

# **CORPORATE GOVERNANCE IN LEBANON: A SURVEY**

the economic & financial perspective

N Saidi Lebanon CG Survey June 2004

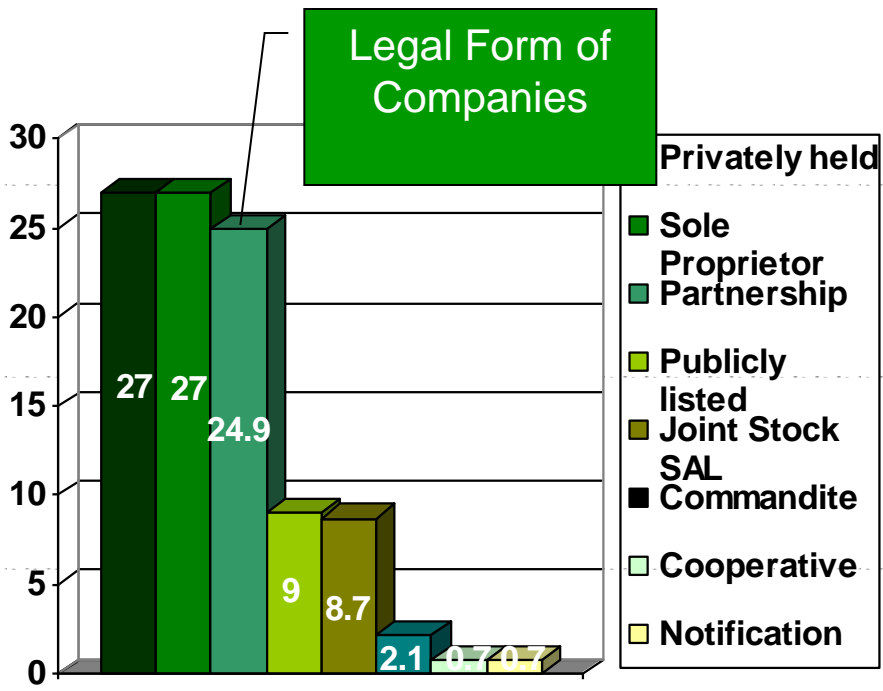
