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Place and Role of Corporate Governance in Japan

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Abstract**—**In a broad sense, corporate governance covers the organization of the control and management. The term is also used in a narrower sense, to refer to the relationship between shareholders, and the company's board. There are a lot of discussions devoted to the understanding of the corporate governance role and its principles. In this paper, we are going to describe the definition of corporate governance as a control system and its principles, and find the role of corporate governance and its pillars. Finally, we are going to drop the theoretical study on the case of Japan.

Keywords**—**Corporate governance, place, role, Japan.

I. Introduction

In recent years, there has been a much more concerted focus on corruption coming from international agencies based on an integrated analysis of the role of governance in improving the prospects of development in developing countries. The new analysis of corruption forms part of an integrated analysis of good governance.

This research aims to address the following question:

"What is the place and role of corporate governance in Japan?"

In this paper, we are going to:

- Define the corporate governance system, and its role,
- Discover the principles of corporate governance, and its pillars,
- Drop the theoretical study on the case of Japan with a general overview, and the new principles of corporate governance in Japan in 2015.

II. Corporate Governance, Definition and Role

A. Definitions of Corporate Governance

Corporate governance is the system of internal controls and procedures by which individual Companies are managed. It provides a framework that defines the rights, roles and responsibilities of different group's management, the Board, controlling shareowners and minority or non-controlling shareowners within an organization. This system and framework is particularly important for Companies with a large number of widely dispersed minority shareowners.

At its core, corporate governance is the arrangement of checks, balances, and incentives a Company needs to minimize and manage the conflicting interests between insiders and external shareowners. Its purpose is to prevent one group from expropriating the cash flows and assets of one or more other groups.

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In general, good corporate governance practices seek to ensure that [1]:

- *Board Members act in the best interests of Shareowners;*
- *The Company acts in a lawful and ethical manner in their dealings with all stakeholders and their representatives;*
- *All Shareowners have the same right to participate in the governance of the Company and receive fair treatment from the Board and management, and all rights of Shareowners and other stakeholders are clearly delineated and communicated;*
- *The Board and its committees are structured to act independently from management, individuals or entities that have control over management, and other non-Shareowner groups;*
- *Appropriate controls and procedures are in place covering management's activities in running the day-to-day operations of the Company; and*
- *The Company's operating and financial activities, as well as its governance activities, are consistently reported to Shareowners in a fair, accurate, timely, reliable, relevant, complete and verifiable manner.*

The definition of corporate governance most widely used is "*The system by which companies are directed and controlled*"**.**

More specifically it is the framework by which the various stakeholder interests are balanced, or, as the [International Finance Corporation], "*the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders*".

The **OECD** (Organization for Economic Cooperation and Development) Principles of Corporate Governance states: "*Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined*" [2].

It is important for companies to develop an effective model of corporate governance that will enable them to take advantage of opportunities that may arise, whilst at the same time instituting the necessary controls over the associated risks. The rules and standards of corporate governance are considered to be important factors in the creation of prosperous market economies.

Corporate governance consists of a set of rules and conduct in accordance with which companies are managed and controlled. It usually involves the mechanisms by means of which company manager's answer for the due and proper running and performance of the company. The company represents the assets of all the shareholders and in the long term the interests of the company necessarily converge with those of its shareholders.

Good corporate governance revolves around the following aspects:

– To achieve a proper balance between entrepreneurship and control, as well as between
– Performance and compliance with the rules of corporate governance;
– To facilitate performance-driven management, but also to provide mechanisms for management and leadership, whilst ensuring integrity and transparency in the decision-making process;
– To determine the company's objectives, the means through which these are to be attained
– And how performance is to be evaluated. In this respect, corporate governance is intended to encourage and enable the board and management to pursue objectives that are in the best interests of the company, its shareholders and other interested parties, such as the company's customers and personnel.

"Control" implies effective evaluation of performance, careful management of potential risks, and proper supervision of agreed procedures and processes. In this respect, the emphasis here is on monitoring whether robust control systems are operating effectively, whether potential conflicts of interest are being managed and whether sufficient checks are in place to prevent abuses of power that may allow personal interests to prevail over corporate interests [3].

B. The Role of Corporate Governance

Corporate governance is the way a corporation polices itself. In short, it is a method of governing the company like a sovereign state, instating its own customs, policies and laws to its employees from the highest to the lowest levels.

Corporate governance is intended to increase the accountability of your company and to avoid massive disasters before they occur.

