The dynamics of effective corrupt leadership: Lessons from Rafik Hariri's political career in Lebanon

Mark W. Neal a,⁎, Richard Tansey b,1

a Faculty of Business & Computing, Eastern Institute of Technology, Napier 4142, New Zealand
b School of Business, Claflin University, 400 Magnolia Street, Orangeburg, S.C., 29115, USA

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A B S T R A C T

This article introduces the notion of “effective corrupt leadership” to distinguish those in public office who engage in corrupt practice, who are more effective, and better for their people, than alternatives. The paper examines a case of such leadership by discussing the career of the late Rafik Hariri, the Lebanese Prime Minister who initiated and achieved the rebuilding of Beirut after the Lebanese civil war between 1975 and 1990. Using the historical case-study method, an examination of Hariri’s activities allows us to appreciate the difficulties of achieving tangible welfare benefits in corrupt circumstances. Notably, the moralizing attacks by Hariri’s rivals show that while achieving and sustaining political power may require corrupt practice, such practice can ultimately undermine the leader authority and power. This “bifil paradox” demonstrates how difficult it is to lead effectively in corrupt circumstances. Through a discussion of these difficulties and challenges, the article attempts to demonstrate the significance of “effective corrupt leadership”, both in terms of its impact upon people, and its importance for the refinement of our understanding of leadership.

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1. Introduction

Khan (1996, 1998) observed that in many countries, particularly those with post-colonial histories, the political settlement is “clientalist”, meaning that state-defined rights, regulations and procedures are weak or arbitrarily enforced, and are thus contestable by informal groupings such as status groups, political networks and mafias. Walzer (1973) characterized the reality of leadership in such circumstances, when he observed that active and effective engagement in some forms of business and political life often require engaging in corrupt activities. Since 1993, Transparency International (TI) has highlighted this issue in public life, observing that many millions of people currently live and work in circumstances where “petty corruption”, such as small scale bribery, nepotism and favors, and “grand corruption”, such as high-level governmental fraud, are integral features of public office (see Lambert-Mogiliansky, Majumdar, & Radner, 2007; Langseth, 2007).

TI defined corruption as “an abuse of entrusted power for personal gain” (TI, 2008), and they, along with many other commentators, have consistently characterized it as a social problem to be eliminated. Khan (1996), though, showed how some corrupt systems can actually benefit people’s welfare, being more effective and equitable at distributing wealth, services and resources than formal state-sanctioned channels and procedures. Such morally neutral analysis of what is so often condemned, fits well with the experiences of many diplomats, Non Governmental Organizations (NGO) and business-people who work in developing countries, who may encounter “the victims” of local corruption systems being reasonably content with – and even approving of – the status quo (see Kurer, 2001). In certain political and economic circumstances, such as those in Yeltsin’s Russia (Shlapentokh, 2003), or present day Somalia (Menkhaus, 2002), Gaza (Denoeux, 2005), or

⁎ Corresponding author. Tel.: +64 (0)69748000x5448.
E-mail addresses: mneal@eit.ac.nz (M.W. Neal), rtansey@claflin.edu (R. Tansey).
1 Tel.: +1 803 535 5717.

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Afghanistan (Jalali, 2006), networked activities rooted in mafia, religion, tribe or family are arguably the only indigenous systems for the distribution of goods and services that actually work. Max Weber famously stated that the key test for interpretative social analysis is that it be “adequate at the level of meaning” (Weber, 1949: 99), i.e. that the analysis should make sense to those embedded within, and thereby sustaining, the social system. Weber’s lesson for researching leadership in corrupt circumstances is thus that we should try to better understand the mindset, intentions and activities of those who are embedded within the corrupt systems.

The TI studies show that most of the poorest countries in the world are associated with high levels of corruption; and TI claims that corrupt political leaders are largely to blame for such countries’ low levels of welfare (TI, 2008). There is no doubt that the quality of political leadership is indeed low in many of the poorest and desperate countries around the world, where local leaders may be corrupt and ineffective, with some being notoriously destructive (Einarsen, Aasland, & Skogstad, 2007), bad (Kellerman, 2004), pernicious, or toxic (Lipman-Blumen, 2004; Whicker, 1996). A minority of these leaders, however, are as corrupt as their peers, but clearly more competent – and better for their people – than alternatives. We characterize this as “effective corrupt leadership”, leadership in corrupt circumstances that actively engages in corrupt practice, but intentionally makes a significant positive impact on people’s welfare.

2. Using the historical case-study method to examine effective corrupt leadership

Weber (1949, p. 99) recommended that in order to reach “adequacy at the level of the meaning” in our analysis of social activities, we should seek to attain verstehen, an understanding of how those embedded in particular circumstances and times understand their choices and activities (Weber, 1949, 1978). In this spirit, we decided to employ the historical case-study method to examine the perceived realities of leading in corrupt circumstances. Gotham and Staples (1996) observed that this method is an increasingly influential and important form of “narrative” qualitative social enquiry, which allows us to analyze the relationships between historically-embedded social activities and their tangible outcomes (see Boswell & Brown, 1999). The perspective was thus useful for our study, as it enabled us to identify and examine a clear episodic case of the achievement of welfare objectives in corrupt circumstances, something that would have been difficult to ascertain using alternative concurrent, or ongoing, methods such as ethnography (where one in the field is unsure of the outcomes of the episode). The research was pursued through scrutinizing hundreds of historical and contemporary materials including television documentaries and news items, newspaper articles, website commentaries, books and journal articles. Examining such materials, and discussing and criticizing them with Lebanese and other Arab colleagues who were knowledgeable about the career of Rafik Hariri, and the political and social systems within Lebanon, we aimed to achieve a broad verstehen (Weber, 1949, 1978), that allowed us better to appreciate the realities and difficulties of achieving positive results in corrupt circumstances.

The “effective corrupt leader” we chose to examine was the late Rafik Hariri (1944–2005), who served as Lebanon’s Prime Minister three times from 1992, and who was assassinated in 2005. Hariri was notable – and relevant to the study – as he was a political leader who engaged in corrupt practice but produced tangible welfare benefits for his people, in notoriously corrupt and difficult post-war circumstances (see Appendices A and B). In the latest TI report (2007), Lebanon was ranked 99th out of 192 countries, with a Corruption Perceptions Index (CPI) of 3.0 (out of a possible 10), indicating “very corrupt” conditions (TI, 2007). When Hariri entered political life in the chaotic and highly corrupt context after the civil war of 1975–1990, Lebanon lay in ruins; and Beirut – the former “Paris of the East” and playground of the world’s rich – had been bombed beyond recognition. Hariri recognized the economic and symbolic importance of the city, not just for the Lebanese people but to the wider world, and set himself the task of rebuilding the city. In the case of the devastated central zone, he publicly announced that he would restore whole neighborhoods of flattened buildings exactly as they had been before the war. Many at the time were skeptical about his intentions, and his ability to deliver on this ambitious promise. However, leveraging his own money, companies and contacts, Hariri achieved this explicit aim (see Becherer, 2005). By 2002, central Beirut was indeed restored, with tourism and inward investment recovering year on year (see Appendices A and B).

If effectiveness in public office can be measured in terms of the fulfillment of explicit welfare objectives, then in Rafik Hariri we have a case of a leader who contributed tangibly to the welfare of his people in difficult and corrupt circumstances. In order to understand how he achieved this, it is important to note that he was himself actively engaged in corrupt practice (Becherer, 2005; Nizameddin, 2006; Schmid, 2006), TI (2008) observed that corrupt political leaders are usually ineffective, self-interested, and bad for the countries they serve. Hariri, however, proved to be an effective corrupt leader – one who engaged in corrupt practice, but actively pursued, and delivered, tangible welfare benefits to his people (Rigby, 2000).