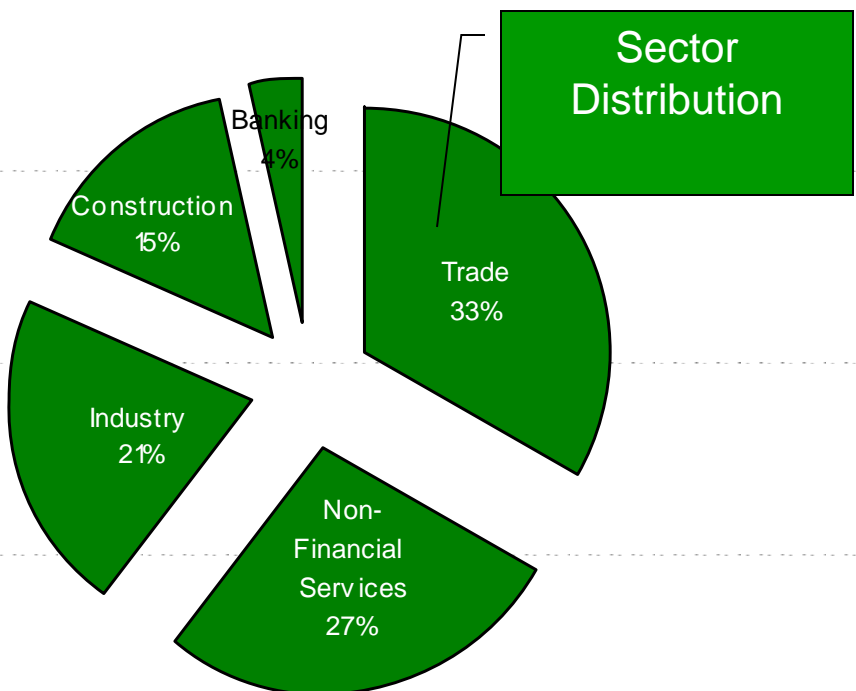
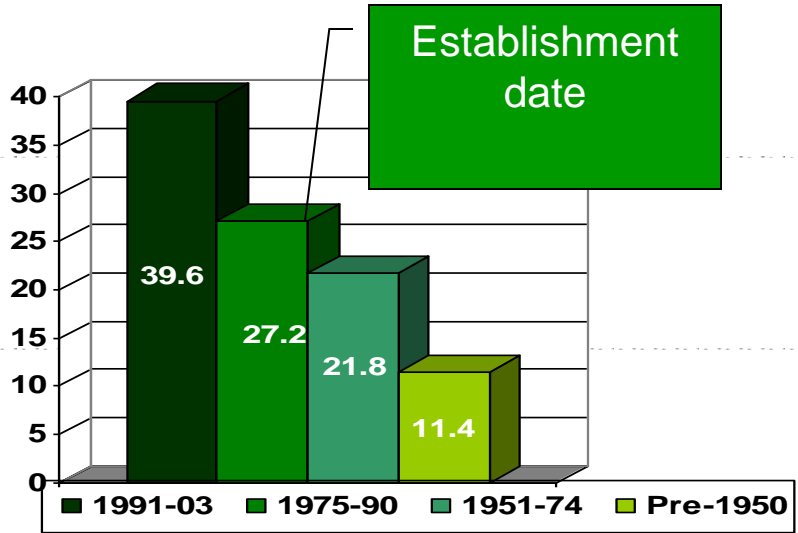
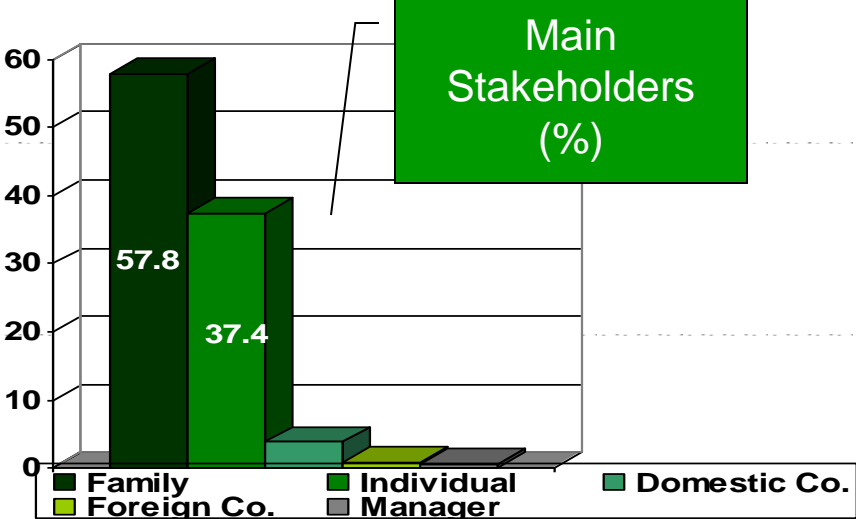
# 'New Institutional Economics' & 'Good Governance'

