

The region's state banks and financial institutions repeatedly fell prey to corruption in 2001–02. In February 2002, a US $150–168 million scam was discovered in Jordan's banking system, allegedly involving 72 prominent businessmen and public officials, including a former agriculture minister, a senator and the son of a former

Cutting through red tape in Lebanon

According to an article in the *Daily Star*, Lebanon's largest English-language newspaper, 'bribes should not be confused with official fees, [which are] usually payable on top of the bribe'.[1] The satirical and well-researched article on *baksheesh* (bribery) informed readers how much must be paid in bribes for different kinds of bureaucratic transactions. For example, a replacement driving licence requires a US $7 bribe, car registration US $27 and passport renewal almost US $70. The *baksheesh* for a building permit for a residential house can cost more than US $2,000.

Obtaining a construction permit is one of the most difficult bureaucratic procedures in post-war Lebanon. If you are a foreign investor, the Investment and Development Authority of Lebanon will take care of the mountains of paperwork at a fixed cost. But the average citizen has to rely on specialist brokers, no matter how simple the case, because obtaining a permit involves five different institutions and several departments within each. It can take up to a year to acquire a permit at prices almost double the official rate. Some stages may be undertaken for free, but the paperwork can be held up for years without money to speed up the process. Distinguishing between what is an official and unofficial fee is difficult because of the misleading instructions given by state employees.

The corruption maze turns every simple administrative procedure into a challenge. 'Because I refused to pay the bribe, the employee couldn't find my land title,' complained one victim of bureaucratic corruption. 'Now I have to get a new land title, which will cost me US $200, and I'm still no closer to getting a building permit.'

The Lebanese Transparency Association (LTA) has now published a booklet that simplifies the procedures necessary to obtain a construction permit and features the documents, fees and average time required. Research for the booklet entailed visits to the relevant agencies and interviews with professionals in the field, as well as citizens who had encountered difficulties. Distributed free to citizens, NGOs, municipalities, architects, engineers and lawyers, the booklet's purpose is to make transactions transparent and to empower the public by setting out its rights with regard to the administration. It also seeks to equip applicants with the tools and knowledge needed to bypass the corrupt practices of state employees. Any deviation from the official description of the transaction, detailed in the booklet, can be used by the applicant to hold the official accountable.

Research for the booklet has made it possible to identify the roots of corruption in the acquisition of construction permits. These include: citizens' ignorance of their rights; the indifference of civil servants who consider bribery a bonus for efficient work; a lack of monitoring and control; weakness of public complaint mechanisms; and the dissipation of responsibility due to the high number of public institutions involved in the acquisition of a permit. These factors all unnecessarily complicate the transaction and allow for a high level of corruption.

These conclusions, along with suggestions for improvement, were included in a report presented to several government offices, including the office of the minister of state for administrative development, the urban planning directorate, the association of architects and engineers and parliament. It is too early to determine what impact the report will have on the administration since discussions are still ongoing but, judging by the enthusiastic response LTA has received, the booklet is having a very positive effect on the corruption-weary citizens of Lebanon.

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1 *Daily Star* (Lebanon), 6 September 1999.

prime minister.[15] In collusion with public officials, businesspeople were alleged to have obtained loans from private banks without collateral on the pretext of providing information technology services for the country's intelligence services. In Morocco, evidence emerged of corruption in the state-owned investment bank Crédit Immobilier et Hôtelier following the completion of a parliamentary investigation into a US $41 million fraud in early 2001.[16] The revelations, which implicated leading public officials, accorded with reports of systematic abuse of powers for self-enrichment during the reign of the late King Hassan II.[17] A similar pattern of embezzlement depleted the resources of Morocco's official trade union's social insurance fund.[18]

State procurement is also rife with corruption opportunities. In Egypt, the national assembly is reviewing a report by the central auditing office on the management of local council services and development funds nationwide.[19] It is widely reported that most of the US $270 million allocated was misappropriated in dubious transactions and investments.[20]