This kind of leadership has clearly not received the academic scrutiny it deserves, for while many people suffer under incompetent and corrupt leaders, some do benefit from leaders who are corrupt, but more effective than their peers. To dismiss such leaders as merely “corrupt” ignores the difficulties of achieving anything positive in corrupt circumstances, and undervalues the benefits people enjoy under such leadership. We thus need to refine our conceptions to understand the antecedents, nature and outcomes of the different kinds of corrupt leadership, and thus to appreciate the difficulties leaders face in trying to promote welfare in corrupt circumstances.

For instance, Morgan and Reynolds (2002) observed that one of the problems faced by political leaders is that they are vulnerable to moralizing attacks by rivals, who may actually be more corrupt – but less visible – than themselves. Writing in 1749, the English novelist, Henry Fielding, originally dissected these kinds of campaigns, in an episode in which the devious Captain Blifil ruins the career of the novel’s eponymous hero, Tom Jones, by casting moral aspersions on his character (Morgan, 1992). Adapting Fielding’s original insights, Morgan and Reynolds (2002) used the term “Petty Blifil” to characterize this kind of political attack, and
thus highlighted a paradox that lies at the heart of much effective corrupt leadership. We characterize this “Blifil paradox” in the context of effective corrupt leadership in the following way:

The routes to power in many countries are often highly corrupt. For politicians in such circumstances to gain the power and authority to achieve altruistic welfare objectives, they may have to engage in corrupt practice. Doing so, they become vulnerable to moralizing attacks by rivals for their engagement in corruption. These attacks may eventually undermine their power and authority, and their ability to deliver on positive welfare objectives.

Walzer (1973) and Calhoun (2004) discussed the problem of “dirty hands” – where a leader may have to do something unethical to achieve something ethical. “Effective corrupt” politicians are embodiments of this. For Hariri to have made any progress in the reconstruction of Beirut required “dirty hands”, which in the end undermined his credibility and political capital (Nizameddin, 2006; Schmid, 2006). Examining an embedded issue such as the Blifil Paradox thus holds lessons about the realities of leading in corrupt countries, and shows how difficult it is to evaluate the ethics of those operating in such circumstances.

By addressing the harsh choices leaders in corrupt countries have to make, and the moral tightropes they must walk, this article thus aims to refine our understanding of corrupt leadership. Doing so means that although we may justifiably condemn some corrupt politicians as being “toxic” (Lipman-Blumen, 2004; Whicker, 1996), we might do well to hold judgment on effective corrupt leaders in developing countries. In many parts of the world, “dirty hands” are needed to deliver welfare benefits to people (Calhoun, 2004; Walzer, 1973). This may not be an ideal state of affairs, but in many regions, effective corrupt leadership may be the best that people can hope for.

3. Types of corrupt political leadership

This paper is about political leadership, and we define “effectiveness” in terms of the fulfillment of the altruistic duties associated with public office. We argue that people in public office – of whatever political persuasion – are accountable to transcendental ideals of public service, of doing what is best for those they serve (see Ackerman, 2004; Fox, 2000). This altruistic principle – “for the good of the people” – we contend, lies at the heart of diverse foundational philosophies of public service around the world. For instance, in the Western traditions we have the classic principle of pro bono publico, and Bentham’s utilitarian “greatest good for the greatest number” (Bentham, 1770). In the Chinese traditions, Mencius (371–289 BCE) laid down the principle that government should be for the benefit of the people (see Zhang and Guo, 2008); and in the Arab traditions, the great fourteenth century Maghrib polymath Ibn Khaldun stated that the main responsibility of leadership lies in the promotion of public welfare (Ibn Khaldun 1967: 188–9; Chapra 2003: 23). The principle of political leadership being for the promotion of general welfare appears to be a widely-shared foundational ideal of public service and government (Lewis, 2005). Although some philosophies (such as Machiavellianism) and many governments, political leaders and public office holders depart (often radically) from this principle in their actions, they cannot shake off their accountability to it (see Hellsten and Larbi, 2006; Mumford et al., 2007).

There has been much recent interest in the kind of leadership associated with negative outcomes for followers or constituents, culminating in a special issue of The Leadership Quarterly on “destructive leadership” (see Tierney and Tepper, 2007), which appears to be emerging as the meta-category for the various kinds of negative leadership. Einarsen et al. (2007) provided an inclusive conceptual schema of the negative leader in their discussions of “destructive leadership”, which they defined as “the systematic and repeated behavior by a leader, supervisor or manager that violates the legitimate interest of the organisation by undermining and/or sabotaging the organisation’s goals, tasks, resources, and effectiveness and/or the motivation, well-being or job satisfaction of his/her subordinates” (2007: 207). We could replace the word “organization” here by “country” or “constituency”, thus enabling us to apply the category of “destructive leadership” more appropriately to the analysis of political leaders. Those who ignore, neutralize of willfully depart from the altruistic ideals of public service and government (Lewin, 2005). Although some philosophies (such as Machiavellianism) and many governments, political leaders and public office holders depart (often radically) from this principle in their actions, they cannot shake off their accountability to it (see Hellsten and Larbi, 2006; Mumford et al., 2007).


For the purposes of this paper, Kellerman’s (2004) work on “bad” leadership is useful as she provides us with seven types of such leadership, one among them being “corruption” in the others being incompetence, rigidity, insularity, callousness, intemperate behavior or evil. In considering these categories, it is useful to distinguish between leaders whose negative effects on their subordinates are passive, and those whose effects are willful. Here we agree with Einarsen et al. (2007) that intent has nothing to
challenges to the effective pursuit of welfare goals. The reality in such circumstances is that one may have to get “dirty hands” to achieve progress (Calhoun, 2004; Walzer, 1973), the routes not just to power, but to effective action being through a web of backhanders, bribes, favors and political allegiances. How effective one is in pursuing altruistic goals depends upon political acumen – managing vested interests, removing obstacles, securing support. In cases of effective corrupt leadership, the success of the leader in pursuing welfare goals depends upon their skill in manipulating their corrupt circumstances.

This is not to say that such leaders are purely altruistic in their motives and actions. The TI definition of corruption is the “abuse of entrusted power for personal gain” (TI, 2008), and “effective corrupt” leaders are in the business of self-promotion and enrichment. Many corrupt leaders are not interested in public welfare enough to do anything tangible about it. Some however,

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2 Of course, a decline in welfare does not in itself indicate “ineffective” leadership. A leader who supports welfare in circumstances that unavoidably undermine it (such as war, drought or financial crisis), may be considered “effective” if people are better off than under less-competent, less dutiful, alternatives.
may see that there is personal advantage to be gained in promoting one aspect or other of public welfare: an extension of democracy; the reconstruction of a war-ravaged city; the promotion of women’s rights. Such goals may be pursued not through any great moral drive (though they may be promoted as if they were), but for self-interested reasons. As such, leader and society find themselves in a “win–win” situation (see Khan, 1996, 1998). Advances are made in terms of welfare, and the leader gains political power, influence, or money. The leader is corrupt, but beneficial to subordinates.

Gerring and Thacker (2004) defined corruption as “an act that subverts the public good for private or particularistic gain”. We disagree with this definition, as binds the conception of corruption inevitably with a subversion of the public good. Building upon Khan’s (1996, 1998) work, the following sections will explore the career of Rafik Hariri to show how “the abuse of entrusted power” (TI, 2008) can – in some circumstances – lead not to a subversion of the public good, but to a promotion of it.