□ Empirical evidence suggests that well performing institutions, enabling legal infrastructure, regulatory regimes and enforcement, "good governance" are major contributors to economic growth & prosperity and democracy

□ "Good governance" is required by both government and business in MENA & Lebanon

□ Good CG essential in MENA & Lebanon to compensate for *weak overall (i.e. public) governance*

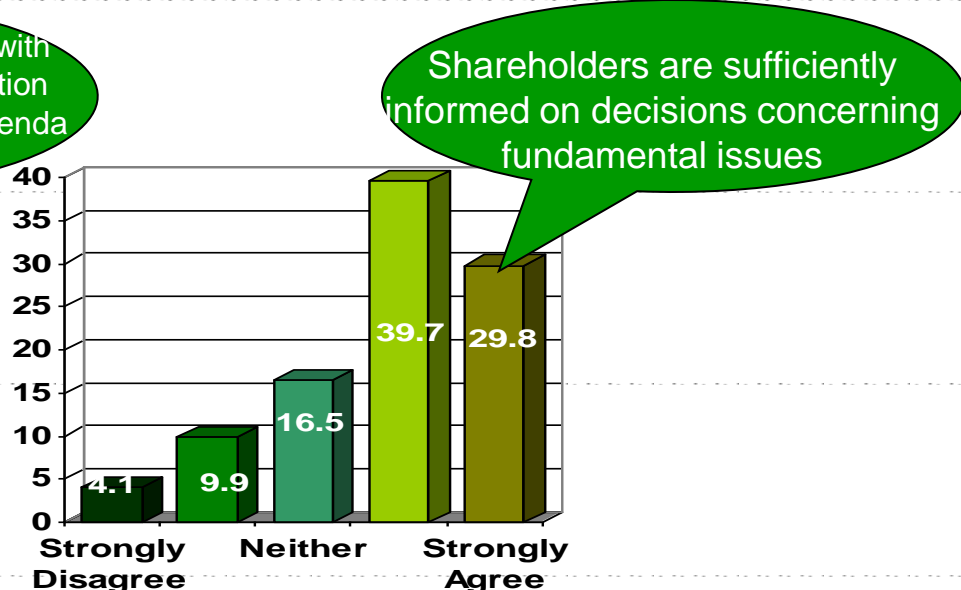
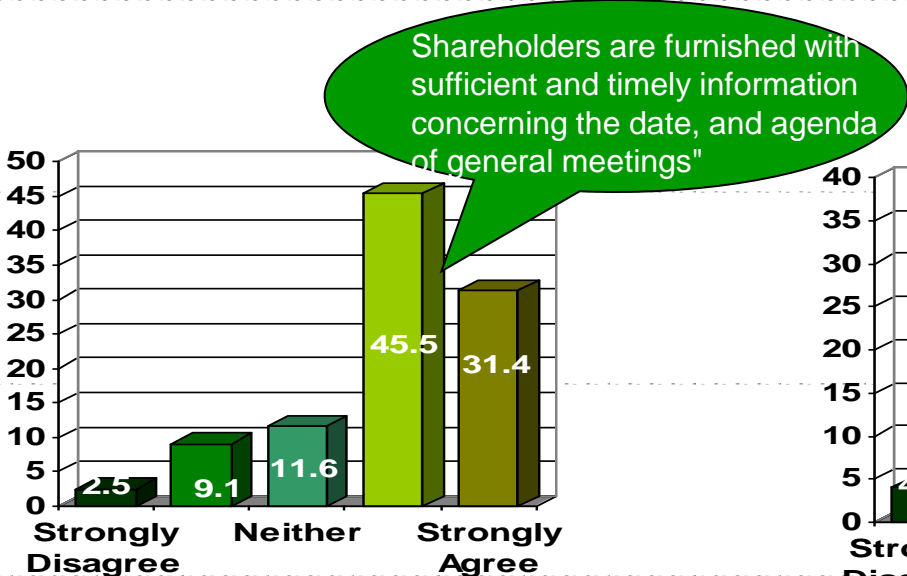
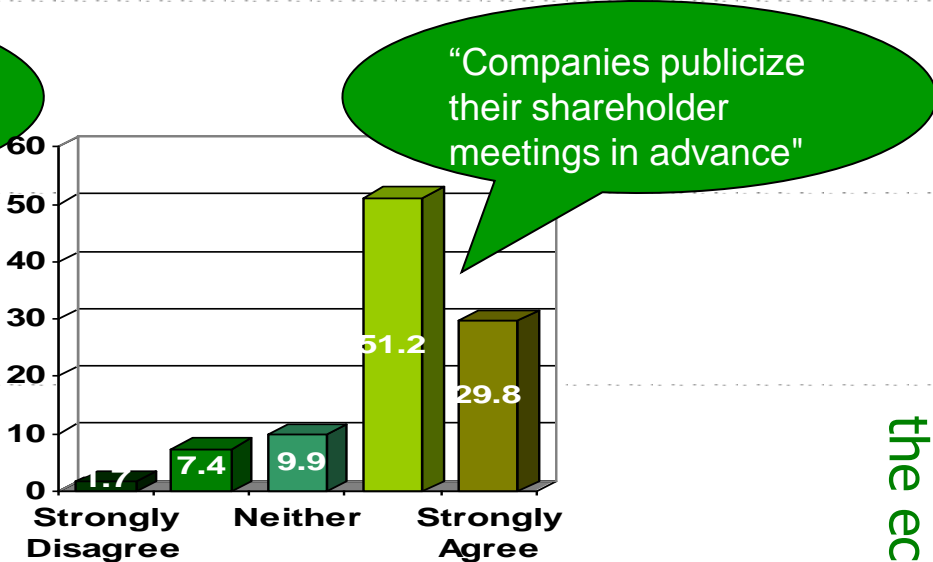
