



Marhaba



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Business Meeting - June 1, 2010 **Guest Speaker: Mr. Tarek Kettaneh**

Mr. Tarek Kettaneh addressed our members on the subject of Managing Family-Owned Businesses. A Senior Lecturer at the AUB Sulayman Olayan Business School and a Knight of the Order of Malta, Mr. Kettaneh brings highly relevant experience to the subject. A member of one of the most prominent Lebanese business families, he was Acting CEO of the Kettaneh Group until 1987. From the late 1980's to the year 2000 he was involved in venture capital investment in the USA and later Lebanon. His educational background includes a Bachelor of Engineering degree from AUB (1970), a Master of Science in Engineering from the Massachusetts Institute of Technology in the USA (1972) and a Master of Business Administration from the Harvard Business School in the USA (1975).



Here is what he had to say: Until the early 1990's, it was believed that most family businesses were small businesses, and therefore the key to understanding them was to study small firms in general. Since then, new research has shown that family run businesses face specific problems not present in other types of firms, making the management of family businesses one of the most challenging managerial tasks. There are four inter-related areas that cause the majority of failures in family run firms:

1. Succession (management succession as well as ownership succession)
2. Compensation of family members
3. Dispute resolution
4. Business governance

The common thread to all four problems is the intrinsic contradiction between the desire for fairness (treat all family members equally) and the desire for performance (those who perform better should be promoted and better paid). Thus management of family firms runs the gamut from "family first" philosophies to "business first philosophies".

While no single approach fits all situations, experience has shown that following some ground rules increases substantially the prospects of continuity in family firms. Mr. Kettaneh reviewed what he considered to be the generally preferred solutions to the four problem areas:

Succession: Dealing with succession, not as a point in time decision, but as a multi-year process that covers issues of ownership, management, relationships and know how.

Compensation: Explicit decisions by owners as to whether (a) their siblings should be treated the same as or differently from other employees, and (b) whether salary should be the principal or a secondary form of compensation.

Meetings Tuesdays - Business 7PM; Dinner 8:30PM • Vendome Hotel • Ain El Mreisseh



Dispute Resolution: Adoption by owners of a policy that spells out how family disputes are resolved; often in successive steps, such as mediation, consultation with elders, and finally arbitration -- within the family or in a formal setting.

Governance: Establishment by Owners of Governance rules and policies by which family members are expected to abide, separate and different from those that deal with corporate management, and the creation of appropriate bodies to encourage desired governance behaviors.

Business Meeting - June 8, 2010

Speaker: RT Samir El Khoury



Rotarian Samir El Khoury spoke in favour of Palestinian refugee employment in Lebanon. In his opening remarks, he referred to his classification in Rotary as a social worker and explained that he heads the Committee for Employment of Palestinian refugees in Lebanon (CEP) that includes representatives from the Ministries of Labour and Foreign Affairs, The ILO, The UNRWA, The Lebanese Civil Society, The Palestinian Civil Society, The PLO and the private Sector.

The CEP promotes the regular employment of Palestinian refugees in Lebanon, in the belief that restrictions on such employment causes them to work in the informal workplace which exposes them to unfair practices and contributes to their precarious existence and continued poverty. It seeks a change in the Law to enable Palestinian refugees registered with the Ministry of the interior to work normally in Lebanon.

A WIN-WIN SITUATION

Granting Palestinian refugees access to regular employment will benefit both Lebanese and Palestinians. Palestinian refugees have contributed to the Lebanese economy for as long as they have lived in Lebanon. They do so directly, through active involvement in the labour force and in economic consumption, as well as indirectly, through the contributions of International Organizations, donor countries and NGOs that assist Palestine refugees in Lebanon.

Poverty anywhere constitutes a danger to prosperity everywhere

Individuals in the community who are marginalized and impoverished are an easy prey for intimidation and exploitation by political factions. Long-term socio-economic deprivation and economic dependency enhances the risk of militancy and politicization and has national security implications.

Granting rights to Palestinian refugees is part of Lebanon's obligations under international law

The call for granting rights to Palestine refugees is a call for Lebanon to respect its international obligations as signatory of the International Covenant on Civil and Political Rights, the International Covenant on Social, Economic and Cultural Rights, the International Convention on the Elimination of all forms of Racial Discrimination, and several other international human rights instruments.

