2019-NO.2-01

Financial regulators in Britain have imposed a rather unusual rule on the bosses of big banks. Starting next year, any guaranteed bonus of top executives could be delayed 10 years if their banks are under investigation for wrongdoing. The main purpose of this “clawback” rule is to hold bankers accountable for harmful risk-taking and to restore public trust in financial institution. Yet officials also hope for a much larger benefit: more long-term decision-making not only by banks but also by all corporations, to build a stronger economy for future generations.

“Short-termism” or the desire for quick profits, has worsened in publicly traded companies, says the Bank of England's top economist, Andrew Haldane. He quotes a giant of classical economies, Alfred Marshall, in describing this financial impatience as acting like “Children who pick the plums out of their pudding to eat them at once” rather than putting them aside to be eaten last.

The average time for holding a stock in both the United States and Britain, he notes, has dropped from seven years to seven months in recent decades. Transient investors, who demand high quarterly profits from companies, can hinder a firm's efforts to invest in long-term research or to build up customer loyalty. This has been dubbed "quarterly capitalism". In addition, new digital technologies have allowed more rapid trading of equities, quicker use of information, and thus shortens attention spans in financial markets. "There seems to be a predominance of short-term thinking at the expense of long-term investing," said Commissioner Daniel Gallagher of the US Securities and Exchange Commission in speech this week.

In the US, the Sarbanes-Oxley Act of 2002 has pushed most public companies to defer performance bonuses for senior executives by about a year, slightly helping reduce “short-termism”. In its latest survey of CEO pay, The Wall Street Journal finds that "a substantial part” of executive pay is now tied to performance.

Much more could be done to encourage “long-termism,” such as changes in the tax code and quicker disclosure of stock acquisitions. In France, shareholders who hold onto a company investment for at least two years can sometimes earn more voting rights in a company.

Within companies, the right compensation design can provide incentives for executives to think beyond their own time at the company and on behalf of all stakeholders. Britain rule is a reminder to bankers that society has an interest in their performance, not just for the short term but for the long term.

Translation

英国的金融监管机构对大银行的老板已经实施了一项相当不寻常的规定。从明年开始，高管的任何有保障性的奖金都可能推迟10年发放，如果他们的银行处在对不当行为的调查之下。这项“追回”规则的主要目的是让银行家们为有害的冒险行为负责，并恢复公众对金融机构的信任。然而，官员们也希望获得更大的好处:不仅是靠银行，也是靠所有企业做出更长期的决策，是为了子孙后代建立更强大的经济。

“短期主义”或者对快速盈利的渴望，已经在上市公司中恶化， 英格兰银行的首席经济学家Andrew Haldane说。他引用古典经济学巨头Alfred Marshall的话，用来把这种金融上的急躁描述为一种行为就像 “孩子们把李子从布丁中挑出来马上吃掉” 而不是把它们放在一边最后去吃。

他指出，在美国和英国，持有股票的平均时间在最近的几十年中已经从七年下降到了七个月。短期投资者们，他们向公司要求高额的季度利润，会阻碍一个公司对于长期研究中的投资或者对于建立客户忠诚度的努力。这已经被称为是“季度资本主义”。此外，新的数字技术已经允许更快速地交易股票，更快的信息使用，并且因此缩短了在金融市场中的注意力范围。“以长期投资为代价的短期思维似乎成为了主导地位”， 美国证券交易委员会委员Daniel Gallagher在本周的演讲中说道。

在美国，2002年的Sarbanes-Oxley法案已经迫使很多上市公司推迟对高管绩效奖金的发放约一年，稍微地帮助削弱“短期主义”。在最新的CEO薪酬调查中，华尔街日报发现高管薪酬中的 “很大一部分” 现在与绩效挂钩。

对于鼓励“长期主义”，还有更多的事情可以做，例如税法的改变和更快的股票收购的披露。在法国，持有一个公司投资至少两年的股东有时能够赢得在一个公司中更多的投票权。

在公司内部，正确的补偿金设计可以激励高管，在超出他们自己在公司的时间并且代表全体股东去思考。英国的规定提醒银行家们社会对他们的绩效有兴趣，不仅是短期的，而且是长期的。

Word list