4. Effective corrupt political leadership in Lebanon

While corruption has become a major research field across the social sciences, research into corruption in the Middle East has largely taken the form of descriptive economic studies (e.g., Mehanna, 2003; Treisman, 2000). For example, the Global Corruption Report, 2003 (Transparency International, 2003) observed that a regional recession in the Middle East led to an increase in petty corruption among underpaid public employees, while simultaneously causing a decrease in grand corruption by high-level officials who experienced a decrease in state capital investing (Short, 2002). Both types of corruption flourished in Lebanon during the administration of Prime Minister Rafik Hariri, who adopted a highly pragmatic policy for rebuilding post-civil war Lebanon. During his incumbency, prominent parliamentary leaders systematically engaged in grand corruption schemes such as collecting a 20% fee for acquiring lucrative state contracts for friends or relatives (Safa, 2002). The absence of any meaningful political reforms in Lebanon over sixty years had embedded such corrupt practices into every aspect of Lebanese life (Khatib, 2002; Neal & Finlay, 2008; Sidani, Zbib, Ahmed, & Moussawer, 2006).

Given the historically rooted nature of state corruption (Johnson, 1986; Sidani et al., 2006), it could be argued that a Lebanese prime minister could only rebuild Beirut’s post-civil-war town center, airport and highway system by engaging with the established web of corruption. In essence, it was an unavoidable and required part of doing the dirty work of being prime minister (Johnson, 1986). Rafik Hariri certainly fits this characterization (Becherer, 2005; Nizameddin, 2006; Schmid, 2006). The following section examines his options and actions as he led Lebanon’s reconstruction.

4.1. Rafik Hariri and the rebuilding of Lebanon

Rafik Hariri (1944–2005), a Lebanese billionaire construction tycoon, was his country’s prime minister from 1992 to 1998 and from 2000 to 2004, when Syria forced his October resignation (Abu Rizk, 2004). As a former Saudi diplomatic representative, he played a major role in constructing the 1990 Ta’if Accord that ended Lebanon’s sixteen year civil war, during which 150,000 people perished – a mortality figure greater than all the deaths produced in the combined Arab–Israeli conflicts (Miller, 2005; Sbaiti, 1994).

This paper defines effectiveness in public office in terms of welfare objectives. House, Spangler, and Woycke (1991), however, took a broader view, and focused on “international”, “economic” and “social/domestic” policies to measure the leadership effectiveness of twentieth century U.S. presidents. Using these three levels of policy, it can be argued that Hariri was a highly effective leader (beyond welfare objectives) during the ten years he served as prime minister between 1992 and 2004. Major diplomatic accomplishments included his role as a principal negotiator of the 1990 Taif Accord; and his fifteen year foreign campaign to fund Lebanon’s post-war reconstruction (Miller, 2005; Sbaiti, 1994). See Appendices A and B.

Instead of receiving widespread praise for these actions, however, Hariri was maligned by critics for alleged corrupt practices in rebuilding Beirut’s central district (Becherer, 2005). In 1999, Selim Hoss (b. 1929), a former Sunni prime minister and long time Hariri rival, created a board of accountants and attorneys called the National Integrity Steering Committee (Dick, 2002). The related Lebanese Transparency Association (LTA), a Vienna-based anti-crime organization, signed a protocol with the Hoss government in 2000 to collect information, and prepare a national anti-corruption strategy. Upon resuming the prime minister’s office in October 2000, however, Hariri immediately froze the operations of the LTA, accusing it of pursuing a political witch-hunt. Subsequently, even some among Hariri’s LTA critics admitted that Hoss’ anti-corruption campaign was poorly conceived and implemented, and that it unfairly targeted Hariri and the Druze leader Walid Jumblat (b. 1949), a long time Hariri political ally (Safa, 2002).

The Hariri–Hoss political dispute raises two related questions: Firstly, did Hoss and his LTA supporters have the necessary legal evidence to secure a conviction against Hariri on corruption charges? Secondly, did they use the legalistic process to present to the public the appearance of impropriety to damage Hariri’s reputation? Interestingly, none of Hariri’s opponents ever filed corruption charges against him in a Lebanese court. This lack of formal prosecution suggests that critics pursued their campaigns at the level of the appearance of official impropriety.

In addressing such issues, Morgan (1992) noted two paradoxes in “appearance ethics” controversies:

The Petty Blifil paradox: Political opponents such as Selim Hoss, “use...ethical standards to attack relatively innocent individuals with accusations of impropriety.” Referring to Henry Fielding’s analysis of this paradox in eighteenth century England in the classic novel Tom Jones, Morgan (1992: 607–608) observed: “This paradox is named after Master Blifil, because in him we see a truly unethical person manipulating society’s preoccupation with appearances in order to achieve unethical ends. Blifil not only
fabricates his own ethical reputation by appearing to be quite proper, he almost completely eliminates Tom (Jones) as a rival by constructing – again, out of appearances – such a grave case of immorality against Tom that the thoroughly decent Allworthy feels compelled to expel him from Paradise Hall. Petty Blifil has many contemporary manifestations, one of which occurred in the Keating Five case."

The Grand Blifil paradox: Grand Blifil involves the manipulation of appearances at the institutional level to persuade the public that the government is operating properly and ethically, while in fact these institutions are engaging in systemic patterns of corruption. For instance, Syrian presidential leaders backed Selim Hoss as prime minister between 1998 and 2000 to give the appearance of good government in Lebanon, while systematically exploiting the country politically and economically (see Sakr, 2005). This had been common policy since 1976, when Christian Maronite leaders invited Syrian intervention during the civil war (Council for Good Governance in Lebanon, 2004, hereafter CGGL).

As we shall see, Hariri's opponents took the following steps in their labeling campaign to publicly define him as a corrupt prime minister:

**Grand Blifil tactics:**
1. Using Lebanon's national history of corruption for pursuing a covert Syrian political agenda, namely Syrian-backed President Lahoud and Selim Hoss' use of anti-corruption campaigns against Hariri to pursue Syria's strategy of politically and economically exploiting Lebanon (Sakr, 2005; Rigby, 2000);
2. Using anti-corruption campaign attributions as an institutional mechanism to prevent an equal sharing of power between Emile Lahoud, a Maronite president whose major bases of political support were the Assad rulers of Syria and the Lebanese Army, and his political rival, Hariri, a Sunni prime minister, whose major bases of political power included the French president, Jacques Chirac and the ruling family of Saudi Arabia (Ajami, 2005).3

**Petty Blifil tactics:**
1. Anti-corruption opponents' campaign to portray Hariri as a corrupt Syrian agent (Adwan & Sahyoun, 2001);
2. Moral tainting of political office holding in Lebanon;
3. The labeling of opponents as corrupt by capitalizing on personal trait vulnerabilities; and lack of leadership and task-relevant knowledge (House & Aditya, 1997).

According to his opponents, Hariri's corruption enormously enlarged the 1992 public debt to rebuild post-war Lebanon – from U.S.$ 5.1 billion to $35 billion in October 2004, when Hariri resigned as prime minister (see Becherer, 2005). Moreover, these critics solicited votes among less affluent voters by accusing Hariri's real estate firm (Solidere) of illegally expropriating the land of thousands of moderate and low income landowners to rebuild post-war Beirut's city center, and paying these small property owners only a pittance of the real value of their government-seized land holdings (Becherer, 2005).

What evidence did Hariri's opponents produce to support claims that he used political corruption to seize downtown land and illegally fund this state activity? Opponents emphasized the appearance of impropriety while Hariri operated Solidere during his premiership. First, they pointed to the fact that Solidere was run as a quasi-public agency, staffed at the highest levels by Hariri's close friends and former employees (Adwan & Sahyoun, 2001; Lebanon Newswire, 1997). This type of conflict of interest, however, was not legally a crime in Lebanon (Johnson, 1986). Secondly, critics were less than candid about the economic restitution that former downtown landowners received for their seized property. Over 30,000 property holders received U.S.$ 1.17 billion worth of Solidere A share stock (Lebanon Newswire, 1997). This represented about 60% of all stock publicly sold at the Initial Public Offering (IPO). Hariri was criticized for owning 8% of this stock at this time (Adwan & Sahyoun, 2001), but his critics ignored two things: 1) Hariri's percentage of Solidere’s total stock was approximately 7.5 times smaller than that of former small downtown Beirut property owners; and, 2) that without Solidere, there was no private investor willing to assume the risk of rebuilding central Beirut, as Hizbollah waged a prolonged conflict with Israeli forces in Southern Lebanon between 1982 and 2000 (Norton & Schwelder, 1994). In spite of the criticisms, Hariri’s staff listed Solidere in European financial markets to attract new foreign investors, and complied with these markets' disclosure and accounting requirements.