The principle of reciprocity must not be applied to Palestinian refugees on the basis that they are stateless

As a party to the Covenant on Economic, Social and Cultural Rights, Lebanon must ensure the rights of all persons within its jurisdiction, including non-nationals. Discrimination on the basis of a person being stateless is prohibited. By applying the principle of reciprocity to Palestinian refugees who are stateless, Lebanon effectively denies them the right to work. This impossibility to comply is clearly against the logic and purpose of the legislation.



The right to work is inseparable from other human rights

The various forms of human rights are all equal and essential for realizing other human rights and form inseparable and inherent parts of human dignity. Every individual has the right to be able to work, allowing him/her to live in dignity. The right to work contributes at the same time to the survival of the individual and to that of his/her family, and insofar as work is freely chosen or accepted, to his/her development and recognition within the community.

Is there competition between Lebanese and Palestinian workers?

The Lebanese labour force is estimated at around 1.1 Million, while the size of the Palestinian labour force is estimated to be between 55.000 and 85.000 (based on estimates of the resident Palestinian refugee population of between 225,000 and 330,000 individuals, of whom 69% are of working age, of which 37% economically active). The active Palestinian refugee work force thus represents no more than 5 to 7 % of the Lebanese labour force.

Palestinian refugee participation in the work force benefits the Lebanese economy in four ways

1. Half of all Palestinian households report income from remittances from abroad. Palestinians, contrary to migrant workers, spend all their income in Lebanon thus contributing to the Lebanese economy.
2. An estimated 10% of Lebanese consumption is accounted for by Palestinians. Food, healthcare and rent constitute their top spending priorities.
3. Palestinians can contribute to Lebanon's high-season labour demands, as well as the considerable demands for labor in major reconstruction projects
4. Not to forget that, at the time of the expulsion of Palestinians from Palestine in 1948, the assets they brought into Lebanon were a major boost to the nascent Lebanese economy.

Dinner Meeting - June 22, 2010

Guest Speaker: H.E. Mr. Jorge Alvarez

H.E. Mr. Jorge Alvarez, Ambassador of Mexico to Lebanon, addressed RCBC members and guests on the importance of the Lebanese immigration to Mexico.

Lebanese immigrants came to Mexico in waves starting with the end of the 19th century. They have become prominent members of Mexican society and currently number around 400,000 of the country's population of 100 million. They migrated from Lebanon for many reasons including poverty, misery, fear, economic pressure, and war; and they settled in different parts of the world. Those who chose Mexico did so because it offered them the possibility to live in an environment that was compatible with their religious faith. At first, they settled randomly in city suburbs then extended their environments both in cities and rural areas.

The Lebanese were very active in different sectors of the Mexican economy all over the country, from trading to manufacturing to finance and real estate. They also blended socially and culturally into the new environments they lived in. Many of them flourished and achieved prominence: They include Carlos Slim, a business magnate of Lebanese descent considered to be the wealthiest person in the world. They also include Salma Hayek – the first Mexican national nominated for an Academy Award for Best Actress and who, because of her strong cultural and familial ties with Lebanon, preserved a great deal of her Lebanese heritage, especially its culinary traditions. The Lebanese migrants and their descendants are described as full of inventiveness, courage and loyalty. Dedicated towards their adopted country, they have been rewarded by achieving success in business, politics, trade and other professions while at the same time contributing and enriching the political, cultural and social life of their new home country.





Business Meeting - June 29, 2010

Guest Speakers: GSE Team and GRSP Scholars

Our RCBC members were delighted to host the District 2450 Group Study Exchange (GSE) Team to Sweden, the two 2009-2010 GRSP scholars as well as the new candidate who will participate in the same program for 2010-2011.

GSE Team members and Leader AG Samar Saab shared with RCBC their experiences during their 30-day trip to Sweden. The following article is written by Marina Theodotou, one of the GSE team members, summarizing their one-in-a-lifetime journey.

“Swishhhhh....as the plane tires hit the tarmac at the Rafik Hariri International Airport in Beirut, at 2:35 am, the Group Study Exchange trip to District 2380 in Sweden came officially to a close and the team, from District 2540, bonded forever, was alas, no longer a team... The trip of a lifetime came to a successful close. Samar, the Team Leader, leans over and high-fives all of us: “Way to go guys! We made it!”. Roy smiles, Rafic is wide awake, Ketis is looking at the time perhaps trying to calculate how many more hours until finally arriving home to Tbilisi, and I, am just thrilled to be part of this team and this experience. We just spent thirty three amazing days in D2350 in Sweden, full of new experiences, new people, new temperatures, new information, new colors, new vibes, new aromas — all of our senses engaged to new heights...