In several MENA countries, mobile phone network licences were allegedly granted under circumstances of conflict of interest, or after the payment of large kickbacks. Syria's Makhluf family, which is related to President Bashar al-Assad, was reported to have benefited from regulations giving it an unfair advantage over the business competition.[21] Algeria's first private mobile phone network licence went to Orascom, an Egyptian company, amid allegations of bribery in the press.[22] Plans to grant a licence to a third network operator in Lebanon were delayed following revelations of conflict of interest.[23]

Accusations of election fraud are frequently voiced across the region, but prosecutors rarely carry out investigations. In Iran, suspicions were fuelled by the court confession of prominent businessman Shahram Jazayeri, who admitted he had given US $700,000 to the campaign of President Mohammad Khatami during the presidential elections in June 2001.[24] Jazayeri had already been charged with bribing reformist parliamentarians and government figures, and of undertaking fraudulent transactions through some 50 front companies.

In Israel, the police fraud squad questioned Prime Minister Ariel Sharon and his son, Omri, on whether they had used fictitious companies to transfer US $1.3 million in illegal donations to the Likud Party leadership elections in 1999 and prime ministerial elections two years later.[25] Former prime minister Ehud Barak was cleared of similar accusations in May 2002, though police pressed charges against four of his aides for channelling illegal funds into bogus charities during the 1999 elections.[26]

The incidence of grand corruption in the MENA region appears to have decreased in 2001–02 because of the reduced opportunities for 'commissions'. Expenditure on capital investment contracted sharply in Lebanon as a result of budgetary constraints: 'commissions' in the post-war reconstruction programme traditionally exceed 20 per cent of the contract's value.[27] In the PA, an already lacklustre economic performance reached catastrophic dimensions because of the damage to infrastructure caused by the Israeli army and Israel's decision to withhold revenues owed to the PA. Such factors triggered a sharp decline in investment in activities that are particularly prone to corruption, such as construction and the import of cement, fuel and luxury goods.[28]

The incidence of petty corruption has a tendency to soar when real incomes are falling since public servants attempt to compensate for the loss in purchasing power by demanding more bribes. Independent evidence tends to confirm that petty bribery (*baksheesh*) has been rising.

The Index of Economic Freedom registered an increase in corruption by low-ranking officials in Algeria, Lebanon and Tunisia.[29] In Algeria, a parliamentary commission investigating large-scale rioting in the minority Berber region of Kabylia since the spring of 2001 found evidence of widespread municipal corruption.[30] Meanwhile, a poll by Transparency Maroc revealed that more than 80 per cent of business respondents admitting to giving *baksheesh* 'to avoid hassle' from traffic police and the gendarmerie.[31]

Government reforms?

Virtually all MENA governments acknowledge that corruption is an impediment to good governance and there has been no shortage of official promises to curb it. Indeed, leaders have been competing for coverage of their pledges to combat corruption, but the motives are varied and the promises are often mere rhetoric. Where anti-corruption campaigns involve concrete measures, they are more often than not used to eliminate business rivals or settle political scores. In Syria, trumped-up charges of tax evasion and smuggling were invoked to silence critics of the regime, including the parliamentarians Riyad Sayf and Ma'mun al-Humsi, arrested in late 2001 and sentenced to five years' imprisonment.[32]

In Libya, President Muammar al-Qaddafi authorised investigations into corruption in the state-owned airline, oil-related procurement and the public transport sector, but the findings were neither made public nor did they lead to any prosecutions.[33]

Official anti-corruption committees often constituted little more than talk shops. Transparency Maroc withdrew from Morocco's 'Commission for the Moralisation of Public Life' in protest at its lack of purposeful action and branded its public awareness campaigns 'banal' and 'counterproductive'.[34] Jordan's 'Higher Committee to Fight Corruption', established by royal decree in July 2000, was increasingly sidetracked by a similar body in the intelligence service, the 'Anti-corruption Directorate', itself the focus of corruption allegations regarding a financial scandal of early 2002.[35]

Anti-corruption actions by judiciaries are also becoming more common across the region, and here too it is essential to question motives. The Iranian judiciary, for example, launched a campaign against corruption in December 2001 that netted some 50 people close to members of parliament and government. Litigation by the conservative judiciary in Iran, however, is often politically motivated and directed against supporters of the reformist president.[36]

Judiciaries in the MENA region are as much part of the problem as the solution, with judges regularly accused of accepting bribes and courts denied independent powers to act against prominent politicians and entrepreneurs. Promises of judicial reform to remedy such deficiencies amounted to little of practical value. Ambitious plans in Algeria to restore judicial efficiency were stalled in committee, while the justice ministry blamed judges themselves for the lack of progress.[37] Judicial reforms met similar obstacles in Morocco.