5. Rafik Hariri as a Syrian agent

According to critics, “Hariri ... was appointed prime minister by the Syrians in 1992 and proved himself to be a loyal servant of Damascus during his (first) six years in power. In fact, his ties to Syria long preceded this appointment – it was Hariri's construction company that built the presidential palace in Damascus” (Gambill & Nassif, 2000).

After Hariri's unexpected landslide parliamentary victories in 2000, Gambill and Nassif (2000) challenged Hariri's independence from Syrian President, Bashar Assad, and his secret state police apparatus in Lebanon by stating that: 1) Hariri

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3 Lebanon was a French colony from 1920 to 1943, a period of intense Francification of Lebanese culture and institutions. Since then French is still widely spoken, and remains the language of the political and economic elite. In the past 50 years the influence of France on Lebanese affairs has remained strong, and its role as one of the biggest donors of aid, mean that Lebanese politicians remain sensitive to the importance of having France “on side” in major domestic and international decisions.
had included Bassem Yamout on his electoral ticket – Bassem Yamout had been a personal friend of President Assad during his early medical studies in London. 2) After his parliamentary election, Hariri appointed one of Assad’s business associates as transportation minister in his new cabinet. 3) Prior to the 2000 nationwide parliamentary election, Hariri, as a partner in an Arab consortium, invested U.S. $100 million in Syrian development projects. 4) Under Syrian military protection, Hariri-backed candidates, especially in the South and Beqaa region, systematically bought votes by offering $100 per vote, and promised extensive social and health care services. During the election, pro-Syrian troops illegally entered polling stations, many of which did not install voting booth curtains; and posters of Syrian-backed candidates were prominently displayed within them. Government vehicles were also illegally used to transport voters to the polls.

6. Understanding the corrupt environment

Gelfand, Lim, and Raver (2004) argued that national cultures develop cognitive maps of “how various individuals, groups, and organizations are answerable or accountable to one another” (p. 137). Such cognitive maps, defined as “accountability webs”, specify the reciprocal expectations and duties between leaders and followers. Such webs define who is accountable, organizational levels of accountability, direction and strength of connections, and alignments in socio-political networks.

In their discussion of the GLOBE studies, House, Hanges, Javidan, Dorfman and Gupta (2004) argued that in order to appreciate people’s ideas about leadership, one must understand how these ideas are embedded in indigenous socio-cultural systems and institutions. Cross-cultural experts describe Lebanon as a hierarchal (Hofstede, 2004; Johnson, 1986), collectivist (Hofstede, 2004) and culturally “tight” society (Hofstede, 1980, 2004). The looseness/tightness dichotomy refers, “to contrasting cultural systems that vary on the degree to which norms are clearly defined and reliably imposed” (Gelfand, Lim, & Raver, 2004: 146). Hofstede (1980) claimed that power distance was an initial operationalization of the looseness/tightness construct. Since Hofstede’s survey indicated that Lebanese respondents scored relatively highly on power distance, it is reasonable to assume that, in these terms, Lebanon is a “tight” culture, i.e. there are many rather than few norms focused on one religious tradition; range of tolerable behavior is restricted; and tolerance for deviance is low. Gelfand et al. (2004: 144) predicted that in culturally tight societies, the strength of the connections in the accountability web is high, thus social standards are clearly specified and pervasive. Political scientists such as Johnson (1986) lend support to Hofstede’s claims that Lebanese culture is hierarchal and collectivist, but only offer negative support for Hofstede (2004) and Gelfand et al.’s (2004) predictions about various characteristics of the Lebanese political accountability web.

Two reasons explain why it is indeed problematic to extrapolate Hofstede’s (2004) prediction that Arab cultures are tight cultures onto Lebanon:

First, unlike any other Arab nation, the dominant social/political group for the last two centuries has been the Christian Maronites, rather than a Sunni leadership group. Thus, Lebanon has had a sectarian society that allows each of its eighteen religious sects the political autonomy to define their own marriage and moral laws. Such diversity creates many different ethical norms, rather than one dominant religious code, as in other Arab countries; thus, few national rules and laws exist in many areas of life; range of tolerable behavior is very diverse among various sectarian groups; and range of deviance is very wide, e.g. Christian gambling houses in Beirut vs. ultra conservative Shi’a institutions in the South.

Lebanon is ostensibly democratic (Issawi, 1966: 80). The surface appearance of democracy, however, conceals a subculture of political corruption, embedded in a traditional political clientalist system, headed at the top by national zaims (leaders). Interaction between this culture of corruption and wider Lebanese cultural traits has produced salient features in the national accountability web:

1) A religiously-skewed hierarchical locus of accountability.

According to seventh century Arabian Sunni religious beliefs, a community should have a single leader, e.g. The Prophet Mohammed, rather than collective leadership (Mottahehdeh, 1980: 80). Although a triumvirate – a Maronite Christian president, a Sunni prime minister, and a Shi’a parliamentary speaker – connects the executive heads of Lebanon’s government, the president of Lebanon has traditionally been the dominant de facto political decision-maker. This locus of accountability has thus traditionally heavily favored Maronite Christians at the expense of Muslim sects (Johnson, 1986).

2) Anti-corruption campaigns used to protect the concentration of presidential power.

To counter the rising political power of Shi’a and Sunni voters as the Lebanese population became increasingly more Islamic, Emile Lahoud, and other recent Maronite presidents, developed stronger ties to the Assad dynasty that ruled Syria (Hirst, 2000). President Lahoud protected his political power by portraying himself and Selim Hoss – his personal choice for the prime minister’s position – as having the “reputation for honesty, modesty and hard work” (Hirst, 2000). In his victorious 1998 campaign against Hariri, “Mr. Hoss raised the highest expectations. He began his term with a resounding critique of Lebanon’s whole ruling class. He promised administrative reform, social justice, and an end to corruption” (Hirst, 2000).

3) Petty Blifil as a strategy to defeat those who supported Lebanese autonomy.

Syrian protégés, such as Lahoud, consistently engaged in the tactic of petty blifil, i.e. the practice of attacking opponents such as Hariri, with accusations of official impropriety. Hariri’s political opponents succeeded in persuading many global/Lebanese stakeholder groups that he was indeed a “corrupt” prime minister who had systematically looted the nation, despite never having been indicted or convicted on any of these allegations (CGGL, 2004). This anti-Hariri deviance labeling campaign is
analagous to the situation that confronted the protagonist in Henry Fielding’s novel, *Tom Jones*, in that both were accused by rivals of corruption when their main moral fault was the absence of prudence, the perceptual inability “to appreciate the importance of appearances” (Morgan, 1992: 606).

4) **Top-down unidirectional cross-level linkages in the political clientist system.**

Lebanese culture’s high power distance and uncertainty avoidance has led to top-down political processes in which decisions are unilaterally made by a single leader or a small managerial team, and then presented as *fait accomplis* to lower levels (Gelfand et al., 2004). This decision-making style inherently creates the appearance of official impropriety, as a top-level officeholder ignores layers of bureaucratic procedures in favor of swift and decisive unilateral action.