Failed energy giant Enron, and its bankrupt employees and shareholders, is a prime argument for the importance of solid corporate governance. Well-executed corporate governance should be similar to a police department's internal affairs unit, weeding out and eliminating problems with extreme prejudice. A company can also hold meetings with internal members, such as shareholders and debtholders – as well as suppliers, customers and community leaders, to address the request and needs of the affected parties.

Corporate governance is of paramount importance to a company and is almost as important as its primary business plan.

When executed effectively, it can prevent corporate scandals, fraud and the civil and criminal liability of the company. It also enhances a company's image in the public eye as a self-policing company that is responsible and worthy of shareholder and debtholder capital. It dictates the shared philosophy, practices and culture of an organization and its employees. A corporation without a system of corporate governance is often regarded as a body without a soul or conscience.

Corporate governance keeps a company honest and out of trouble. If this shared philosophy breaks down, then corners will be cut, products will be defective and management will grow complacent and corrupt. The end result is a fall that will occur when gravity – in the form of audited financial reports, criminal investigations and federal probes – finally catches up, bankrupting the company overnight. Dishonest and unethical dealings can cause shareholders to flee out of fear, distrust and disgust [4].

III. Corporate Governance Principles & Pillars

A. The Principles of Corporate Governance

The general principles form the pillars upon which good corporate governance should rest. These principles are sufficiently broad for all companies to be able to adhere to them, whatever their particular features. The recommendations describe how the principles can be properly applied. Companies are expected to comply with the recommendations or explain why they are departing from them, taking account of their specific situation. Although listed companies are expected to comply with the recommendations for the 10 Principles of Corporate Governance most of the time, it is acknowledged that special circumstances may justify a departure from certain recommendations**.**

These principles are:

- Ensuring the Basis for an Effective Corporate Governance Framework,
- Rights of Shareholders,
- Equitable Treatment of Shareholders,
- Role of Stakeholders,
- Disclosure and Transparency,
- Responsibilities of the Board.

B. The Pillars of Corporate Governance

The pillars of successful corporate governance are: accountability, fairness, transparency, assurance, leadership and stakeholder management. All six are critical in successfully running an entity and forming solid professional relationships among its stakeholders, which include board directors, managers, employees, customers, regulators and most importantly, shareholders.

1. Accountability

Accountability embraces ownership of strategy and task required to attain organizational goals. This also means owing reward and risk in clear context of predetermined value proposition. When the idea of accountability is approached with this positive outlook, people will be more open to it as a means to improve their performance. This applies from the staff all the way up to top leadership embracing Risk management within defined formal appetite for risk. This also includes fostering a culture of compliance to a create real and perceived belief that the entity is operation within internal and external boundaries.

2. Fairness

Fairness means "treating all stakeholders, including minorities, reasonably, equitably and provide effective redress for violations". Establishing effective communication mechanism is important in ensure just and timely protection of resource sand people asset as well correcting of wrongs.

a) Transparency

Transparency "means having nothing to hide" that allows its processes and transactions observable to outsiders. It also makes necessary disclosures, informs everyone affected about its decisions. Transparency is a critical component of corporate governance because it ensures that all of entity's actions can be checked at any given time by an outside observer. This makes its processes and transactions verifiable, so if a question does come up about a step, the company can provide a clear answer.

b) Independent Assurance

In progressing transparency it is important for non-direct actors to obtain confidence that that executive actors are leading the entity towards pre-defined intent and not using it for self and obtain expert advisory on how the applied approached can be improved. Assurance services provide independent and professional opinions that reduce the information risk (risk that comes from incorrect information). Independent assurance is the verification by a third party (not directly responsible for QA) and acceptance of the product/deliverable and/or the reliability of test results obtained from quality control and acceptance testing. This independent assurance insures that the representation or acceptance test results are accurate and provide a fair and equitable basis for construction acceptance, and quality control testing is accurate and thus will properly indicate process quality.

c) Leadership

Direction "defining and offering leadership on organization's agenda within the values and principles that frame the way business should be done". Those charged with governance are responsible for these key strategic issues and for proving leadership in establishing the right culture to drive the performance of the business. Without clear direction, policy and procedures, the organization will flounder and likely never to realize its long term goals and potential. This should include leadership and core expertise renewal to both retain knowledge/experience, ensure appropriate representation and continuity.

d) Stakeholder Engagement

Those charged with governance should identify the key stakeholders and how they interact with the business and how they are engaged to ensure the best outcome for the organization. Stakeholder engagement is included in the annual agenda and strategic plan [5].