A financial scandal in Jordan in February 2002 seemed to provide a test case of the government's political will in granting the judiciary full and independent powers. King Abdullah sent a widely publicised letter instructing investigators to bring those responsible to justice,[38] but recent precedents give few grounds for confidence. Other corruption scandals that came to the judiciary's attention, including alleged graft at the state-owned Jordan Phosphates Mines Company, were not followed up.[39]

Corruption and the role of political opposition

Corruption has become such a potent symbol of governments' lack of legitimacy across the MENA region that it is hardly surprising that opposition parties and political activists have adopted the fight against it as part of their credo. In response, MENA governments often employ excessively repressive measures to silence political opponents.

Opposition figures that spoke out against the corruption and nepotism of the Syrian regime faced unfair trials on charges that included 'endangering state unity' and 'trying to change the constitution by illegal means'.[40] The Palestinian member of parliament Hussam Khadr, a forthright campaigner against corruption, faced prosecution after he described the PA in a television interview as 'a bunch of thieves protected by 70,000 policemen'.[41] State-owned Voice of Palestine radio responded with a scathing attack in which Khadr was accused of 'serving Israeli interests'. Faced with repressive actions, political dissent against corruption across the region is largely muzzled.

Islamist political groups, many of them banned, have attempted to combine notions of 'Islamic governance' with a broad anti-corruption stance. Rooting out corruption became a rallying cry for Bahrain's Al-Wifaq National Islamic Association, which won the overwhelming majority of votes in municipal elections of May 2002, widely seen as a dress rehearsal for parliamentary elections in October. In Kuwait, Islamist member of parliament Nasser as-San'a continued to criticise the ruling Al-Sabah family for corruption, while Palestinian Islamist and anti-corruption activist Abdul Sattar al-Qassem announced his intention to run against Arafat in the presidential election in January 2003.

Access to information in the MENA region

The struggle against corruption in the MENA region is hampered by the chronic lack of information. No country has introduced freedom of information legislation, although some governments have expressed an interest in developing forms of e-governance. Jordan is spearheading efforts to inform citizens about government regulations and administrative procedures via the Internet.

Disclosure of corporate information is equally poor. A major drawback is that business in the region is primarily based on family ownership, while more transparent shareholding of capital is still in its infancy. In Egypt, several listed companies received an official warning in September 2001 following their failure to release financial records in time.[1]

Press freedom is seriously curtailed and substantial reporting on corruption scandals is extremely rare, although both Lebanon and Morocco enjoy relatively lively media. Meanwhile, the Iranian press has evolved into a battlefield for the continuing conflict between reformists and hardliners. Scores of newspapers have been banned and many journalists harassed or imprisoned for revealing corruption.

The lion's share of the regional media is either state-owned or owned by wealthy politicians. In mid-2001, two Algerian newspapers began publishing on their own printing presses. All other dailies are dependent on state-owned printing houses which often suspend service if the government disapproves of a newspaper's editorial stance. Over the year press regulations were significantly tightened on the pretext of fighting opinions sympathetic to terrorism. Following amendments to the Algerian code, journalists face up to one year in prison and fines of up to US $3,200 for libelling state and army officials. The new measures further discourage journalists from investigative writing on corruption.

A new Syrian press decree in September 2001 subjects all printing material and means of communication to strict controls. The law banned

Private sector

Private sector involvement in corruption in MENA countries can usually be attributed to systematic collusion between public and private actors. In fact, the very distinction between 'public' and 'private' domains is difficult to make since power is exercised through networks of families and individuals with parallel stakes in politics and business. A case in point is Saudi Arabia, where entire businesses are monopolised by princes and their affiliated partners in the private sector.

