FOREWORD

The subject of corporate governance was placed at the forefront of public debate and legislators' agenda when the dotcom bubble burst and a series of major accounting scandals came into the limelight in North American and Western European settings. Triggered by significant macroeconomic disruptions, corporate failures and frequent instances of executive misconduct, government authorities in these countries intensified their scrutiny of publicly held organizations to address prevalent shortcomings in their management, direction and control. Aiming to provide a clear and reliable guidance to modern corporations in their journey toward renewal, transparency and sustainability, regulators turned their efforts to the design of new or revised corporate governance codes and frameworks. A viable set of disclosure measures and best practice advise has been formulated to enhance managers' accountability for critical resource allocation decisions, protect shareholders' rights, and secure the longevity of today's organizations.

Over the past two decades, the theory and practice of corporate governance have been undergoing continuous transformation to become one of the most important issues of our time. Having initially focused on strengthening the relationship between firm investors, its top management team and board of directors, the corporate governance domain currently embraces a much broader perspective to acknowledge complex realities and the multifaceted nature of dynamics surrounding organizational players and their stakeholders. The lessons learned from the early experiences of Western economies indicate that the reliance on a single governance mechanism is insufficient and that multiple internal and external mechanisms are required for improving the daily functioning of corporations. Yet, the key challenge for scholars and practitioners remains the identification of optimal bundles of devices that compose the corporate governance system that would effectively achieve their objective and ensure the lawful conduct of business operations.

Despite their smaller sized stock markets and slower paced reforms, Arab nations have also come to the realization that weaknesses in regulatory infrastructures and dysfunctional corporate practices can lead to mega losses of shareholder wealth and other negative externalities. The development of and adherence to sound principles of corporate governance became an issue of foremost concern for decision makers in these nations. This book represents a valuable addition to recent publications in the field by shedding light on the evolving corporate governance arena in a specific cultural and regional context, namely the Arab world. Adopting a holistic approach for tackling the topic from multiple angles and points of view, it aims to advance our understanding of the role that various stakeholders play in creating a state of good governance in the Middle East and North Africa (MENA). Due to discernable differences in political regimes, social fabric, and economic growth and competitiveness among Arab countries, the contributing authors tap into the peculiarities of each member state to unveil the progress made to date for building an effective system of corporate governance in the region.

The book is composed of three parts, unfolding progressively from a general presentation of extant governance infrastructures in the Arab world to a more detailed evaluation of specific governance devices in a given country. Part 1 offers an overview of corporate governance in the MENA nations, including an updated portrayal of economic development, stock market characteristics and policy challenges in the region. Part 2 is dedicated to the discussion of national perspectives on corporate governance trends and reforms in the Kingdom of Saudi Arabia, Libya, Egypt, and the United Arab Emirates (UAE). Finally, Part 3 provides a thorough assessment of the effectiveness of a given corporate governance mechanism in a single Arab country. In particular, the authors uncover the implications of familial identification in family-owned firms in the UAE, the discipline of the market for corporate control in Qatar, the monitoring by external auditors in Jordan, and the governance role of debt in Tunisia.

I am confident that this book will enrich readers' perspectives about the context-dependent nature of corporate governance, proving to be a useful addition to the library of any respected scholar in the field. If you are interested in delving deeper into any of the topics covered in this book, I strongly encourage you to contact the contributors of relevant chapters to initiate fruitful discussions and promising research collaborations. You are also welcome to join our rapidly expanding network of corporate governance experts located in different countries of the world. I wish you an enjoyable read!

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