

— THE MONITOR'S VIEW —

Patience as a corporate virtue

To encourage long-term thinking in banks, Britain imposes a possible delay in executive bonuses. Other steps can help reduce 'short-termism' in corporations.

001 *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 institutions. *Yet officials also hope for a much larger benefit*: more long-term decisionmaking, not only by banks but by all corporations, to build a stronger economy for future generations.

重点词汇 | 第1段

regulator n. 管理者

impose v. 强制实行

executive n. 主管；经理

investigation n. 调查

wrongdoing n. 违法行为

accountable adj. 有责任的

restore v. 恢复

institution n. 机构

benefit n. 好处

corporation n. 大公司

🌟 **impose ... on**

🍎 Financial regulators in Britain **have imposed** a rather unusual *rule on*

the bosses impose

● If you want to **impose** your *music taste* **on** your parents, play your tunes all day at top volume.

● Social relations **impose** courtesy

● No nation has the capacity to **impose** its *will* **on** others in a substantial or permanent way.

🌟 **hold ... accountable for**

● The main purpose of this “clawback” rule is to **hold** bankers **accountable for** harmful risk-taking and...

● men who think nobody will **hold** them **accountable for** their *actions*, who forget there is a stronger One above every strong one...

hold (...) accountable for actions/ behaviors/ results/ decisions/ crimes

002 “*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 economics, 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.

重点词汇 | 第2段

profit n. 收益

worsen v. 恶化

giant n. 大师

003 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*."

重点词汇 | 第3段

transient adj. 短暂的

hinder v. 阻止

loyalty n. 忠诚

dub v. 把~称作

capitalism n. 资本主义

004 In addition, *new digital technologies have allowed more rapid trading* of equities, quicker use of information at the speed of Twitter, and thus shorter 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 a speech this week.

重点词汇 | 第4段

equity n. 普通股

span n. 间隔

predominance n. 优势

at the expense of 以牺牲~的利益为代价

🌟 **a predominance of**

● There seems to be **a predominance of** short-term thinking at the expense of long-term investing...

● The **predominance over** their greatest rivals held for 87 years is also gone.

The Guardian Mar 6, 2019

● "We are always looking for job candidates," she said, acknowledging that her industry is known for high turnover rates, low pay and **a predominance of** female workers.

🌟 **at the expense of**

● There seems to be a predominance of short-term thinking **at the expense of** long-term investing...

● If you find it embarrassing to dress up as Santa, you might say that you do it to amuse your nephews, **at the expense of** your pride.

● oil companies increase drilling **at the expense of** the environment

● "I was 11, and dancing was already all that mattered, **at the expense of** almost everything else, even my own well-being."

Washington Post Nov 1, 2019

005 *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.

重点词汇 | 第5段

defer v. 推迟

senior adj. 级别高的

substantial adj. 相当程度的

006 *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.

重点词汇 | 第6段

disclosure n.公开

acquisition n.并购

🌟 encourage

● ... to encourage empathy development in our students

● The move is part of New York's broader effort to **encourage** outdoor sports.

Washington Times Nov 10, 2019

● There are encouraging signs of an artistic revival.

出现了鼓舞人心的艺术复兴的迹象。

● In 2015, encouraged by government media outlets, speculative mainland investors poured into China's stock market...

007 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's new 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.*

重点词汇 | 第7段

incentive n.刺激

on behalf of 代表

stakeholder n.利益相关者；股东

reminder n.提示

🌟 provide incentives for

● In October, Alibaba said it was now "greener than ever" and **provided incentives for** customers to recycle, adding that its delivery subsidiary Cainiao would observe Nov. 20 as a special cardboard recycling day.

Reuters Nov 10, 2019

🍌 People are given various **incentives**, such as shopping vouchers or a small financial reward, for doing the surveys.

BBC Nov 8, 2019

思考题

1 According to Paragraph 1, one motive in imposing the new rule is the_____.

- A. enhance banker's sense of responsibility
- B. help corporations achieve larger profits
- C. build a new system of financial regulation
- D. guarantee the bonuses of top executives

2. Alfred Marshall is quoted to indicate_____.

- A. the conditions for generating quick profits
- B. governments' impatience in decision-making
- C. the solid structure of publicly traded companies
- D. "short-termism" in economics activities

3. It is argued that the influence of transient investment on public companies can be_____.

- A. indirect
- B. adverse
- C. minimal
- D. temporary

4. The US and France examples are used to illustrate_____.

A. the obstacles to preventing "short-termism".

B. the significance of long-term thinking.

C. the approaches to promoting "long-termism".

D. the prevalence of short-term thinking.

5. Which of the following would be the best title for the text?

A. Failure of Quarterly Capitalism

B. Patience as a Corporate Virtue

C. Decisiveness Required of Top Executives

D. Frustration of Risk-taking Bankers