Nevertheless, a growing number of companies and entrepreneurs believe that corruption is harmful to business. A recent poll found that businesspeople throughout the region consider red tape and corruption the third-most important hurdle to their operations after high tariffs and taxes.[42] Moroccan businesspeople surveyed by Transparency Maroc said corruption was the second-most important challenge facing them after high taxes.[43] Entrepreneurs polled by the World Bank in Palestine cited corruption as the second-largest constraint to growth after 'political instability and uncertainty'.[44]

'propaganda publications' financed 'directly or indirectly' with foreign funding and imposed harsh sentences for libel and loosely defined offences such as 'publishing falsehoods'.[2] Jordan also joined the trend towards muzzling media when it adopted an unreasonably strict press law in October 2001.

Under such conditions, the role of domestic media in creating awareness of corruption has been partly taken over by satellite television, which governments find harder to manipulate. Qatar-based Al-Jazeera is an increasingly popular source of views – and facts – on issues of public interest. Other Arab satellite stations are much less vocal owing to their ownership by governments or local tycoons.[3]

Increasing use of the Internet to communicate anti-corruption messages is another means of circumventing government restrictions. With the exception of Israel, Lebanon and the Gulf states, only a small proportion of the region's population has Internet access, with penetration rates as low as 1 per cent in Algeria and Egypt.[4] Several Middle Eastern sites contain information on corruption, while others, such as www.cggl.org, run by the Campaign for Good Governance in Lebanon, are exclusively devoted to it. The Saudi government has been at pains to prevent citizens from accessing sites that criticise the royal family. As a last resort, governments act against 'virtual' critics in the same way they do against critics in the press – by arresting them. The former Jordanian member of parliament Tujan Faisal was arrested in February 2002 and charged with breaching the penal code after she posted an essay on a Texas-based website (www.arabtimes.com) in which she accused the government of corruption. She was granted a royal pardon 'on humanitarian grounds' in June 2002.

1 *Alam Al-Yawm* (Egypt), 21 September 2001.
2 Human Rights Watch, *Syria: Clampdown on Free Expression*; see www.hrw.org/press/2002/02/syria0211.htm.
3 Naomi Sakr, *Satellite Realms: Transnational Television, Globalisation & the Middle East* (London: 2002).
4 For figures on Internet use in the region and elsewhere, see International Telecommunication Union, www.itu.int/ITU-D/ict/statistics/at_glance/Internet01.pdf.

Despite this unease, business confederations and local chambers of commerce have played only a marginal role in countering corruption since government or its cronies usually control such groups. Among the notable exceptions are the Lebanese Chamber of Commerce, Industry and Agriculture and the Moroccan Confederation of Employers, both of which have drawn up codes of ethics on corporate governance.

There is evidence to suggest that the region's high levels of corruption deter foreign investors. Extremely low foreign direct investment in Lebanon was associated with entrepreneurs' perceptions of widespread corruption.[45] International companies that operate profitably in the region frequently tap into local networks of commercial power to obtain contracts where the payment of commissions is the rule. In 2000 the British government launched an inquiry into claims that British-American Tobacco had boosted sales through a worldwide tobacco smuggling racket. In December 2001, the British media publicised new allegations that a prominent role in the racket had been played by Easa Saleh-al-Gurg, UAE ambassador in London.[46]

Civil society

Civil society anti-corruption initiatives and criticism of government corruption often meet with state repression. Tunisian human rights activist and magazine editor Sihem Ben Sedrine was arrested and detained after she spoke out against corruption on the London-based Al-Mustaqilla television station in July 2001. Moncef Marzouki, another Tunisian critic of human rights abuses, met a similar fate after revealing corruption in a public charity. Both were eventually released, but they face charges of defamation and threatening state unity. In Saudi Arabia, writer Abdul Mohsen Musalam was jailed in March 2002 after he published a poem in the newspaper *Al-Madina* on 10 March 2001.[47] Musalam's poem, 'The Corrupt on Earth', accused several judges of graft. Saudi Interior Minister Prince Nayef ordered the sacking of *Al-Madina*'s editor-in-chief for allowing the poem to be published.