IV. Place and Role of Corporate Governance in Japanese Companies

A. General Overview

Japan fell traditionally into the insider-dominated group and had a 'credit-based' financial system, as the economy was characterized by intercompany shareholdings, intercompany directorships and frequently substantial bank involvement. Japan's economy, despite the reorganization following World War II, is still to some extent characterized by the zaibatsu, a group of family-run businesses that emerged as early as the 17th century. These business enterprises have since evolved into the keiretsu, which are related closely through share ownership to one or more banks. In this type of system, there is little takeover activity and shares are not traded as frequently in market-based economies. More recently, the trend has been toward a more market-dominated Japanese system of corporate governance, perhaps as a result of pressures arising from recent economic problems. However, Japan and other East Asian economies still retain a different attitude toward business from Anglo–American style economies, as expressed in the following:

"East Asian and particularly Japanese capitalist structures emphasise trust, continuity, reputation and co-operation in economic relationships. Competition is ferocious, but co-operation is extensive; the juxtaposition of apparently inconsistent forms of behavior may strike those schooled in Anglo-American capitalism as irrational, but for the Japanese the tension actually enhances the strength of each. There is even a widely quoted phrase for it—kyoryoku shi Negara kyosa—literally 'co-operating while competing', so that out of the subsequent chaos comes harmony".

Indeed, the differences between the corporate governance systems in Japan, the USA, the UK and continental European models have been summarized recently as follows:

> *The continental European and Japanese model of corporate enterprises are somewhat similar, in that a sense of corporate solidarity with social harmony is expected and actually exists. The Anglo-American model, by contrast, is based on a respect for individuality as the societal norm; a key factor defining the structure of corporate enterprise is the notion of a contractual relationship between equal individuals. In this Anglo-American model, the governance of the corporation is based on the notion that shareholders are entitled contractually to claim the residual profit as the ultimate risk-takers of the corporation. In the continental European and Japanese models however, management and employees are recognized as institutionally cooperative in the context of corporate governance.*

In 2001, corporate governance, finance and investment in Japan are considered from a historic viewpoint and made predictions about the way in which corporate governance and the Japanese economy would evolve in the future. The authors presented substantial empirical evidence (from gathering financial data over long periods of time) to support their arguments. Before World War II Japan's corporate system was dominated by huge family-owned businesses (the zaibatsu). However, the Americans broke these companies up and reduced their powers over the economy and the Japanese market after the war ended. After the war and until the 1970s Japan's system of corporate governance still fitted well into the 'insider dominated' mould.

Companies in Japan were mainly financed by bank loans and as already mentioned the zaibatsu evolved into the keiretsu (literally 'relationship investing'). The banks that owned companies also sat on company boards and played an important role in monitoring company management. Companies were strongly influenced by their bank managers. There was little separation of ownership and control, and companies were disciplined by their banks. Many have suggested that this system of corporate governance was superior to the UK and US systems.

A pattern is emerging in Japan that is being repeated in many countries around the world. The system of corporate governance, traditionally dominated by 'banks and bureaucrats', is being replaced gradually by a market-oriented system. A decade ago, when the keiretsu system of complicated intercompany shareholdings was still flourishing, companies were protected from shareholder influence. A series of aggressive liquidations of banks holdings in Japanese companies is breaking the close ties that banks and companies have traditionally enjoyed in Japan.

There has also been a transformation of corporate ownership structures. Institutional investors are now estimated to own almost three-quarters of the equity market in Japan, reflecting the ownership structure in the UK. Further, Japanese institutional investors are beginning to recognize the financial benefits that may be gained from improved corporate governance. For example, Asset Management, Japan's only listed independent fund manager, has launched a $200 million fund. The fund's management is based on actively improving the corporate governance of investee companies and has been inspired by the involvement of CalPERS, the activist US pension fund, Tassel, on 28 July 2003. Therefore, the Japanese system of corporate governance is gradually moving much further toward a market-based, outsider dominated system of ownership and control.

Despite recent changes, the empirical evidence indicates that Japan continues to fit more closely within an insider than an outsider system, if we consider the empirical evidence. Significant concentration of ownership in Japanese companies has been found by a number of studies. Although the corporate governance system is increasingly dominated by financial institutions, it is also characterized by a concentration of ownership rather than wide dispersion, which implies that the agency problems associated with the market-based model are less prominent. For example, in 1992, it is found that for a sample of Japanese firms in the mid-1980s that ownership was highly concentrated with financial institutions being the dominant class of large shareholders. Indeed, they found that ownership concentration in Japanese companies was significantly greater than in US companies, which is consistent with Japanese companies fitting into the insider-dominated model of corporate governance.

