

## **CORRUPTION IN LEBANON AND ITS INFLUENCE ON FOREIGN DIRECT INVESTMENT**

Corruption is a form of dishonesty or criminal activity carried out by a person or organization responsible for official power procedures or representing the public or private sector, where corruption has become so prevalent that it is part of the daily structure of Lebanese society. Day after day corruption becomes a functional culture spread in the minds of young people, future generations as in the ideas of the elderly.

Corruption becomes a crime organized by a well-governed political administration so that candidates compete for the job not on the basis of competence and science, but on the basis of support from politicians. A person holding a certain position in government departments has a goal to make money easily and according to the principle of purpose justifies the means.

Corruption in Lebanon encompasses many activities, including bribery, embezzlement, and so on. The vision of any growth or prosperity or raise the level of income or get out of the current economic crisis cannot be achieved without addressing this anomaly in the Lebanese system, which was warned by all interested local and international companies, banks, regulatory institutions, academics, economic analysts and society civilian.

Lebanon is the 138 least corrupt nations out of 175 countries, according to the 2018 Corruption Perceptions Index reported by Transparency International. Corruption Rank in Lebanon averaged 115.25 from 2003 until 2018, reaching an all-time high of 143 in 2017 and a record low of 63 in 2006 [1].

This situation was describes in the proposals put forward by the international community through the “Cedre” Conference, the Capital Investment Plan, and the Mackenzie report. The Lebanese government launched a capital Investment Plan in 2018, perhaps the largest in the country's history, worth more than \$ 20 billion. The Cedar Conference in Paris, which targets the necessary improvements in the country's weak infrastructure system, was designed to secure the support of foreign donors. There is a general recognition that Lebanon suffers from severe deterioration in the quality of its infrastructure, especially when compared to other similar countries in terms of population and level of economic development. Indeed, should Lebanon really want to benefit from foreign capital investment, it must take serious action to combat corruption in the public sector. On the contrary, indiscriminate bargains and deals that did not take place through official and

supervisory institutions continued as if nothing had happened until Lebanon's ranking reached the highest level of corruption in the world according the Moody's report where Lebanon's rating downgraded with a negative outlook, and reduced the maximum long-term foreign currency bonds in Lebanon. The ceiling on local currency bonds and long-term deposits has been reduced, while short-term foreign currency bonds and deposits remain non-primary [2].

On the other hand, Fitch Ratings also issued its periodic report, in which it decided to downgrade the Lebanese state by one rating from B to CCC. In describing the Lebanese reality, Fitch stated that “there is no medium-term plan” credible to stabilize government debt because the downgrade indicates mistrust about Lebanon, the agency said weak trust stems “from domestic political instability, corruption, ineffective government, deteriorating economic growth and geopolitical risks, including US policy against Iran and Hezbollah, and weak relations between Lebanon and the Gulf states [3].

Finance Minister Ali Hassan Khalil also raised the possibility of restructuring domestic debt to ease the burden on the government and slow approval of the budget.

In July 2019 local currency prices have fallen and the Central bank has repeatedly intervened to stabilize the exchange rate by pumping the US dollar into the market. All this in vain continued demand for the dollar for fear of monetary collapse and, unemployment rates rose significantly among young people and it was a lack of purchasing power of the citizen, in addition to all this it is the lack of confidence in government measures.

Instead of the government taking measures to combat corruption and waste public money and propose solutions without exposure to the poor, in opposite, the government imposes a new taxes affecting the poor people and low-income earners without exposure to high-income earners, for example they put a tax on Whatsapp calls.

This was the key to ignite the crisis where On 17 October 2019, people in all cities took to the streets, blocking roads, besieging public institutions, closing banks and preventing the convening of the House of Representatives.

