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Let me review with you some of the more important qualities generally accepted universally, as compiled in great paper from Moldevanu & Martin called the Agencie theory and Design of Efficient Governance Mechanism.

Those are some of the basic requirements widely and globally accepted to be our necessary to serve on the board of listed company.

1. A good knowledge of corporate governance structures that will allow board members to exercise in a competent fashion their decision making power and also monitor the performance of the managers of that company.
2. A good general knowledge of the firm's technology and industry in order to ask the right questions to the top managers and other board members, to develop a coherent knowledge of the company.
3. Specific knowledge of technology and the industry in which the company operates in order to develop independent opinions on the management of the enterprise. This will include knowledge of specific technologies, marketing or just the competitors' supplies, customers, etc.

4. General knowledge of financial market mechanism to understand the general environment in which the firm has to obtain its sources of capital.
5. Specific knowledge of the firm's financial markets so that they can form their own independent opinion on the strategic financial initiatives.
6. Industry reputation so that their name can attract other good names who would want to be associated with them on those boards.
7. Personal network depth and breadth so that those members can function as guarantors of trustworthiness, integrity and competence of the firm and its managers.
8. Individual bargaining power which relates to their capacity to leverage themselves to better serve the company by virtue of their other associations.
9. Psychological and intellectual independence of the board members is directly relevant to the monitoring function by the board members of the behavior of management.
10. Social-economic independence in order to ensure unbiased opinions of the member that could otherwise affect their capacity to competently monitor managerial performance and decision.

In Asia, directors appear mostly fail in discharging their duties adequately from a Western corporate governance standpoint, is due to the last two

points, mainly the psychological/intellectual and social-economic independence.

In a number of markets in Asia, there is on paper a significant number of companies with independent directors on board. In practice, in the majority of those companies, independent directors have not been able to provide the executive checks and balances and increasing the accountability of the board. In general, directors practice have not yet achieved same level of independence allowing for better degree of comfort on the part of many institutional shareholders especially when directors are nominated and appointed by the board and not by the general shareholders.

Some progresses are appearing, unequal in many countries. Not many companies will substantiate yet in their annual reports, the level of “independence” of their directors.

The market for foreign directors will without doubts increase but not very rapidly. It is extremely important to consider the differences in governance Asian style or Anglo-Saxon style.

And first one may think that issues concerning board and its members are pretty straightforward, after all so many code of corporate governance, governance code of practice etc. have dealt on this topic and no aspect of their role and responsibility has been left unturn. However, just as the world and its economies never cease to evolve whether in the face of greater international competition, increase development and information technology, etc so do the various needs of corporations and companies in Asia and the rest of the world. Within this context, other important

elements must be considered when discussing the role of and responsibilities of boards and members such as the environments in which these boards and members function. The responsibilities and roles of directors further complicate itself because these great corporate governance principles cannot be enforced or applied consistently.

Corporate Governance is the results of an evolutionary process which is greatly influenced by the country politics, culture, history, legal and institutional framework. Confucian philosophy, respect for authorities and elders, close relationship of business and governments are all impediments to an Anglo-Saxon like corporate governance culture. As the work globalizes itself, and large amount of capital is sourced from countries using those standards, corporate governance in Asia will have to converge towards those standards.

The importance of flexibility in terms of applicability and timing is essential to the success of good corporate governance. When managers understand the benefits of it as opposed to be considered a cost, then it will start to be better used. This is why I see a potential market for foreign directors that will show a capacity to bridge that gap.