Berglof and Perotti in 1994 also found Japanese companies to be characterized by significant concentration of ownership. It seems that the Japanese model resembles the UK model as they are both being transformed into market-based systems, with a high proportion of ownership by financial institutions, which is concentrated rather than dispersed. Japan has issued guidelines on exercising voting rights Pension Fund Corporate Governance Research Committee, 1998 and a series of corporate governance principles Corporate Governance Committee in 1998) [6].

Japan does not have the best track record when it comes to exercising good corporate governance. In fact, it has long been viewed by investors as a "global pariah" for its poor treatment of corporate shareholders, according to George T. Hogan, a former sell-side equity analyst in Tokyo and contributor for Investopedia. But Japanese Prime Minister Shinzō Abe and his cabinet are looking to improve their country's less than desirable image and undo some of the negative sentiment expressed by overseas investors, chiefly by introducing a new corporate governance code.

The government is hoping the new system of rules will improve investor confidence, as well as help to make its equities market more attractive to foreign capital. The only problem is that for the new code to be successful it must go up against a cultural cornerstone of the Japanese economic system; one that has dominated the country since the middle of the 19th century, known as keiretsu. While this structure of corporate governance can be traced as far back as the 1600s, it has gradually changed over many decades in order to suit the needs of Japan's ever-evolving economy. Nowadays, the modern iteration of keiretsu sees corporations or corporate groups all centered on a bank, with each company possessing very close cross-shareholdings. What this means is that while the individual holdings of a company in one of the keiretsu group companies might be quite small, the aggregate of the entire group's cross-shareholdings can be quite significant. This creates a number of issues that are positive for some stakeholders and problematic for others.

> "*If you're an employee and what you are looking for is a stable environment where you are unlikely to be laid off, especially in tough economic times or when the company you work for is hurting financially, then it can be viewed as a relatively good thing*".
>
> "*But if you are a shareholder, and particularly if you are a minority shareholder, an investor, not one of these cross-shareholding shareholders, then you can really have your rights trampled on. It can feel like the companies are not paying enough attention towards generating an adequate return on the investment you have made by buying their shares",* he says. *"You seem to be put behind all other stakeholders in the chain."*

And while former sell-side analysts admit that US businesses have flaws of their own, they tend to pay a lot more lip service to shareholders than their Japanese counterparts. Not only that, but should investors in the US feel dissatisfied, then they have a number of options at their disposal. These include the right to appoint board members and officers or participate in a hostile takeover in order to ensure the company is acting in their best interests and maximizing profits. That is not to say that such options are not available to shareholders in Japanese companies, but its long-lasting corporate governance rules can make it difficult to express dissatisfaction with management in a meaningful way because minority shareholders tend to take a back seat.

> "*Minority shareholders or shareholders outside of the [keiretsu] group can be viewed as more of a nuisance, rather than a constructive contribution to how the company can be more effectively managed or made more profitable*" [Hogan].

1. Insulated World

The keiretsu structure and how it insulates companies from outside forces is apparent in numerous case studies, but the one that Hogan outlines in his article for Investopedia best highlights this unique characteristic in action.

Back in 2005, Rakuten – Japan's answer to Amazon – tried to takeover one of Japan's largest TV broadcasters, Tokyo Broadcasting System Inc. (TBS). At the time the network appeared unwilling to consider a bid under any condition or at any price. Its management was even prepared to dilute the online retailers' 20 percent stake in the company to almost nothing in a last ditch attempt to stop the takeover from happening.

From the get go, Hiroshi Inoue, then president of TBS, expressed distaste at even entertaining the idea that the online retailer would become its affiliate. *"It's like you have a house of your own and, suddenly out of nowhere, someone comes up and tells you he wants to marry your daughter because he has purchased 20 percent of your land*", [Inoue] told journalists at a news conference.

The interesting point about TBS is it is one of six major nationwide television networks, which all have a lot of cross-shareholdings.

> "*Tokyo's key TV stations cover seven prefectures in the Kanto region – home to the most wealthy segment of the nation's population*".

And so, when Rakuten attempted to enter this market it was easy for TBS to rally all of their shareholders (which include these private broadcasters), and even though Rakuten was willing to pay a massive premium, the group companies stepped in and voted it down.

2. Scaring away Investors

Examples like this do not exist in isolation and, from a shareholder perspective, especially one from say the US, where they have become accustomed to a different corporate governance structure, it has the potential to dissuade otherwise interested investors.