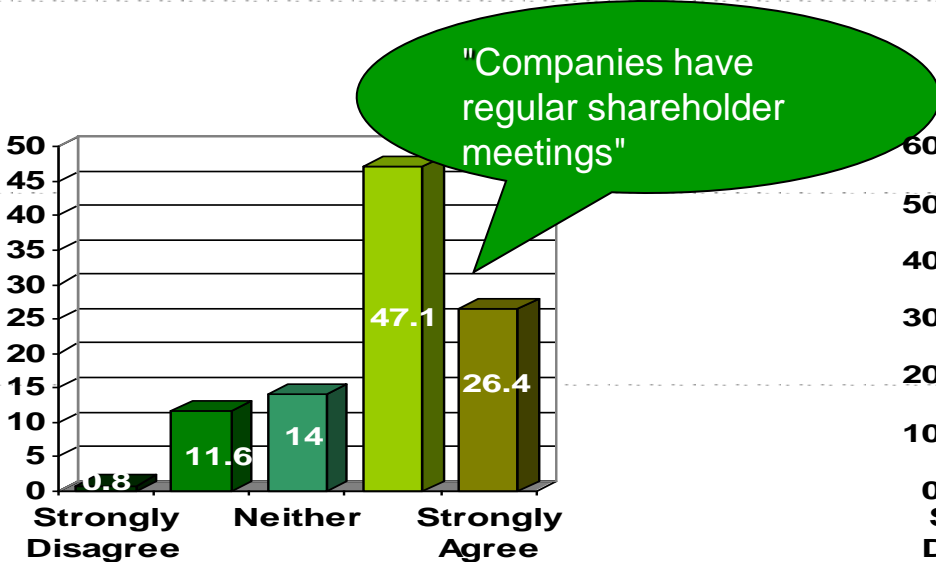
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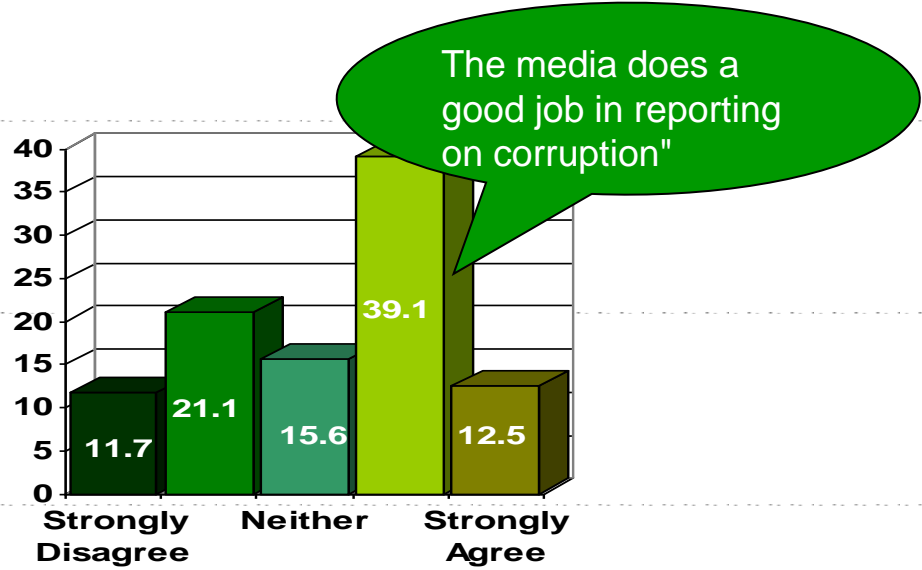
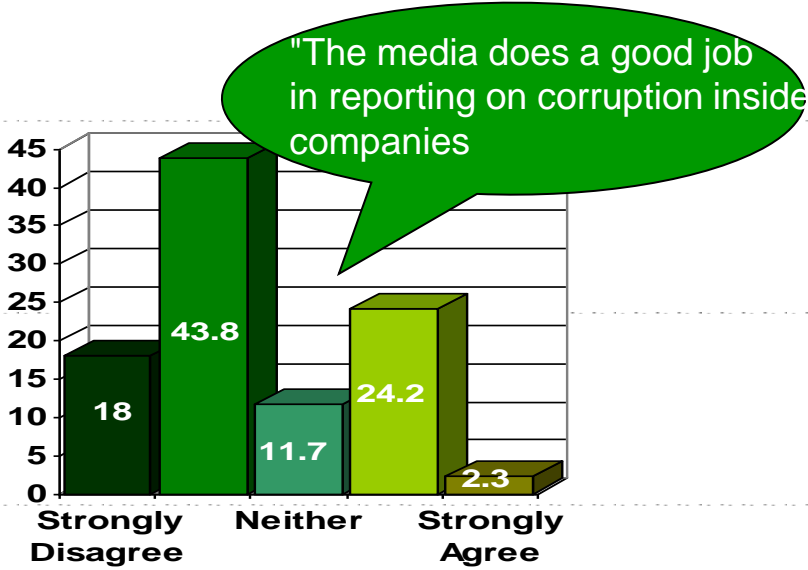
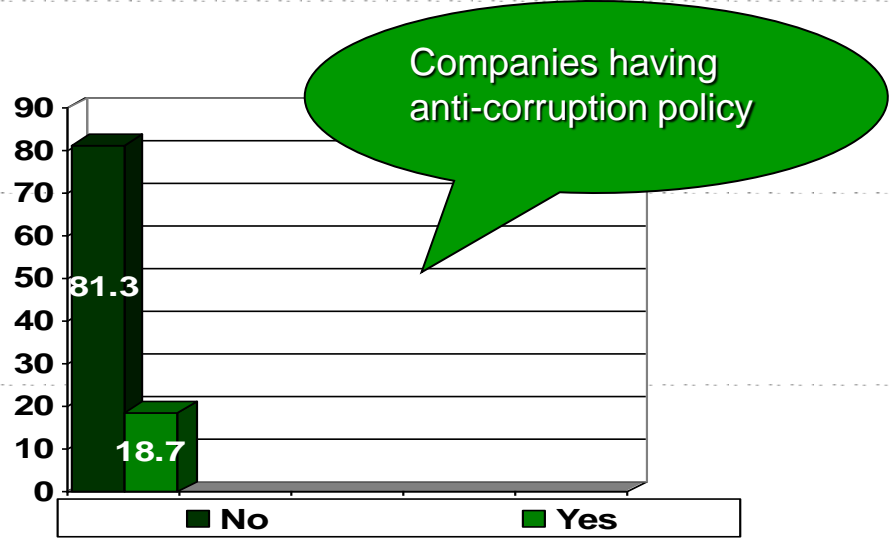
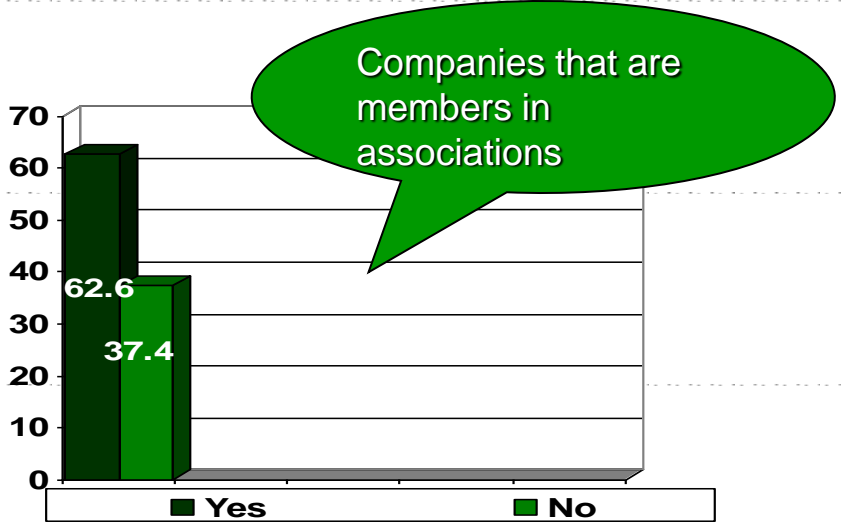