5) **A decisive leadership style leads to the appearance of official impropriety**

As a prominent example of this, consider Hariri’s task of rebuilding 1990 Beirut. After the end of the civil war, Hariri’s government quickly tore down most of the old Ottoman *souk*, which had been Beirut’s main commercial market for several centuries. Instead of waiting for time-consuming environmental assessment reports, or introducing extensive reforms in government finance agencies riddled by generations of corruption, Hariri quickly pursued the rebuilding of downtown Beirut under the banner of economic revitalization (Charara, 1999). Western conservationists (Woollacott, 2001) and local residents complained that Hariri ignored government construction regulations by unilaterally deciding to destroy the old *souk* in favor of constructing a new and modern city skyline to rival that of Hong Kong or Singapore. Because Hariri owned 8–10% of the real estate firm that received the government contract for this project, few of his critics believed his claim that most of the old *souk* buildings had to be demolished because of extensive war damage. They instead attributed his destruction of the *souk* to an authoritarian decision-making style and official corruption, which they inferred from his personal investment in Solidere, the firm that rebuilt the old city center (Becherer, 2005). “Opting for ‘effectiveness’ as its sole criterion resulted in a worsening of the corruption that was already eating at the heart of the state” (Charara, 1999). Critics reasoned that Hariri’s activities in rebuilding Beirut were a natural carryover of the nefarious business practices that many successful immigrant businessmen had used to succeed in the secret world of state/private sector building contracts in Saudi Arabia, where Hariri had already received billions of dollars in construction contracts.

6) **Historical retrodiction leads to the appearance of official impropriety.**

This aspect reveals Hariri’s most important “historical error in prediction”. Although Hariri’s reconstruction of downtown Beirut appeared economically efficient in the early 1990s, when no other investors had the courage to invest in this high risk venture, he failed to recognize that such behavior would appear as “corrupt” a decade later, when critics focused on his procedural high-handedness and disregard for global market norms (because at the time adhering to such norms was impractical or costly). Such critics thus preferred to taint Hariri with the charge of political corruption instead of focusing on his achievement in almost single-handedly rebuilding Beirut. Norton and Schwelder (1994: 62) described Hariri’s leadership behavior in reconstructing Beirut as follows: “Further, there is significant evidence that the government of Prime Minister Rafik Hariri is moving deliberately and with integrity toward the reconstruction of Lebanon... To be fair, Hariri has acted with real backbone, and, if he survives politically and physically, he may succeed in being the father of the reconstruction of Lebanon.”

A decade later, most media analysts ignored the risks and constraints that had impeded Solidere’s reconstruction of Beirut’s city center, producing evidence of Hariri’s investment in Solidere to prove that “it looks like he did something wrong”.

7) **Weak strength of linkages in the political accountability web.**

Strength of web linkage is defined as “both the clarity and pervasiveness of the connections between entities” (Gelfand et al., 2004). Recent demographic and political developments have changed the traditional web linkages in Lebanon: the emergence of Shi’a as the largest population group; major sectarian disagreements between Maronites and Islamic groups; inter-sectarian rivalries among wealthy Beirut Sunnis and Iranian-oriented Hizballah (Shi’a) and Syrian-oriented Amal (Shi’a) communities. Because of these developments, the traditional clarity and pervasiveness of political accountability linkages have dissolved into frequent and bitter sectarian conflicts over the standards and expectations associated with various political accountability linkages. Individuals in loose cultures are primarily accountable to their own communities, and their personal accountability to state agencies is mediated by these primary sectarian allegiances (Gelfand et al., 2004). Thus, individuals generally have only weak links to public organizations.

8) **Loose vertical web alignment within the president–prime minister dyad.**

A Sunni prime minister, who serves at the president’s pleasure. Between 1926 and 2004, 37 of 65 prime ministers served a term of less than one year. The high turnover rate indicates substantial structural friction between these two leaders because of a non-alignment of their political accountability webs. It also sustains the corruption circle, a non-virtuous cyclical activity, as each incoming prime minister creates a new cabinet whose members have to pay high bribes to secure their executive offices (Johnson, 1986).

Two recent events increased the friction between the president and prime minister’s offices. In the current Middle East milieu, both of these leaders compete vigorously, although clandestinely, for American political support, which is essential for their political survival. Under Syrian occupation, the president was informally chosen by the Assad dynasty in Damascus, but this choice could effectively be vetoed by U.S. diplomats: “For over a decade, Syrian officials have held intensive consultations
with Washington before designating the Lebanese president. Indeed, most informed observers believe that one of the preconditions for America’s tacit endorsement of the Syrian occupation is that this choice be made jointly” (Gambill, 2003). Secondly, the 1990 Taif Peace Treaty included accords to equalize the power between the these two leaders, hoping to promote political equality between the traditionally dominant Maronite politicians and those representing the numerically dominant Muslim sects that composed about 70% of Lebanon’s population (Norton & Schwelder, 1994). This tension between the two departments not only sustained complex webs of corruption and pay-offs. They eventually undermined Hariri’s political capital (through Masoud’s unattributed but active bifil tactics), and eventually cost him his life, when he was assassinated by pro-Syrian agents in 2005.

7. The moral taint of political office holding

In 2004, Selim Hoss, who served on three different occasions as Lebanon’s prime minister, publicly stated, “Hariri is the biggest corrupter in the country. Under his reign corruption has become a culture. He has corrupted the society by his money. [He] is the marketer of the culture of corruption” (Naharnet, 2003). Why did such anti-corruption charges morally taint Hariri’s reputation among his opponents, but have such little impact among his Lebanese supporters? Certainly, sectarian disputes over the nature, extent, and harmfulness of political corruption raise or lower the accountability standards used to perceive and evaluate a leader’s official behavior. These sectarian disputes influence how citizens attribute the valence of the motives they assign to a political officeholder (Hall, Blass, Ferris, & Massengale, 2004). For example, Sunni supporters of Hariri attributed positive motives (sincerity, conscientiousness and reliability) and thus a high reputation to their co-religionist prime minister’s economic behavior in rebuilding post-civil war Beirut. Trust research (Hall et al., 2004) has indicated that if followers perceive a leader, like Hariri, acting in good faith, then they are more inclined to accept his decisions and forgive him for moral “lapses in judgment” (p. 525). For top-level leaders, this research indicates a negative relationship between accountability and reputation. Thus Hariri’s high reputation for successfully rebuilding post-war Beirut from its ruins (Abdelnour, 2001) substantially lowered the accountability bar among his supporters for acknowledgment and correcting the large amount of corruption that occurred during his two lengthy terms as prime minister.

In contrast, Hariri’s political accountability bar was raised to a much higher level among his political opponents. One reason for this upward revision is the fact that many of Hariri’s opponents attributed negative motives to his frequent use of corruption to achieve parliamentary/cabinet victories, or to complete economic projects. Rivals, such as Hoss, labeled Hariri’s corrupt activities as systematic political crimes, rather than as “accountability lapses” (Hall et al., 2004: 516), or some of the more euphemistic labels preferred by Hariri supporters. A second reason was that many Christian business leaders in 1990 were financially too weak to compete successfully against the newly arrived Hariri, who had returned to his native land with billions of dollars in construction assets from his successes in Saudi Arabia (Charara, 1999). To slow down Hariri’s meteoric rise in Lebanese political and economic circles, they quickly resorted to anti-corruption allegations, hoping to capitalize on widespread anti-Saudi sentiments in Lebanon.

Importantly, Hariri’s personality traits made him vulnerable as an easy target for such allegations. House and Howell (1992) argue that two types of charismatic leadership exist, namely personalized and socialized. Hariri was perceived as a personalized, charismatic prime minister, thus fitting House and Howell’s (1992) profile of this leader type as self-aggrandizing, authoritarian, and exploitative by nature. A German political scientist (Perthes, 1996) described Hariri’s leadership style as “functional authoritarianism”. As an example of this authoritative nature, Hariri used the army to enforce the national ban on all labor strikes and political demonstrations. He also curtailed media pluralism by restricting the number of television and radio networks allowed to broadcast news, to only a handful of firms, mostly state operated or owned by Hariri and his ministers.