"I remember quite vividly receiving a comment from one of my clients – I had a very negative view of Rakuten while I was covering them – but one of my clients really liked them and he went through all the reasons why he liked them," says Hogan. "He explained how they have great growth; the CEO and founder of the company is great, and he thought compared to other Japanese companies they were very aggressive in trying out new things. Despite all this, he ended the conversation saying that, 'the only thing I don't like about the company is it's in Japan.'" It appears that, at the very least, poor corporate governance forces overseas investors, who may be a little less experienced in how the Japanese market works, to exercise an extra degree of caution. At least this "global pariah" clearly acknowledges the damage that is being done by its poor treatment of corporate shareholders, with its decision to introduce a new set of rules being a promising sign. Though this is not the first time that investors have heard of a plan to overhaul corporate governance only to be left wanting.

3. Toothless Proposal

There is a level of pessimism for this new proposal. It derives from the fact that the plan is completely voluntary. The new rules may attempt to address rights of shareholders, cross-shareholdings, anti-takeover measures, whistleblowing, and board diversity, but without the ability to prosecute companies that do not adhere to the new code, it is unlikely they will comply. But there is reason for investors to crack the faintest of smiles, as unlike previous attempts, this time round the government, the Tokyo Stock Exchange (TSE), and Nikkei (the leading financial media company), are all behind the proposal.

"That kind of behind the scene pressure could be very influential in the Japanese market, and I do think that the Abe administration is pushing for these changes quite hard," says [Hogan]. "The TSE is using some of the elements in the new corporate governance code, almost as conditions for listing or for being on their new JPEX 400, which is a new benchmark."

Instead of making the new rules a legal requirement these three key players are trying to gain some momentum behind the reforms. Nikkei in particular has been a big cheerleader for the new corporate governance code.

"There are a number of articles of an anecdotal nature almost every other day about a company coming along and either raising dividends, increasing pay-out ratios or more companies that are adopting outside directors, these types of things," says [Hogan]. "It may not be very quantitative in nature, but Nikkei is throwing out a lot of anecdotes that show the benefits of complying with the new rules." By moving the market by influence, rather than trying to make every company move all at the same time in order to meet a new set of rules and regulations, this is approach aims to gently ease corporate Japan away from the entrenched ideals of the old keiretsu structure of corporate governance.

The aim of the new rules is to make the Japanese market more palatable to foreign capital, something that the country is in desperate need of considering the tough economic times that it is enduring. However, it is always easier to introduce rule changes when profitability is better; when it is easier to raise dividends, when payout ratios are higher, and discussion about return on equity targets are more optimistic. Perhaps this momentum driven approach can find success. Either way, with such a poor corporate governance track record, investors will certainly welcome any progress in how shareholders are treated, no matter how small.

B. Corporate Governance Principles in Japan According to the CG Code of 2015

1. Securing the Rights and Equal Treatment of Shareholders

Companies should take appropriate measures to fully secure shareholder rights and develop an environment in which shareholders can exercise their rights appropriately and effectively. In addition, companies should secure effective equal treatment of shareholders. Given their particular sensitivities, adequate consideration should be given to the issues and concerns of minority shareholders and foreign shareholders for the effective exercise of shareholder rights and effective equal treatment of shareholders.

2. Appropriate Cooperation with Stakeholders Other Than Shareholders

Companies should fully recognize that their sustainable growth and the creation of mid- to long-term corporate value are brought as a result of the provision of resources and contributions made by a range of stakeholders, including employees, customers, business partners, creditors and local communities. As such, companies should endeavor to appropriately cooperate with these stakeholders. The board and the management should exercise their leadership in establishing a corporate culture where the rights and positions of stakeholders are respected and sound business ethics are ensured.

3. Ensuring Appropriate Information Disclosure and Transparency

Companies should appropriately make information disclosure in compliance with the relevant laws and regulations, but should also strive to actively provide information beyond that required by law. This includes both financial information, such as financial standing and operating results, and non-financial information, such as business strategies and business issues, risk, and governance. The board should recognize that disclosed information will serve as the basis for constructive dialogue with shareholders, and therefore ensure that such information, particularly non-financial information, is accurate, clear and useful.

4. Responsibilities of the Board

Given its fiduciary responsibility and accountability to shareholders, in order to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term and enhance earnings power and capital efficiency, the board should appropriately fulfill its roles and responsibilities, including:

– Setting the broad direction of corporate strategy;
– Establishing an environment where appropriate risk-taking by the senior management is supported;
– Carrying out effective oversight of directors and the management (including shikkoyaku and so-called shikkoyakuin) from an independent and objective standpoint.

