

**Call for Research Proposals on the CEPR/ Assonime Programme on
“Restarting European Long Term Investment Finance”
Submission Deadline – 31 May 2015**

Following the publication of the Green Paper on Restarting European Long Term Investment Finance (RELTIF) earlier this year¹ and a recent workshop on the topic in Oxford University, CEPR, Assonime and Emittenti Titoli are now planning to launch the second phase of the research programme (<http://reltif.cepr.org/>). This is designed to answer some of the questions raised in the [Green Paper](#).

Two types of research will be promoted as part of this second phase: first, **academic research** aimed for publication in top academic journals and, second, more **policy oriented research to be published in a book**. Proposals are sought for both academic and policy research that is relevant to the programme. In total, 12 papers will be commissioned at up to €10,000 per paper.

Relevant topics include:

- the financing of SMEs (trade credit, venture capital and new sources of funding such as peer to peer lending and crowd funding);
- changing financial structures: bank versus bond finance; equity versus debt finance; and short versus long-term finance, including infrastructure finance;
- role of demand factors and the supply of finance in explaining investment;
- European banks structural problems (business models; funding; profitability and crowding out by sovereign lending) that could hamper the supply of finance (particularly long-term) to companies;
- regulatory impediments arising from the regulation of banks, pension funds, life insurance companies and other financial institutions;
- information problems in European financial markets and ways of resolving them;
- corporate governance problems of SMEs, large corporations and financial institutions and markets for corporate control.

A list of more detailed questions from the Green Paper relating to these topics is included below but this should not be regarded as exhaustive.

The timetable and process for submitting proposals in relation to this research programme are as follows: Outlines of proposed papers should be sent to Anna Mennella at CEPR amennella@cepr.org by **31 May 2015**. Proposals should detail the topic of the proposed research, the methodology and data that will be employed, and the researchers who will undertake it. The proposals can relate

¹ http://reltif.cepr.org/sites/default/files/RELTIF_Green%20Paper.pdf

to research that is already in progress but not to papers that have been completed or produced in working paper or published form. It is expected that the research papers will be selected by the end of June 2015.

There will be two workshops that will bring together the community of scholars working on the programme as well as researchers from central banks and international institutions. The first will be in January 2016 and the second in June or July 2016. The first workshop will provide an opportunity to describe progress on the research and the second workshop to present complete working paper versions of the research, which may be released as CEPR discussion papers shortly thereafter.

The policy papers should be available for inclusion in the book by December 2016. There is no deadline for publication of the academic papers in journals. Reference may be made to the academic papers in the book and possibly short summaries included where relevant but the academic papers will not be reproduced in whole or in part in the book unless they are thought appropriate and the authors of the papers wish them to be included.

It is also intended that a CEPR/Assonime Report (the White Paper) on the subject of the European Capital Markets Union will be produced as an e-book by July 2016 and that the research of this project will help to inform some of the policy discussion in that report. Researchers on the programme will be welcome to, but will not be required to, contribute to the production of the White Paper.

Some Research Questions

SMEs

- How much do SMEs contribute to different European economies and sectors?
- What are the primary sources of finance of SMEs?
- Do some SMEs have access to market sources and if so, in what form?
- Have the financing problems of SMEs become more acute since the financial crisis?
- How large is the problem of debt overhang in European SMEs?
- Are SMEs net recipients or providers of trade credit and does this vary across sectors and economies?
- Do innovations in financing offer the prospect of providing new forms of market finance for SMEs in Europe?
- Should there be a more active private placement market in Europe?
- Should there be new open source equity platforms for SMEs?
- How can the provision of venture capital finance in Europe be encouraged?

Long-term versus short-term, bond versus bank, and debt versus equity finance

- How significant a shift has there been between long- and short-term finance?
- Is the provision of long-term finance particularly associated with some types of companies?
- Is it associated with both bank and bond finance?
- To what extent does the shift between bank and bond finance differ across countries, companies and sectors?
- Has there been a shift between debt and equity finance and is the change restricted to certain types of companies?
- Are the changes cyclical or structural in nature?
- Is it desirable to develop alternative trading platforms for companies issuing equities or bonds with little regulatory requirements?
- Is there a particular problem in the financing of infrastructure?

Demand versus supply

- What evidence is there of supply shortages versus insufficient demand for funds?
- Are supply shortages reflecting recent changes in regulations or intermediaries' business models?
- Does this vary across different types of firms, sectors and countries, and over time?
- Is collateral a major determinant of the provision of finance and if so, how does this affect the financing of different types of companies?
- Has the availability of adequate collateral been affected by the regulations enacted in the wake of the financial crisis?
- Has there been a crowding out of private sector borrowing by the favourable treatment of sovereign lending?
- How influential is monetary policy by the ECB and central banks on the provision of corporate finance?
- Do companies respond to the greater availability of finance during periods of relaxed monetary policy and quantitative easing?

Intermediation

- Which banks proved to have the most efficient models of long-term customer relationship?
- What are the long-term prospects for the profitability of traditional intermediation business?
- What are the prospects for investment banking in Europe?
- Is shadow banking offering new channels of finance for worthy companies and projects?

- Is the asset management industry channelling savings to the best companies and investment projects, or is it aggravating market myopia and short-termism?

Regulation

- Is the role of banks in the financing of European companies changing as a result of new regulations and attendant changes in business models?
- Has regulation corrected or exacerbated the deficiencies of bank lending in Europe? Does this vary across countries?
- Has this had a detrimental impact on the financing of particular companies and projects?
- Is regulatory arbitrage (rule circumvention) encouraging the development of shadow banking markets?
- Are capital rules based on risk-weighted assets creating systematic distortions in the financing and investment of corporations?
- How has regulation of pension funds and life assurance companies affected the investment behaviour of those institutions?

Market Information

- Are there ways in which information deficiencies in financial markets can be alleviated?
- Do these require public sector initiatives, or can the private sector address information deficiencies?
- Is greater standardization in corporate information required for greater capital market efficiency and integration?

Corporate governance

- To what extent has corporate governance in the corporate sector contributed to problems of funding investment?
- Are there problems associated with management, conflicts between different types of shareholders, or excessive short-termism or long-termism in equity markets?
- Are corporate governance problems particularly acute in small or large companies?
- Are the deficiencies in corporate governance more acute in financial institutions?
- Should there be a European market for corporate control and, if so, what is required to promote it?