

“YOU MANAGE WHAT YOU MEASURE”

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- **BACKGROUND TO THE OECD METHODOLOGY**
- **STRUCTURE AND CONTENT OF THE OECD METHODOLOGY**
- **USING THE OECD METHODOLOGY**

- **WHAT IS GOOD CORPORATE GOVERNANCE?**

 - **WHO IS ASKING? AND WHY?**
 - **SHAREHOLDER**
 - **MANAGER**
 - **STOCK EXCHANGE**
 - **REGULATOR**
- ...etc.**

- **SOME COMMON INTERESTS**
- **BUT MANY GENUINE CONFLICTS**
- **SO, WHAT PERSPECTIVE SHOULD DOMINATE?**

- **THE OECD PRINCIPLES HAS AN ECONOMIC AND PUBLIC POLICY PERSPECTIVE. FOCUS IS ON OUTCOMES.**
- **WHICH CORPORATE GOVERNANCE PRACTICES CONTRIBUTE TO ECONOMIC EFFICIENCY?**

**BUT ALSO THE MEANS TO
ACHIEVE A DESIRED OUTCOME MAY
DIFFER.**

DEPENDING ON:

- **LEGAL CONTEXT**
- **ECONOMIC CIRCUMSTANCES**
- **MARKET STRUCTURE**

TWO IMPORTANT FEATURES OF THE OECD PRINCIPLES

- **CLARITY IN TERMS OF
PERSPECTIVE AND OBJECTIVES**
- **ADAPTABLE TO COUNTRY
SPECIFIC CIRCUMSTANCES**

THEY ARE DEMANDING
BECAUSE
YOU CAN ALWAYS ADAPT THEM TO
NATIONAL CIRCUMSTANCES

“NO EXCUSE NOT TO USE”

OECD PRINCIPLES BECAME THE GLOBAL STANDARD

- **ADOPTED BY FSF**
- **USED IN THE ROSCs**
- **USED IN SELF ASSESSMENTS**
- **BASIS FOR POLICY DIALOGUE**

TO SUPPORT THESE EFFORTS

**OECD MEMBER GOVERNMENTS,
THE WORLD BANK AND OTHER
INTERNATIONAL ORGANISATIONS
AGREED TO DEVELOP A
COHERENT ASSESSMENT
METHODOLOGY**

BEYOND BOX TICKING

- **FOCUS ON OUTCOME**
- **FUNCTIONAL EQUIVALENCE**

THE METHODOLOGY *DOES NOT*:

- **PROVIDE RANKINGS BETWEEN COUNTRIES**
- **ALLOW FOR COUNTRY RATINGS**

A DEMANDING APPROACH THAT REQUIRES

- **MULTIPLE SOURCES**
- **CONSISTENCY CHECKS**
- **INTERACTIVE DIALOGUE**
- **INFORMED JUDGEMENT**

STEP 1: MAP THE CORPORATE GOVERNANCE LANDSCAPE

- **OWNERSHIP AND CONTROL STRUCTURES**
- **THE LEGAL AND REGULATORY FRAMEWORK**
- **HISTORICAL INFLUENCES**

STEP 2: ESTABLISH A BENCHMARK

- **FORMULATION OF THE PRINCIPLE**
- **IDENTIFY LIKELY PRACTICES TO BE EXAMINED**
- **ESTABLISH CRITERIA FOR IMPLEMENTATION**

STEP 3: COLLECT INFORMATION

- **FACT FINDING**
- **CONSULTATIONS**
- **CONSISTENCY CHECKS**
- **INTERACTIVE DIALOGUE**

STEP 4: MAKE AN INFORMED JUDGEMENT

- **FULLY IMPLEMENTED**
- **BROADLY IMPLEMENTED**
- **PARTLY IMPLEMENTED**
- **NOT IMPLEMENTED**
- **NOT APPLICABLE**

MOTIVATE YOUR DECISION !

STEP 5: FORMULATE POLICY OPTIONS AND PRIORITIES

- **LIKELY IMPACT**
- **COST-BENEFITS**
- **COMPLEMENTARITIES**
- **EXPERIENCES FROM OTHER
COUNTRIES**

STEP 6: USE FOR DISCUSSION AND ACTION

STEP 7: FOLLOW-UP IMPLEMENTATION

- **NATIONAL DIALOGUE**
- **REGIONAL DIALOGUE : FOR EXAMPLE THE ASIAN CORPORATE GOVERNANCE ROUNDTABLE**
- **GLOBAL DIALOGUE: OECD STEERING GROUP ON CORPORATE GOVERNANCE, THE WORLD BANK**
- **WHITE PAPERS AND STOCK TAKING REPORTS**

LOOKING AHEAD

- **A UNIQUE NEW TOOL**
- **PUBLICLY AVAILABLE LATER THIS YEAR**
- **FORM PARTNERSHIPS WITH OTHER INTERNATIONAL ORGANISATIONS**
- **DISSEMINATE INFORMATION AND SUPPORT MATERIAL**
- **DEVELOP A USER'S GUIDE FOR SELF-ASSESSMENTS**
- **PREPARE FOR TRAINING SEMINARS AND SESSIONS**
- **COLLECT EXPERIENCES AND REFINE**

THANK YOU !