

Call for Papers

Institutional Investors, Risk/Return and Corporate Governance Failures: Practical Lessons from the Global Financial Crisis A Conference of Institutional Investors, Practitioners, Professionals and Academics

Dates:
October 5-7, 2009

Conveners:
The Elfenworks Center for the Study of Fiduciary Capitalism
Saint Mary's College of California
www.fidcap.org
The Principles for Responsible Investment
www.unpri.org
Millstein Center for Corporate Governance and Performance
Yale School of Management
Yale University
<http://millstein.som.yale.edu>

Sponsor:
Hermes Equity Ownership Services, Ltd
www.hermes.co.uk/eos.aspx

Research Support from:
Investors Responsibility Research Center Institute
www.irrcinstitute.org

Venue:
Saint Mary's College of California
Moraga, CA 94575
(San Francisco Bay area)

Purpose: To provide a venue for critical self-reflection and analysis of the corporate governance roles and failures of institutional investors and universal owners in relation to the global financial crisis, with an emphasis on whether, and if so, to what degree the search for alpha (some say perhaps confused with “yield”; other say perhaps confused with “enhanced beta”) contributed to the financial crisis, and may have abrogated established corporate governance principles, as well as universal owner fiduciary obligations (to beneficiaries and investors’ retirement plans).

Objective: To investigate the role of corporate governance failures, gaps, oversights and missed opportunities leading up to and in the current global financial crisis; and, to consider and develop proposals to mitigate these failures in the future. In particular, we are interested the role corporate governance concepts, standards and activities should play in relation to investment decisions and strategy.

Format: Between 40 to 60 leading theorists and practitioners in the fields of corporate governance, finance/economics, financial markets and responsible investment will be invited to the conference. Short presentations and paper summaries, some with a discussant, will structure discussions among all the participants. As with two prior very successful conferences the Elfenworks Center has organized using this format, *an emphasis will be on cross discussion among all participants, rather than a formal question/answer format with presenters/commentators.* Chatham House Rule applies.

Papers: One or two papers are sought in the seven areas listed below. Papers should be both rigorous and have practical relevance for large institutional universal owners, who are the majority of invitees. Accepted papers will receive a minimum honorarium of \$1,000 US. As a condition for consideration, authors must allow their papers to be posted on the IRRCI and SSRN websites. One author for each paper will be provided with lodging at the conference and with a travel allowance of up to \$750. The papers will be distributed as widely as possible and, if possible, published in a special issue of a leading academic journal or in an edited book.

Selection: Paper will be selected by a committee composed of:

Professor James Hawley, Co-Director
Elfenworks Center for the Study of Fiduciary Capitalism

Professor Andrew Williams, Co-Director
Elfenworks Center for the Study of Fiduciary Capitalism

Professor Shyam Kamath, Associate Dean
Global and External Programs and Research Support

James Gifford
Executive Director
Principles for Responsible Investment

Colin Melvin
Chief Executive Officer
Hermes Equity Ownership Services Ltd

Stephen Davis, Ph.D.
Program Director & Lecturer
The Millstein Center for Corporate Governance and Performance
Yale University

Topic summary: (for a fuller description see www.fidcap.org)

1. Corporate Governance: How did corporate governance failures (oversights, failure of risk analysis, etc) contribute to the current global financial crisis?
2. Financial Institutions: What lessons can be learned by comparing the governance structures of financial institutions that were deeply affected by the crisis (i.e. Citigroup and AIG) and others that were less affected?
3. Systemic Risk: Can and should institutional investors effectively identify and monitor for systemic risk?
4. The Search for “Alpha”: What role did the search for “alpha” play in the crisis and what role did institutional investors play in the pursuit of “alpha”? Was there/is there confusion about what alpha is?
5. Alternative Investments: What role did the expansion of real estate, infra-structure and commodity investment by large institutional owners play in the crisis?
6. The Role of Gate Keepers: What was the role of accounting, financial reporting, rating agencies, consultants and regulation in the global financial crisis and what should be the role of universal owners in relation to these gate-keeping functions?
7. Responsible Investment: Do the perspectives of the movement for ‘responsible investment’ with its emphasis on corporate governance have roles to play in mitigating and minimizing the next crisis or in assisting the recovery from this one?

Proposals should include:

- 1- Working title
- 2 - Conference topic or topics addressed
- 3 - A 250 word summary
- 4 - How the paper fits into a wider literature (as relevant)
- 5 - Relevance of the paper to both research and practice
- 6 - A one page or less biographical statement for the author(s)
- 7 - As relevant, a website link for additional information

Submission of proposal: May 25, 2009

Response by committee to authors: June 5, 2009

Final paper received for circulation: September 1, 2009.

Submit proposal to fidcap@stmarys-ca.edu.