Such roles and responsibilities should be equally and appropriately fulfilled regardless of the form of corporate organization, Company with Kansayaku Board (where a part of these roles and responsibilities are performed by kansayaku and the kansayaku board), Company with Three Committees (Nomination, Audit and Remuneration), or Company with Supervisory Committee.

5. Dialogue with Shareholders

In order to contribute to sustainable growth and the increase of corporate value over the mid- to long-term, companies should engage in constructive dialogue with shareholders even outside the general shareholder meeting. During such dialogue, senior management and directors, including outside directors, should listen to the views of shareholders and pay due attention to their interests and concerns, clearly explain business policies to shareholders in an understandable manner so as to gain their support, and work for developing a balanced understanding of the positions of shareholders and other stakeholders and acting accordingly [7].

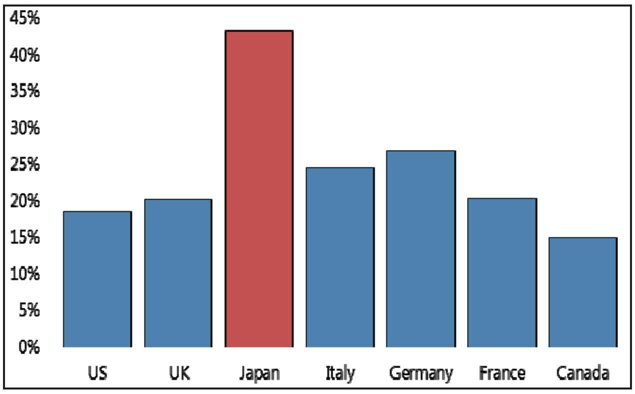

Fig. 1 Listed companies' cash and cash equivalents holdings (% of market capitalization; Average between 2004 and 2012)

V. Conclusion

International institutions and in particular the World Bank and the IMF are rightly giving a great deal of attention to issues of governance and institutions in developing countries and they are particularly concerned with corruption. There is strong evidence that governance and institutions matter in accelerating development and in reducing poverty in developing countries. However, the evidence strongly suggests that there is no common set of institutions that all successful developing countries have shared. More worrying is the observation that governance and institutions in the most successful developing countries have often been starkly at variance with the good governance model that international agencies are committed to. Even the most successful developing countries have suffered from significant corruption and other governance failures during the early stages of their development. However, they did have significant governance capacities that allowed states to ensure that the conditions for rapid growth and sustained political legitimacy of the state were maintained.

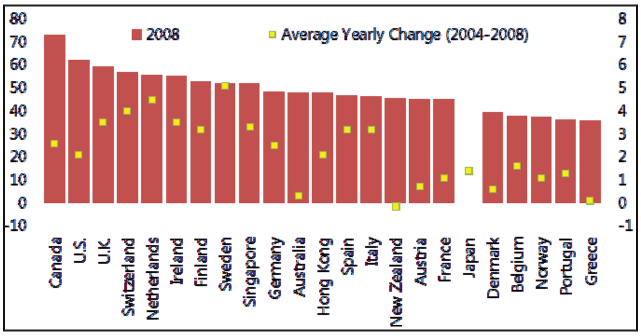

Fig. 2 Firm-level governance index (An increase of this index signals an improvement in corporate governance)

ASEAN Country Members	2014 Corruption Perception Index	
	Score (100 as non-corrupt)	Rank (1 as least corrupt)
Singapore	84	7
Malaysia	52	50
Philippines	38	85
Thailand	38	85
Indonesia	34	107
Vietnam	31	119
Laos	25	145
Cambodia	21	156
Myanmar	21	156
Brunei	-	-
Honorary member countries:		
Australia	80	11
Japan	76	15

Fig. 3 Comparative-analysis on corruption perception index in Asian countries in 2014 [8]

A sustained pressure to reduce corruption and improve governance is both necessary and desirable but these ends cannot be achieved unless attention is also given to the governance capacities required for accelerating and sustaining growth. The very desirable goals of good governance may be neither necessary nor sufficient for accelerating and sustaining development. Nevertheless, some types of anti-corruption and governance reforms are likely to be part of a sustainable development strategy in most countries.

The challenge for developing countries trying to devise institutional reform and anti-corruption strategies is to learn the right lessons from the international experience and create feasible governance reform agendas appropriate and feasible for their own circumstances.

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