# CG Principles I & II: Shareholders' Right & Equitable Treatment



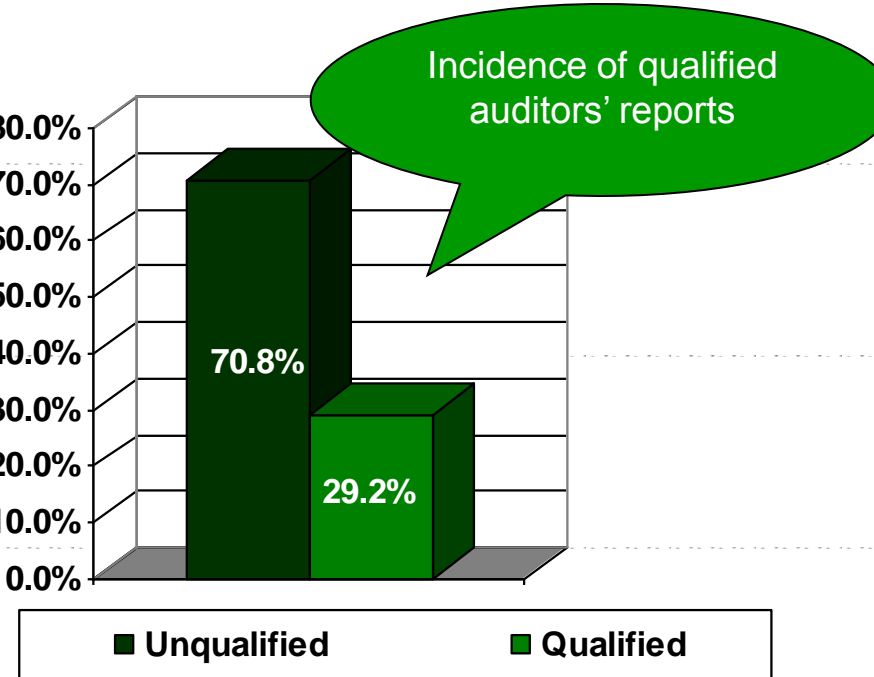
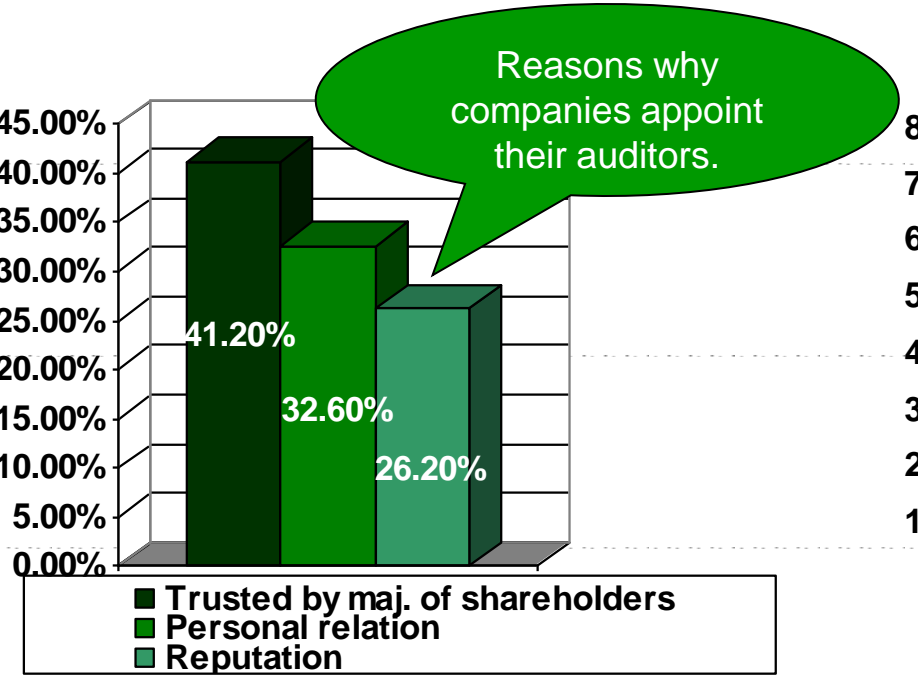
