

Research for Finance

In June the financial trade associations ABBL and ALFI organised a brainstorming session together with the University of Luxembourg and the Luxembourg School of Finance. The purpose of this session was to have an exchange of views between practitioners and the world of academia for possible future scientific research projects at the University and the Luxembourg School of Finance. Five workshops were organised on the following subjects: Prudential regulation



and financial stability, new financial products, Risk Management, Global distribution of financial products and investor education. **Prof. Dr Christian Wolff, Director of the Luxembourg School of Finance**, talks about the institution's projects in the area of academic research.

Professor Wolff, what is your vision for the Luxembourg School of Finance (LSF)?

Prof. Dr Wolff: My vision for the Luxembourg School of Finance is one of a 'platform of excellence', where academic knowledge is created, disseminated and shared.

The LSF should be able to make significant progress in this direction in the next ten years.

What is the mission of the LSF?

Prof. Dr Wolff: The Luxembourg School of Finance offers education programs and conducts academic research in finance at the highest level. Through our teaching, we develop responsible, thoughtful financial managers and leaders who create value for their organizations. Through our research, we expand the frontiers of academic thought and influence business practice in the financial sector. Our mission is implemented and executed in close contact and collaboration with the Luxembourgish financial centre.

Professor Wolff, you were appointed Director of the Luxembourg School of Finance in November 2008. This was the first structured meeting between the university and the financial centre. What was your reaction to the brainstorming session? Would you say that it was a success?

Prof. Dr Wolff: Yes, I would say that it was a success. We were very pleased with the enthusiasm and support that we encountered. About eighty people participated in the seminar, from a variety of backgrounds. I chaired the risk management session myself, and was impressed with the depth of the discussion and the interesting topics that were on the table. My colleagues who organised the other sessions were equally pleased. It was a productive afternoon.

The projects to be handled would be in the area of academic research. Can you remind us what the differences are between consultancy type research, policy research and academic research?

Prof. Dr Wolff: It is important to remember that the LSF is part an academic institution, a university. This implies that one of our core activities is academic research. We are not a consulting firm. It would be ludicrous to start competing with consultants from a public funding base. We are also not a policy unit. If that were the case, I would now be hiring subordinate researchers, not professors. Ultimately, we are an academic research group, with a keen desire to be relevant to financial practice. This is exactly why we were happy to co-organise the Research for Finance seminar.

Are there already signs of an outcome from the seminar that you would like to comment on?

Prof. Dr Wolff: The 'rapporteurs' for the five sessions prepared compact reports, summarizing the main lines of discussion in the different sessions. These minutes were distributed to all participants. We are now taking in the results and evaluating the research potential. We committed to providing a progress report to the participants within six to nine months.

Is this an exercise that you would like to repeat on a regular basis in the future?

Prof. Dr Wolff: In principle, I would say yes. But first we have to see how this effort turns out. Generating scientific output takes time. Our work is not like writing a newspaper article. We will know more towards the end of the year when our progress report will be presented.

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