It's almost like a dream, thinking back to the day we departed, laughing and joking, trying to get to know each other a bit before really embarking on this Rotary Group Study Exchange journey to Sweden. The memories are many, perhaps too many to fit in a couple of pages... The new and much lower temperatures welcomed us and immediately set the stage: cold weather, warm people. Rain, snow, sleet, none of it prevented our gracious hosts from going forward with the incredibly well planned itinerary: Vocational days to insurance firms and banks, municipalities, hospitals, universities and heating & cooling plants. We stopped by at schools and chocolate factories, match factories and furniture carving schools. We were amazed by the advanced technology, the environmentally sound practices, the closeness to and respect of nature and the vastness of the land. We were welcomed with warm handshakes and fika, the Swedish coffee break and the hard to resist Swedish sweets...

We drank fresh water from pristine lakes and the tap, amazed at the freshness and clarity of it. We tasted soft, yellow butter spread smoothly with hand carved wooden knives on over thirty five types of bread. We devoured freshly fished, soft, pink salmon and tasted elk, and the unforgettable entrecote steaks at Eric's lake house barbecue... We sang in between snaps shots and we enjoyed the ice cream with the golden berries that grow near the arctic pole... We went on a fishing trip and air-shooting expedition, we saw elk and moose and bison, we visited music and arts schools, porcelain factories and aluminum producers. We visited museums and witnessed the Swedish entrepreneurial spirit as it grew and manifested itself throughout the years... We learned about red Swedish cottages, farms and forests.

We climbed steep staircases to the tops of bell towers just to peak out at the view; we walked in thick forests and admired bright pink and purple sunsets. We sought little purple and white flowers heralding the Swedish spring, but kept our gloves and hats and heavy coats on... We even celebrated a team member's birthday, trying to make it memorable and unforgettable... We rode in cars and minibuses and trains to transverse D2380 and continue on our journey to the next adventure and next Swedish town, in the heartland of Sweden.

And yet, none of this would have had the memorable effect, if it wasn't for our hosts and the GSE coordinators: They all took us in, welcomed us in their homes and their dinner tables, introduced us to their



children and family friends, cooked dinners and breakfasts for us, shared their home and even let us do the laundry... We exchanged basic information about our countries, discussed foods, wines, art, history and culture, and every day minutia like the price of gas, and the speed of wireless internet. We learned new jokes, tasted new foods and drinks, played with children and heard new music. Many of us wrote down the titles to new books to look up after returning home. We exchanged mementos from our respective countries and extended invitations back to Lebanon, Georgia and Cyprus for a chance to reciprocate the hospitality. Above all, our biggest takeaway was perhaps being able to experience the fabric of the Swedish society through the homes, livelihoods and personalities of our Rotarian hosts. One could not help but wonder: were we getting the best of Sweden because of Rotary or the best of Rotary because of Sweden? Perhaps a tough question with an easy answer: We got the best of both!

So, as each member of the Fantastic Five GSE team from D2450, Samar, Roy, Rafic, Ketii and Marina are now back home and trying to unpack and get back into their everyday lives, the memories of the trip to Sweden shine as bright in our mind's eye, as the smiles of Conny, Cecilia, Ulf, Magnus, Lars, Helene, Bodil, Ludmilla, Johan, Ingela, Ingvar, Kenneth, Gustav, Hans and so many others in Sweden and Lebanon who made this trip one of a life time! Hundreds of pictures will remind us of the colors, the weather, the people, and the spirit of Sweden!"

GRSP Rashel & Christina Asfour

Rashel Asfour expressed her gratitude for being granted the chance to study in Georgia for one year. She had learned to understand cultural differences and had made many friends at Columbus State University. The whole experience had also helped her to better understand the ideals of International Understanding and Peace Through Friendship and Goodwill. She also was proud that her performance had been recognized with the "Will Watt Fellow Award" and a golden GRSP badge for being an outstanding Georgia Rotary student. **Christina Asfour** thanked the host families who had provided her with accommodations and embraced her like a family member; in particular RT Jack Yammine of whom she said: "Today, I owe a great deal of my inspiration and motivation to him. I feel even more proud to be Lebanese." She added that the greatest lesson GRSP has taught her is that the true voyage of discovery starts not by discovering new land but by looking at the world with different eyes. "Because of my exposure to people and cultures from all over the world, I learned to look at the world with different eyes and to teach people to look at my world with my eyes. So today I truly believe that peace is possible." **Both** extended special thanks to RCBC and specially to PP Tony Asfour for supporting them all the way.