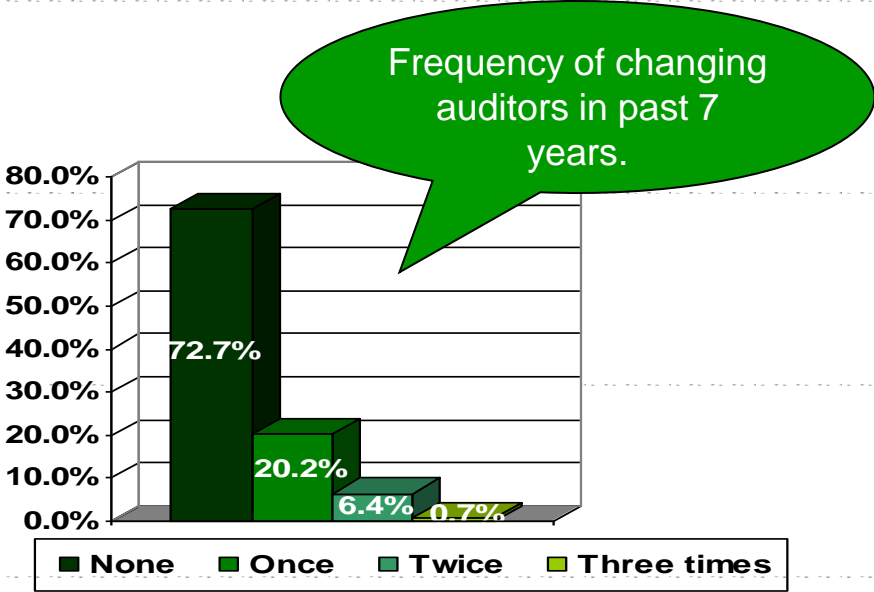
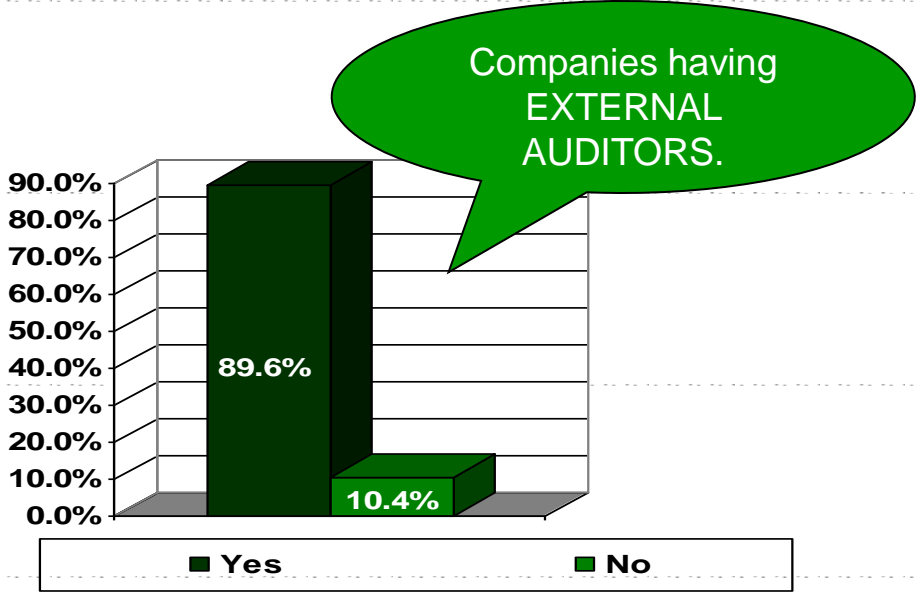
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# CG Principles III: Role of Stakeholders