Time Magazine (1993) addressed both the positive and negative aspects of Hariri’s methods in pursuing his professional goals. The magazine focused on his tendency towards self-aggrandizement, labeling him as “Mr. Miracle”. “Everything about Rafik Hariri is big”. “His dreams go beyond self-advertising, aggrandizement or monuments to mammon. What he wants to do is remake an entire country.” The same story also attributed an authoritarian style to Hariri’s decision-making and leadership, but noted that this style was also courageous in its decisiveness and diplomatic acuity. Unfortunately for Hariri, however, opponents focused on his vanity, excessive materialism and personal ambition, and used these to portray him to the public as greedy and corrupt. Such campaigns capitalized on Lebanon’s long history of corrupt prime ministers, known for their personal aggrandizement and absence of social conscience (Johnson, 1986).

Lebanon has only been a parliamentary democracy since 1943. As a relatively new nation, it lacks the centuries of democratic tradition and political culture enjoyed by Western nations such as the United Kingdom (Barakat, 1979; Issawi, 1966). This lack of democratic traditions was a two-edged sword for a decisive and entrepreneurial leader like Hariri. He encountered minimal public resistance when imposing his style of functional authoritarianism on local citizens while pursuing new economic development projects; but this freedom of executive initiative also cost him dearly. Because of the absence of a strong pro-government officeholder ethos, any Lebanese prime minister finds himself operating in a weak political subculture, where few occupational traditions and norms exist to insulate the incumbent from corruption charges that are consistent with Lebanon’s history of corrupt leadership. Faced with this predicament, Hariri generally failed to convince critics that his authoritarian actions should not be automatically construed as symptoms of official impropriety.

Hariri’s inability to defuse opponents’ corruption charges may partially be explained by the fact that he was not actually a career politician, but a business entrepreneur who entered politics in late middle age. He thus lacked personal knowledge of public
sector norms and traditions. Ashforth and Kreiner (1999) observed that members of “dirty” occupations insulate themselves from the moral taint of public criticism by developing strong occupational cultures as protective status shields. However, certain social conditions can inhibit the formation of strong job cultures. Ashforth and Kreiner (1999: 420) listed three such conditions that help to explain why a “strong office holder” subculture did not form within Lebanese political circles. Physical isolation seriously limited the contact among high-level politicians, especially with numerous assassinations of prime ministers and presidents since 1970 (Johnson, 1986). Secondly, high turnover among parliamentary and cabinet members also inhibited the development of a strong occupational culture among officeholders. Such turnover, however, meant that the political wheel of corruption generated a larger revenue stream to its beneficiaries, since each parliamentary member paid bribes of upwards of U.S. $3 million for his seat (Abdelnour, 2001). Finally, the excessive amounts of required bribes for obtaining parliamentary seats increased interpersonal competition for such rewards, thus negating any pro-welfare sentiments among successful office seekers and further fractionalizing any potential “protective” elite subculture.

8. Exploiting rival opponents' vulnerabilities: Leadership segmentation and the alignment of salient personality traits to emerging voter segments

In recent years, Sunni zaims (leaders) from upper class families have seen their political power erode, as ordinary Sunnis have voted for more charismatic champions under the banner of broad-based economic growth (Johnson, 1986). “Of all Lebanese politicians, Sunni leaders have been most vulnerable to political change at the mass level” (El-Khazen, 2004). Seventy to eighty-five percent of Lebanese voters came from disadvantaged social positions (Hakim, 1966; Johnson, 1986) and thus could vicariously identify with Hariri’s background as a struggling youth from Sidon who had to emigrate abroad to rise in life. His self-aggrandizing political style was a visible challenge to the more conservative lifestyles of Lebanese economic elites who were not known for their noblesse oblige. As Issawi (1966: 78) stated: “What makes matters worse is that in Lebanon the rich are not noted for their discretion and restraint. Unlike the bourgeoisie of Syria, which has lived frugally and invested a large part of its income, the Lebanese have indulged in conspicuous consumption on a grand scale. Nor have they been noted for their social conscience and their attempts to better the lot of the masses.”

Hariri’s political success was anchored on his decision to target the average Sunni and non-Maronite voter, realizing that his form of political charisma resonated more effectively among the Arab masses rather than Sunni elites. His use of campaign money in the form of open bribes succeeded, since these bribes reinforced the respect and enthusiasm that average Muslims had for Hariri as a self-made billionaire. Such voter corruption was especially effective in Lebanon, where an estimated 75% of voters voted a straight ticket, not bothering to cross out names on their party’s ticket and inserting the names of rival officeholders (Lebanon Daily Star, 2004).

A pro-Hariri online newspaper (Lebanon Newswire, 2004) described its prime minister’s origins as follows: “Commenced his life as a worker in Sidon’s orange and apple farms. [Because of financial exigencies he] had to cut short his [college] education. Worked as an accountant in Beirut where he also helped in proof reading in the evening. He then traveled to Saudi Arabia… From there on, Hariri directed his ambition to construction work and achieved great success, which, in a recent interview with Future TV, he said he owes it all to ‘integrity’.”

Selim Hoss, the highly educated Sunni economist who served as Lebanon’s prime minister between 1976–1980, 1987–1990 and 1998–2000, was succeed by Hariri, a co-religionist, in 2000 (a) because he (Hariri) had offered a superior record of domestic economic performance between 1992 and 1998, and (b) because Hariri had used bribes to secure votes. In the aftermath of Hariri’s victory, Hoss capitalized on the widespread domestic perception that Hariri had used his personal wealth to win a landslide victory, and punctured Hariri’s national prestige as a trustworthy officeholder, despite the fact that it had been Hoss, not Hariri who had “headed the Syrian puppet regime in West [Sunni] Beirut that facilitated Syria’s takeover in 1990” (Gambill & Nassif, 2001). Hariri was never formally indicted for his unethical electoral campaign, though the damage done by Hoss in the aftermath of the election was immense.

Hoss’ public indictment was part of the political game in Lebanon where losers had the luxury to brand their winning opponents with the appearance of official impropriety. Hoss’ indictment, however, was highly selective – an attack on an opponent, rather than on the corrupt systems of which he was party. He thus glossed over his own corrupt 2000 electioneering tactics; his use of the Syrian secret services in Lebanon to secure votes on his behalf; and the fact that Syrian ministers had gerrymandered the voting districts in Lebanon to maximize his chances of winning. Despite the obvious weaknesses in his own moralizing position, Hoss’ accusations tainted Hariri’s reputation. A review of recent accountability research suggests the following reasons for the success of Hoss’ petty blifil campaign, which was pursued in a grand blifil context.

8.1. Human capital advantage to Hoss

The attainment of advanced graduate degrees from prestigious universities enhances a leader’s human capital (Judge, Cable, Boudreau, & Bretz, 1995). Hoss had gained an economics doctorate from Indiana University, whereas Hariri had been awarded an undergraduate degree from the Beirut Arab University. This human capital advantage substantially enhanced Hoss’ political credibility and reputation compared to Hariri, especially among his political peers.

8.2. Domestic social capital advantage to Hoss

At the individual level, social capital is created by network actors who benefit from the “entrepreneurial brokerage opportunities within a given network” (Hall et al., 2004: 520). Such networks among the Lebanese upper classes provided their members with
superior access to financial resources, insider information, and career mentoring for aspiring politicians (Johnson, 1986). As a career government bureaucrat and academic in Beirut, Hoss enjoyed a decided advantage over Hariri who had spent most of his pre-1990 career in Saudi Arabia as a building magnate.