Nevertheless, corruption has increasingly become an issue of public concern. A public opinion survey conducted by Transparency Maroc revealed that 87 per cent of the population views corruption as the third most important problem in the country. A recent survey in the PA showed 95 per cent support for the dismissal of ministers accused of corruption.[48] Developments in popular culture confirm the finding, while raising awareness of its prevalence. Television dramas, pulp fiction and cartoon books increasingly feature corrupt officials frustrating the everyday life of the main characters. A sitcom aired on Syrian state television during Ramadan, *Maraya Hakaya* (Mirrors of Tales), revolved around a senior official and his cronies and satirised nepotism. Such populist forms of expression suggest that 'culturalist' accounts of corruption – explanations that hinge on the prejudice that corruption is rooted in 'Arab culture' or the region's 'mentality' – do not hold water.

Against great odds, NGOs have tried to organise these sentiments into collective action against corruption. Transparency Maroc, the region's most active anti-corruption NGO, issued a manifesto calling on political parties in Morocco to disclose their electoral campaign funds to counter vote buying. The Lebanese NGO La Fassad (No Corruption), a Transparency International chapter-in-formation, drafted a code of ethics for NGOs and prepared a thorough legal critique of the country's privatisation law. In Yemen, the NGO Forum for Civil Society is one of the most active local NGOs with a specific anti-corruption agenda. An unofficial watchdog group in Bahrain, the Bahrain Transparency Society, was established in January 2002.

1 World Bank press release, *Growth in Middle East Challenged by External Environment* (Washington, D.C.: 13 March 2002); *Financial Times* (Britain), 5 August 2001.
2 *Ha'aretz* (Israel), 21 June 2002; *Daily Star* (Lebanon), 22 June 2002.
3 John Sfakianakis, *Middle East Report* (US), spring 2002.
4 World Bank press release no. 2002/201/MENA, 6 February 2002.
5 See comments by U.S. National Security Advisor Condoleezza Rice in the *New York Times* (US), 26 May 2002.
6 See comments by Yazid Sayyigh and Henry Siegman in respectively: BBC World Service (Britain), 12 May 2002; *New York Times* (US), 19 May 2002.