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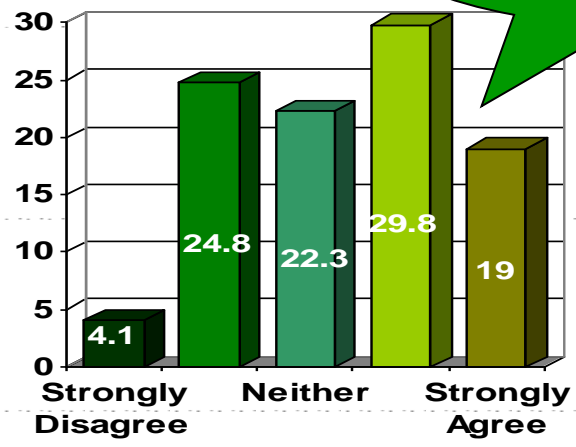
# CG Principles IV: Disclosure & Transparency



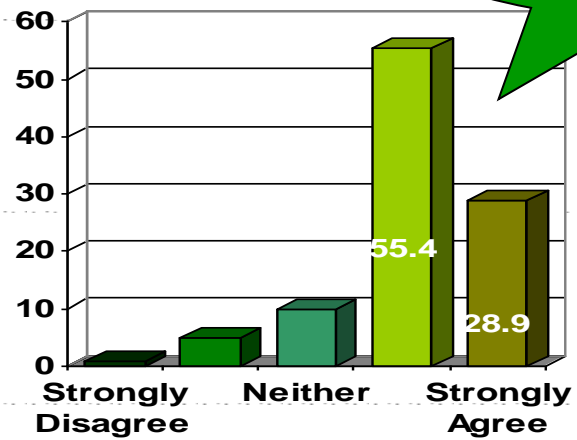
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# CG Principles IV: Disclosure & Transparency (Cnt'd)

"Companies publicly publish available annual reports"



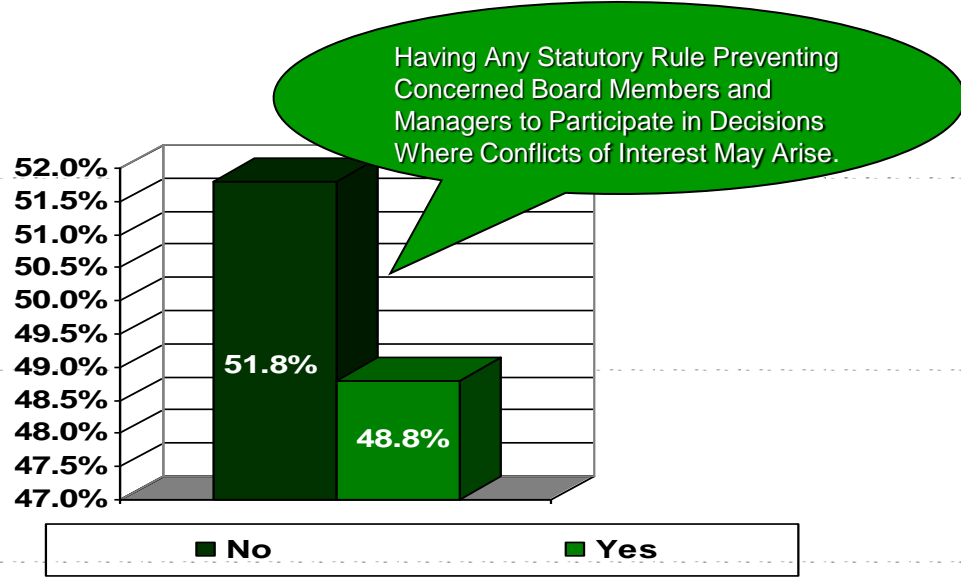
"Companies have regular independent audits"



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# CG Principles V: Responsibilities of the Board



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# 'Open Questions: Corporate Governance Reform'

- What are the possibilities of economic reform?
- Why hasn't corporate governance reform been more rapid?
- What are the forces against and for reform?
- How can we make use of these forces to promote change?
- How do we overcome entrenchment?
- How do we deal with endemic corruption?

# “CG Reforms Agenda as Pointed Out by Respondents’

## Reforms: Legal & Judiciary Environment

Stress on enforcing laws, rules, and procedures: 82.8%

Stress on Tax and financial disclosure: 76.6%

Stress on Independent judiciary: 75.8%

Stress on Boardroom politicization: 47.7%

## Reforms: Financial Environment

Stress on Accounting standards: 67.2%

Stress on Financial market regulation: 57.8%

## Implementation

Stress on Monitoring bodies to ensure compliance: 68.8%

Stress on Privatization of state owned enterprises: 28.9%

**Thank You.**