8.3. Career politician advantage to Hoss

“Political skill allows influencers to effectively manage attributions of intentionality and to disguise self-serving opportunistic motives” (Hall et al., 2004: 523). As we have seen, Hoss had been a high-level career political officeholder since the early 1970s in Lebanon, while Hariri had been primarily a Saudi business tycoon up to 1992. Hoss was consequently more capable of presenting his private and public intentions as honest and free of moral taint than Hariri. As a political neophyte, Hariri left his public image vulnerable to a skilled politician like Hoss. For example, consider Time Magazine’s (1993) account of Hariri’s politically naïve public personality: “Hariri’s moments of ill temper, like his throaty, boisterous laugh, can take visitors by surprise. He does not accept criticism of his motives lightly, insisting that neither his financing of the plan to rebuild Beirut’s commercial district nor his ownership of a radio station, two television stations and four newspaper titles constitutes a conflict of interest. ‘Are you going to argue that the Prime Minister should be a poor man? If someone is rich and he is Prime Minister, the least he can do is put his holdings in a blind trust. That is what I have done.’” Hariri did not have the political skills to present his actions as complicated but well-intentioned efforts to separate his personal financial interests from his duties as prime minister.

Social identity theory offers some explanations as to why Hariri was unable to neutralize the moral taint of official impropriety charges against him (as other even more corrupt politicians were able to do). Political office holding in Lebanon can be seen as a form of “dirty work”, since it requires repeated instances of giving and receiving political bribes to remain in office. “In some electoral districts, candidates for parliament must pay up to $3 million dollars to join a winning electoral slate. Once they are elected, entry into the cabinet carries an even higher price tag. Naturally, having bought their way into the political system, most ministers have few qualms about using their positions to recoup these expenses” (Abdelnour, 2001). Ashforth and Kreiner (1999: 417) found that in some occupations, workers lacked a “status shield” to deflect the negative social stereotypes that commonly were used to debase workers in a specific industry, such as being a cab driver. Hariri, as prime minister, had situated himself as the national cab driver for Lebanon’s economy. As a political cab driver without the status shields of human and social capital, he was relatively defenseless against the better-educated and more socially connected cabinet members and parliament members who rode in the back seat of his hack. Local media streetlights only illuminated the perverse behavior of the driver in the front street; their restricted glare generally exempted back street passengers from public scrutiny.

9. Lessons for the study of corrupt leadership

Instead of focusing on legal issues, or traditional negative leadership traits of greed or dishonesty, this study has explored the antecedents, processes, and outcomes of Hariri’s opponents’ anti-corruption campaigns. For future leadership studies, it offers a starting point concerning “leadership lock-in” and raises related strategic issues of how entrapped leaders and their followers should react to opponents’ anti-corruption campaigns. Two further themes thus emerge:

1) An iron cage of official corruption for Lebanese leaders: Leadership entrapment in a corrupt national web of accountability. Because of the sectarian nature of Lebanon’s executive triumvirate, and the ill-defined specification of the prime minister’s duties under the Ta’if Accord (Norton & Schwelder, 1994), Hariri was positioned in circumstances that ensured that he had to engage in corruption to remain in office and implement his economic and diplomatic programs. Regardless of his own personal disposition towards using corruption to achieve his own political goals – a form of mediated corruption – the political situation required corrupt action of all participants. Thus under the current organizational rules constituting the Lebanese government, prime ministers are automatically locked into a matrix of corrupt practices. Such official corruption, thus, does not necessarily represent a flawed moral disposition in a majority country leader, but rather an institutionalized job requirement.

House and Aditya (1997: 411) described such contexts as “strong situations”. In a strong situation, “the behavioral expression of a leader’s dispositions is suppressed”. The situational context restricts or even controls a leader’s behavior. Thus, “strong situations are those in which there are strong behavioral norms, strong incentives for specific types of behaviors, and clear expectations concerning what behaviors are rewarded and punished.” This observation is significant for future corruption and leadership research since it refocuses our attention away from Hariri’s corrupt political practices to the anti-corruption campaigns that tainted him with the appearances of official impropriety. Hariri’s reactions to these campaigns represented a “weak situation” in which his vast fortune, ownership of a Lebanese media empire, and affiliations with elite U.S. business schools provided him with ample means to express his personal dispositions towards responding to his anti-corruption critics. The salient leadership paradox for Hariri was that although he was undoubtedly an effective corrupt leader it was not his official corruption, but his ineffective efforts to neutralize rivals’ charges of official impropriety appearances that undermined him and his efforts to rebuild Lebanon. Despite his immense wealth, Hariri acted as if his administration were poor in human capital – in a nation that enjoyed an abundance of this human resource.
2) Hariri’s Achilles’ Heel and Leadership Handicapping: Self-imposed lack of intellectual capital and a subsequent policy vacuum reinforces leadership vulnerability to petty bliful tactics of moral tainting.

Although Hariri had the opportunity to respond with a free hand to his critics’ corruption charges, he failed repeatedly to neutralize their negative labeling of his political administration. Hariri’s opponents emphasized his immense personal wealth and his excessive reliance on his relatives and friends. Charara (1999) and Perthes (1996) noted that Hariri primarily appointed family members and close business associates to manage his daily political and personal affairs. This critique is partially incorrect. Hariri’s disposition to delegate authority to close friends and relatives was arguably a necessity, since he averaged, in the 1992–1996 period, twenty-five trips annually outside Lebanon-Syria, to raise financial capital for rebuilding Beirut, and to negotiate and sign new regional free market trade accords. His style has thus been referred to as a form of delegated leadership (House & Aditya, 1997: 457). However, critics’ accusations of nepotism do contain truth. A heavy reliance on cronies seriously reduced Hariri’s access to the intellectual talent required to counter Hoss and other opponents’ anti-corruption charges. Unlike many majority world countries, Lebanon is noted for an abundance of educated intellectuals and government technocrats. In contrast to Hoss, who relied heavily on such talent to forge his political career, Hariri rarely tapped this intellectual talent pool. Hariri’s lack of prudence, a virtue also absent in Henry Fielding’s protagonist Tom Jones, can thus, in part, be explained by his inability to effectively use Lebanon’s large human capital resource.

Hariri’s failure to leverage professional/academic human capital raises an interesting corollary. If Norton and Schwelder (1994: 62) were correct in asserting that Hariri was the George Washington of post-civil war Lebanon, their assessment erred by failing to note that Hariri appointed his business cronies, unlike the charismatic and pragmatic George Washington. The first American president appointed the brilliant attorney and political thinker, Alexander Hamilton, to de

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of events that threw Lebanese society back into yet another phase of assassinations, recriminations and political chaos. The fact that a leader’s positive achievements may subsequently be undermined by events, does not, however, invalidate their importance, or their significance. By reintroducing and refining the notions of “corrupt leadership” and “dirty hands”, though the examination of such a real historical case, it is hoped that others will undertake similar historical case research on “effective corrupt leaders” such that comparisons may be drawn, and that this mode of leadership be better conceptualized, better appreciated and better understood.

Appendix A

Lebanese Prime Minister Rafik Hariri’s international achievements.