All this “revolution” goes peacefully and unprecedentedly. People demanded the government to resign and hold the corrupt to account and recover the looted money and the overthrow of the system of quotas and disclosure of bank secrecy on the accounts of leaders and anyone who occupied a public position. And ten days later, the government resigned and the judiciary began to call corrupt people and open trials. This peaceful popular revolution which demanded that all those who took power 30 years ago be held accountable raised the slogan of “All means all”.

A first package of measures offered by Prime Minister Hariri was resoundingly rejected – demonstrators demanded far more sweeping

changes. Political leaders including Hariri have been holding closed-door discussions over a new government.

One idea is for a new cabinet at least partially made up of technocrats who can win public trust and press on with reform.

Protesters demand a complete government overhaul and new elections with any cabinet excluding old faces.

Information and communication technology (ICT) has the potential to make a significant contribution to the fight against corruption. By facilitating the flow of information between government institutions, between government and citizens and between citizens, new technologies can enhance transparency, accountability, and civic engagement on all subjects.

There is no doubt today that the right use of ICTs can play a vital role in the integrity and anti-corruption system. The growth of ICTs is an important tool in promoting transparency, accountability and fighting corruption.

Access to information is one of the most important frameworks for transparency. In order to fight corruption, it is necessary to enhance transparency and open data to Lebanese. Transparency in budgeting and auditing processes is essential to enable citizens to hold public officials accountable for the way they use public resources. Audit institutions can play a role in raising public awareness of the dangers of corruption by timely publishing audit reports, as well as producing analytical reports and sharing them widely with local media.

Perhaps ICT technologies are one of the newest and fastest ways to fight corruption as widespread use will be effective in curbing corruption in Lebanon.

**Conclusion.** Corruption is one of the most serious crises that have confronted Lebanon since its inception and is one of the first reasons that hinder economical growth and increase of foreign direct investment flow. Most importantly, it is the first cause that will bring the economic collapse, which has begun to emerge through the depreciation of the national currency and the increasing demand for foreign currencies.

The most important issues facing companies and foreign direct investment are the high rates of corruption and the lack of the required level of transparency, instability. The high rate of public debt is one of the main obstacles facing investment. Serving this debt consumes most of the state's resources, and government measures remain absent and this also leads to the situation when the investor's confidence in the country is lost.

There is an effective way to combat corruption in Lebanon is information technologies in each sphere of the life especially in public institutions.

There is a broad consensus that ICT has the potential to make a significant contribution to the fight against corruption in Lebanon. Therefore, it is necessary to open the way for this technology to play its role by facilitating the flow of information between government institutions and citizens.

### **Список использованных источников**

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### **ОСНОВНЫЕ НАПРАВЛЕНИЯ РЕАЛИЗАЦИИ ЕГАИС В ЛЕСНОМ ХОЗЯЙСТВЕ РЕСПУБЛИКИ БЕЛАРУСЬ**

**Введение.** В соответствии с резолюцией Президента Республики Беларусь от 25.05.2017 №09/99 Министерством лесного хозяйства принято решение о разработке и внедрении в промышленную эксплуатацию единой государственной автоматизированной информационной системы учета древесины и сделок с ней (далее – ЕГАИС). Одновременно во исполнение Плана мероприятий создания в Республике Беларусь единой государственной автоматизированной информационной системы учета древесины и сделок с ней, утвержденного заместителем Премьер-министра Республики Беларусь М.И.Русым 26.12.2017, в настоящее время в Республике Беларусь ведется разработка нормативных правовых актов, направленных на обеспечение совершенствования технологий и техники лесохозяйственного процесса современными методами и способами, посредством создаваемой ЕГАИС, которая позволит контролировать все этапы движения древесины в заготовленном виде, используя только информацию в электронном виде.

Регулирование возникновения новых правоотношений Министерство лесного хозяйства планирует посредством издания законодательного акта Главы государства – Указа Президента Республики Беларусь, так как предусматривается помимо введения ЕГАИС с 01.01.2021 обеспечить также переход на обязательное использование ЕГАИС всеми