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Highlighting the naked truth

Here are some ways to throw the spotlight on corporate governance



NEVER underestimate the power of symbolism. Through simple yet heartfelt acts, we can collectively send out powerful messages. Remember what many of us did between 8.30pm and 9.30pm on March 28? During Earth Hour, we flicked off the light switches to show our support for the efforts to tackle global warming.

That garnered a lot of attention in the media. More importantly, it got people everywhere thinking and talking about climate change, and it reminded the world leaders that we're counting on them to come up with a solution to this problem.

Now, there are campaigns urging us all to go without meat for a day because the livestock industry produces a significant amount of the greenhouse gases that cause global warming. This has not gathered the kind of worldwide momentum that Earth Hour has, but it can, if pushed in the right way.

It's about creating a lasting impression in our minds about the issues and convincing us that we each can do something to help.

The use of symbols can be gentle and subtle, such as wearing red ribbons on World AIDS Day to raise awareness of HIV and to indicate solidarity with people living with HIV.

Some people advocate in-your-face measures to jolt people's consciousness and to rouse them into action. For many of us, few things grab a hold of us more than the sight of bare flesh. It's the naked truth at its most effective.

People for the Ethical Treatment of Animals (Peta), for example, has its "I'd Rather Go Naked Than Wear Fur" advertisements, which feature famous people in their birthday suits, to highlight its fight against the international fur trade.

And apparently, nudity and global warming go hand in hand as well.

Last month, 700 volunteers went naked in a French vineyard to create a "human art installation" that was meant to warn the world about the dangers of global warming. Perhaps we need repeat warnings.

It's time that the international battle for better corporate governance gets the same kind of broad attention and participation. We need a World Corporate Governance Day, plus some clever ways to raise

awareness of what it stands for.

First, we have to pick a date. How about Dec 2? On that day in 2001, Enron Corp filed for Chapter 11 bankruptcy. The company's spectacular collapse is arguably the most notorious example of a corporate governance failure in recent history.

Next, some thought has to go into how we should commemorate World Corporate Governance Day. Here are some suggestions that will hopefully get large numbers of people to band together and form a potent force against negligent stewardship of listed companies:

■ All on the same page

We've heard of sit-ins. So, why not have read-ins? Get people to gather at places associated with investment, such as stock exchanges, and thoroughly read annual reports of publicly quoted companies. Maybe the sight of people poring over such reports is hardly stirring, but we must remember that it's rare for most of us to even flip through these publications. The idea of the read-ins is to stress the importance of knowing the businesses you're investing in, and to tell the businessmen that their companies' stakeholders are watching.

■ Exercise your voting rights

As part of World Corporate Governance Day, all shareholders should pledge to attend AGMs and EGMs and vote. It's a basic right that comes with share ownership. For far too long, corporate swindlers have stolen freely because shareholders are lackadaisical about the decisions made at these meetings. These crooks must learn that they can't shove bad proposals down share-

holders' throats. Over time, the pledge can be upgraded to a commitment to attend AGMs and EGMs, discuss the resolutions intelligently, and vote.

■ Here's a tip – ignore the tip

If successful, this is something that will really have an impact in Malaysia. Transparency and timely disclosure are part of corporate governance. To promote this, let's have a day (or maybe a week, for good measure) during which every investor refuses to trade stocks based on rumours. If the information does not come officially from the company, just disregard it. That way, those who manipulate stocks by spreading falsehoods or by leaking news will hopefully see the error of their ways.

■ Getting to know you

Independent directors ought to understand that they represent the interests of the minority shareholders. One way to do that is to help them see that these shareholders are not faceless people. To mark World Corporate Governance Day, minority shareholders should get to know these independent directors, thus compelling the latter to recognise the weight of their responsibility. The shareholders should bombard the directors with letters, emails, phone calls and SMSes. If possible, the shareholders should walk up to the directors, introduce themselves and have quick chats.

■ When the markets go silent

This is a little extreme, but it may just do the trick. On World Corporate Governance Day, investors should just not buy or sell securities. It's shock therapy to let the companies and regulators see that if corporate governance doesn't improve, people will walk away. If this doesn't work, we may have to resort to disrobing in the middle of the trading halls of the large investment banks. We don't want that, do we?

● Deputy business editor Errol Oh feels a tad guilty that he probably won't observe World Meatless Day. He wonders whether it will count for something if he turns out the lights and eats a burger in pitch dark that night.