7 IMF, *Morocco: 2001 Article IV Consultation*, June 2001; *Maroc Hebdo International* (Morocco), 1–7 February 2002; World Bank, *Privatization: The Jordanian Success Story*, (Washington, D.C.: October 2001).
8 American Chamber of Commerce, *A Survey of Executive Perceptions about Business and Investing in Morocco* (Casablanca: December 2001); see www.amcham-morocco.com/publications.html.
9 *Middle East International* (Britain), 14 September 2001.
10 *Jerusalem Post* (Israel), 13 July 2001.
11 In Algeria, the operator continues to negotiate with the ministry of post and telecommunications whereas the competent authority, Algeria Telecom, exists only on paper. See *Al-Khabar* (Algeria), 13 December 2001; *El-Watan* (Algeria), 18 January 2002.
12 Middle East Policy Council: *Middle East Policy* VII, no. 2, February 2000, www.mepc.org/journal/0002_takeyh.htm.
13 *Jerusalem Post* (Israel), 28 and 30 January 2002; *Yediot Ahronot* (Israel), 20 February 2002; *Jerusalem Post* (Israel), 3 January 2002; *Ha'aretz* (Israel), 22 March 2002.
14 The Heritage Foundation and the *Wall Street Journal* (US), *The Index of Economic Freedom 2002*.
15 *Jordan Times* (Jordan), 15 February 2002; *Ad-Dustur* (Jordan), 21 February 2002; *As-Sharq al-Awsat* (Britain), 22 February and 1 March 2002.
16 *Al-Hayat* (Lebanon/Britain), 17 August 2001; *l'Économiste* (Morocco), 14, 17 and 26 September 2001, 3 and 10 October 2001. For extracts of the findings of the parliamentary inquiry, see *l'Économiste* (Morocco), 19 January 2001.
17 Abdeslam Maghraoui, 'Political authority in crisis: Mohammed VI's Morocco', *Middle East Report*, spring 2001; *Economist* (Britain), 25 January 2001.
18 *As-Sharq al-Awsat* (Britain), 20 January 2002.
19 *Al-Ahram* (Egypt), 22 January 2002.
20 *Al-Ahram Weekly* (Egypt), 7–13 February 2002.
21 Bassam Haddad, 'Business as usual in Syria?', *Middle East Report Press Information Note* (US), no.66 (7 September 2001); *Middle East International* (Britain), 14 September 2001.
22 *North Africa Journal* (Britain), 21 July 2001. Other reports alleged that Algerian businessmen and officials put pressure on Orascom to allow them to share in its profits. See *Al-Khabar* (Algeria), 13 December 2001.
23 *Middle East International* (Britain), 17 May 2002.
24 Economist Intelligence Unit, *Country Report*, 15 March 2002.
25 *Ha'aretz* (Israel), 23 April 2002; *The Jerusalem Post* (Israel), 1 October 2001.
26 *Jerusalem Post* (Israel), 29 May 2002.
27 Reinoud Leenders, 'In Search of the State: The Politics of Corruption in Post-war Lebanon', in Barbara Roberson and Nadim Shehadi, eds, *Post-War Reconstruction in Lebanon* (London: 2002).
28 PA budgets currently allow for only US $17 million per month for investment expenditure, compared to US $54 million prior to the outbreak of the Intifadah. The World Bank, *Fifteen Months – Intifada, Closures and Palestinian Economic Crisis. An Assessment* (Washington, D.C.: March 2002). On corruption in the mentioned sectors and activities, see David Sewell, *Governance and the Business Environment in West Bank/Gaza* (World Bank Working Paper, no.23, May 2001).
29 The Heritage Foundation and the *Wall Street Journal* (US), *The Index of Economic Freedom 2002*.
30 *Le rapport préliminaire de la commission nationale d'enquête sur les événements de Kabylie*, 30 August 2001: www.kabyle.com/article.php3?id_article=315.
31 For the poll's results, see *l'Économiste* (Morocco), 18 January 2002; *As-Sharq al-Awsat* (Britain), 18 January 2002.
32 Human Rights Watch press release, *Dangerous Backlash in Syria*, New York, 7 September 2001; Human Rights Watch, *World Report 2002* (New York, 2002). For Sayf's reply to the government's corruption allegations, see Riyad Sayf, *Tajriba Riyad Sayf, Hamum fi as-Sana'a wa as-Siyasa* (Damascus, 1999).
33 *Akhbar Libiya* (Britain), 2 and 17 October, 11 November 2001.
34 Transparency Maroc, press statement, 13 December 2001.
35 Even by its own account, the Anti-corruption Directorate proved itself hardly effective in the fight against corruption. In January, it claimed that its work in the past year saved the state treasury only US $5 million. See *Ad-Dustur* (Bahrain), 17 January 2002.
36 Human Rights Watch, *Iran: Parliamentarians Convicted* (Washington, D.C.: 4 January 2002).
37 *El-Watan* (Algeria), 8 September, 9 and 10 October 2001.
38 *Ad-Dustu* (Bahrain), 21 February 2002.
39 *Jordan Times* (Jordan), 6 August 2001; *Al-Hayat* (Britain), 16 December 2001.
40 Human Rights Watch, *World Report 2002*.
41 Khalid Amayreh, 'Is the PA Collapsing?', *Palestine Times* (Palestine), November 2001.
42 Bernard Hoekman and Patrick Messerlin, *Harnessing Trade for Development and Growth in the Middle East*, Council on Foreign Relations, Study Group on Middle East Trade Options, 2002.
43 *L'Économiste* (Morocco), 18 January 2002; *As-Sharq al-Awsat* (Britain), 20 January 2002.

44 David Sewell, *Governance and the Business Environment in West Bank/Gaza*, World Bank Working Paper, no. 23, May 2001.

45 A. Mansour, *The Views of Foreign Investors in Lebanon* (ESCWA, Beirut: 12–13 June 2001); *Daily Star* (Lebanon), 14 June 2001.

46 *Guardian* (Britain), 17 December 2001. See www.guardian.co.uk/bat.

47 BBC World Service, 20 March 2002.

48 Democracy Index, Palestinian Centre for Policy and Survey Research (Nablus), 15–19 May 2002: www.pcpsr.org/survey/polls/2002/p4a.html.