<table>
<thead>
<tr>
<th>Sub-category of achievements</th>
<th>Achievement</th>
<th>Situation</th>
<th>Public interest/goal</th>
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<tbody>
<tr>
<td>Economic</td>
<td>Loans / Eurobonds to rebuild post-war Lebanon (1992–2000)</td>
<td>Despite promising to finance Lebanon’s post-war rebuilding, Arab nations reneged on their promises (Sbaiti, 1994). Initial cost of rebuilding Beirut’s infrastructure was U.S. $5.5 billion between 1994 and 1998 (Habib, January 4, 2005). Use of his personal diplomatic network (Saudi Arabian royal family, French and Italian governments).</td>
<td>Benefit: Loans with very low interest rates (2%)</td>
</tr>
<tr>
<td></td>
<td>Two Honorary Canadian PhDs (1997)</td>
<td>In spring of 1997, Hariri received honorary doctorates from Ottawa University and University of Montreal (Lebanon Newswire, April 16, 1997) in recognition for rebuilding Beirut and Lebanon’s economy.</td>
<td>Benefit: Recognition of his political importance by the whole of Canada (French and English speaking).</td>
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<tr>
<td></td>
<td>World Bank due diligence policy (1997)</td>
<td>When asked about current World Bank loans to Hariri’s government, Woolfenson stated: “we trust the government and believe what it is doing” (Lebanon Newswire, June 9, 1997). Deflecting a reporter’s question about government corruption, he stated: “the bank responds to government’s request but know(s) nothing where the money is spent”.</td>
<td>Benefits: Economic legitimacy. Went some way to improving Lebanon’s corrupt image.</td>
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<td></td>
<td>United Nation reaction to his resignation (2004)</td>
<td>Hariri’s forced resignation because of his refusal to compromise his free market goals of privatizing state agencies, including electricity and mobile cell phones. Resigned in protest at the ongoing Syrian domination of Lebanon’s economy. U.N. spokeswoman, Marie Okabe, stated in New York: “Mr. Hariri’s government has served his country commendably in difficult circumstances and has been a good partner for the international community in the best interest of Lebanon” (Associated Press, 2004).</td>
<td>Benefits: Increased his credibility as an independent political leader, not tied to Syria.</td>
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### Appendix B

**Lebanese Prime Minister Rafik Hariri’s domestic achievements.**

<table>
<thead>
<tr>
<th>Sub-category of achievements</th>
<th>Achievement</th>
<th>Situation</th>
<th>Public interest/goal</th>
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<tbody>
<tr>
<td></td>
<td>Creation of Beirut’s free trade zones</td>
<td>Hariri expanded Beirut’s free trade zones to attract Saudi business leaders’ investment in Beirut’s central commercial district. This political behavior involved a clear conflict of interest, since Hariri was using government financed economic incentives to attract Solidere investors.</td>
<td>Benefit: Revival of the economy, and attraction of foreign investment.</td>
</tr>
<tr>
<td></td>
<td>Diversification of foreign capital</td>
<td>In 1966 (Kentor &amp; Boswell, 2003, p. 307), U.S. multinational firms, especially banks and financial services, controlled 54.5% of Lebanese FDI. The proportion of a host country’s foreign direct investment owned by the single largest investing country, limit the autonomy of the state and business elites in a majority country to act in the long-term interests of domestic growth (Kentor &amp; Boswell, 2003). Hariri’s Euro-Med 2002 agreement and Italian/French economic trading focus diversified Lebanon’s trading partners, thus further reducing this nation’s relatively moderate dependence on U.S. FDI.</td>
<td>Benefits: Domestic development and reduced dependency of Lebanon.</td>
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<td></td>
<td>Central bank solvency</td>
<td>During his first term, he increased the Lebanese central bank’s hard currency deposits from U.S. $40 million to 6 billion.</td>
<td>Benefit: More liquidity for the growth of the economy.</td>
</tr>
<tr>
<td></td>
<td>Free market export policy</td>
<td>Since Lebanon has little oil, it has relied on its urban service sector to generate between 60 and 80% of its GDP (Sbaiti, 1994). Agricultural and rural sectors began a long-term secular decline since the 1950s because of mechanization and structural problems (Hakim, 1966; Issawi, 1966). Especially high costs of electricity, fuel oil, labor and land. Lebanese prices for these inputs are much higher than those in other Arab economies.</td>
<td>Benefit: Increased productivity of Lebanese exporters, especially medium and small sized firms</td>
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<tr>
<td></td>
<td>Return of multinational banks and international media to post-war Lebanon</td>
<td>In the spring of 1997, foreign banks and news media returned to Beirut to resume their operations. On May 27th, Brent Sadler, a British journalist, reopened CNN's Beirut office after it was closed for twelve years. There was still a U.S. travel ban on American citizens traveling to Lebanon because of official fears of kidnapping and sectarian violence against Westerners. Rapid reconstruction and modernization of Beirut compared to other major war cities in Bosnia, Croatia, Vietnam, Sri Lanka and Iran.</td>
<td>Benefit: Beirut emerged as a major mass media and service center</td>
</tr>
<tr>
<td><strong>Economic – Second term (2000–2004)</strong></td>
<td>Domestic and regional bank expansion</td>
<td>The combined assets of domestic commercial banks grew by an annual rate of 11.06%, reaching U.S. $65.2 billion. Commercial bank assets equaled over 300% of Lebanon’s gross domestic product, one of the highest ratios in the world. U.S. dollar denominated deposits represented 70.65% of Lebanese total bank deposits in 2004, compared to 66% in 2003. Some of this increase in U.S. denominated assets was from Iraqi government oil and defense agencies (Habib, 2005)</td>
<td>Benefit: Economic expansion</td>
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### References


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### Appendix B (continued)

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<tr>
<th>Sub-category of achievements</th>
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<tbody>
<tr>
<td><strong>Economic – Second term (2000–2004)</strong></td>
<td>Tourism industry expansion using the Ad Theme of “Rediscover Lebanon”</td>
<td>Number of tourists grew by 25% in 2004. About 43% of these tourists came from Arab nations; 27% from Europe, 14% from Asia, and 12% from the Americas. Ten million people of Lebanese descent live in Brazil and another half million reside in Mexico (Lebanon Newswire, February 5, 1997). Many of these tourists return periodically to visit family and friends. Also visits by Terry Waite and John McCarthy, both former Hizballah’s hostages during the 1980s, were used to persuade Western tourists that Lebanon was a safe travel destination. A record 1.28 million tourists visited Lebanon in 2004, compared to 420,000 in 1996. The year 2003 was the first year since 1974 that over a million tourists visited Lebanon. The number of tourists annually grew by 10.5% between 1998 and 2003.</td>
<td>Benefits: Attracted foreign currency, kept a link with Lebanese people overseas, and developed the tourism industry.</td>
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<td>Reopening of Lebanese–Iraqi trade</td>
<td>President of Lebanese Industrialist Association in February, 1997 informed U.S. ambassador in Lebanon of his intention to resume trading with Iraq despite a U.N. trade embargo against Iraq (Lebanon Newswire, February, 27, 1997). Diplomatic relations between Lebanon and Iraq were severed in 1994 after 3 Iraqi diplomats murdered a Lebanese citizen in Beirut. Lebanese exports rose substantially after 2000 because of the reopening of the Iraqi market (Daily Star Staff, October 2, 2004). Lebanese industrial exports increased by 29% in 2004. With their increased competitiveness, Lebanese firms were able to compete effectively for winning new business contracts in post-Saddam Iraq. Hariri’s government is aiding Iraq to reopen an oil pipeline between both countries that has been closed since 1988. This pipeline, as well as all highways between Lebanon and Iraq, passes through Syria.</td>
<td>Benefits: More competitive firms, and the revival of regional trade with Iraq.</td>
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<td>Abortive 2005 budget reforms for terminating Lebanon’s police state</td>
<td>Hariri’s Finance Minister, Fouad Siniora, submitted a “reformist bombshell” budget to the national parliament a month prior to his forced resignation (Naharnet, September 29, 2004). Siniora’s budget announced a 25% reduction in central government spending for 2005. This budget would have canceled the ministry of the displaced, Council of the South, and state security police apparatus. It also called for major staff reduction in army and local police.</td>
<td>Benefit: Signal to Lebanese electorate of Hariri’s return in Spring election of 2005 as a reform, and anti-corruption candidate.</td>
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