The new GRSP candidate, Alida Kerbage, introduced herself to the members and guests highlighting her expectations from this once in a lifetime opportunity.

33rd District Rotaract Conference in Lebanon: June 23 to 27, 2010

The 4-day conference was a marked success.





RI News

Windmills increase income for salt harvesters (picked from RI website)

Five families who harvest salt from the desert in western India have Rotarians to thank for windmills that will double their income.

The Rotary Club of Wadhwan City, India, and the Rotary E-Club of the Southwest, Arizona, USA, received a Rotary Foundation Matching Grant and used club and District 5510 (Arizona) contributions to purchase 10 windmills. The windmills pump underground, salt-laden water into shallow ponds, where the salt can be separated through evaporation. The families -- who are among the 10,000 families who migrate annually to the Little Rann of Kutch salt marsh in Gujarat to collect up to 800 tons of salt apiece -- previously relied on diesel engines to draw water to the desert's surface.



Five windmills were installed by the manufacturer in February with the help of Rotarians and the recipients. Club members expect the other five to be in use by October, the start of the six-month salt-harvesting season.

Deepak Agrawal, governor-elect of District 3060, visited the families in March and says they each saved about \$100 in fuel and engine repair costs over a month long period.

"The project allowed them to buy basic amenities -- a glass to drink water from, books for their children, a light bulb," Agrawal says. "With the time they saved from engine maintenance, one of the fathers brought his child to school, and a mother read with her children."

A windmill-powered generator also produced electricity for one of the families.

In early April, the salt workers partially disassembled the 20-foot-tall steel and reinforced-plastic windmills and used trucks and tractors to move them to surrounding villages before the annual monsoon rains, which cover the desert in several feet of water.

Shrinand Palshikar, a Wadhwan City club member, proposed the project after his club surveyed the salt workers in 2008 and noted that fuel costs outweighed their profits.



The next year, the club purchased one windmill to test and worked with the Gujarat Grassroots Innovations Augmentation Network , using the technical expertise of club members to modify the windmill to operate in desert conditions.

The e-club learned of the effort through one of its members, Vimal Hemani, who lives near Wadhwan City.

"Our e-club is international, and that helped facilitate this project," says past club president Larry Levenson. "Hemani was able to personally participate in the project and work with our Indian partners."

"This windmill requires no major maintenance once the design is fully established," says Palshikar. "It's already two seasons that it has been under testing, and our confidence is very high."

Palshikar says that families who operate two windmills can reduce their fuel use by up to 80 percent, resulting in an even higher increase in income and decreased air pollution.

Agrawal says his district plans to help provide 100 windmills during the 2011-12 Rotary year, and he has talked to an area nonprofit and bank about making microcredit loans available to families so they can purchase windmills.

"We would be interested in expanding the project to serve many more families if the results are positive after the first full season," Levenson says.

Upcoming Events in Lebanon

*August 27—28: "Gebran ... Lawhet Omr" - a theatrical masterpiece illustrating the work of famous Lebanese painter/poet/philosopher Gebran Khalil Gebran. Venue: Phoenician Wall Area, Batroun Festival.

*August 31: The last day of "Gold and Silk" exhibition which is currently featuring rare and beautiful Ottoman and Causasian tapestries at Silk Museum.

*September 2010: Freikeh Festival - the region will host the annual festival of theatre, cinema, and the visual arts. Venue: Freikeh area

*September 2010: Beirut's documentary festival, DocuDays, aims to raise awareness of non-fictional film as both entertainment and information. It screens international documentaries at Al-Madina Theater and other venues, as well as local films, providing an insight into Lebanese culture and current affairs. Venue: Metropolis Empire Sofil

The Object of Rotary

The Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:

- **FIRST.** The development of acquaintance as an opportunity for service;
- **SECOND.** High ethical standards in business and professions, the recognition of the worthiness of all useful occupations, and the dignifying of each Rotarian's occupation as an opportunity to serve society;
- **THIRD.** The application of the ideal of service in each Rotarian's personal, business, and community life;
- **FOURTH.** The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

Members' Happy Moments ☺

Happy Birthday to PP George Beyrouiti (June 13), RT Azmi Hajjaj (June 26) and RT Ghaleb Mahmassani (June 28)

RCBC wishes you a wonderful year of health, prosperity, and happiness.