

Conference

## Rethinking Stewardship

Friday, 23 October 2020 | Online

09:30 - 15:45 (EDT) | 14:30 - 20:45 (BST) | 15:30 - 21:45 (CEST)

### Organisers

Ira M. Millstein Center for Global Markets and Corporate Ownership, Columbia Law School  
European Corporate Governance Institute (ECGI)  
Center for Law and Economic Studies, Columbia Law School

The reconcentration of share ownership into the hands of a small number of institutional investors holding broadly diversified portfolios has led to calls for adoption of a particular corporate governance stance by these investors: "stewardship." Indeed, many jurisdictions, following the lead of the UK, have adopted stewardship codes into their regulatory framework. "Stewardship" has generally been taken to mean engagement with portfolio companies in view of long term shareholder interests, though some have argued for a broader conception of stewardship obligations. Since companies are likely to be responsive to the convictions of their largest shareholders, one especially important question is **how particular models of stewardship will affect the way that public companies frame and address the ESG issues now urged upon them.**

The goal of the conference is to examine this conception of stewardship for its "fit" with current practices of institutional investors, the "products" that asset managers offer to beneficial owners, and the diverse patterns of ownership and economic development throughout the world. In short, the goal is to "Re-Think Stewardship."

Prof. **Lucian Bebchuk** (Harvard Law School and ECGI) will contend that a particularly important class of institutional investors, index funds, grossly underinvests in stewardship relative to the normative objective of seeking to maximize firm-specific performance of portfolio companies.

Prof. **Jeffrey Gordon** (Columbia Law School and ECGI) will present an alternative conception of stewardship, "*systematic stewardship*," appropriate for maximally diversified investors, based on the distinction in Modern Portfolio Theory between idiosyncratic and systematic risk. Thus, institutional investors can take up issues like climate change, which affect the level of systematic risk, consistent with a finance rationale of trying to achieve the best risk-adjusted return for their investors.

Profs. **Dan Puchniak**, (National University of Singapore) and **Dionysia Katelouzou** (King's College London) will present work drawn from an extensive comparative analysis of stewardship codes adopted across the world that shows important functional differences based on pre-existing ownership patterns (controlling owners or not), the activism of hedge funds, and particular national economic development strategies.

Chief Justice (ret) **Leo Strine** (Delaware Supreme Court) will give a keynote address that addresses stewardship both from the doctrinal perspective of a judge and a view of the role of institutional investors in promoting fair and sustainable capitalism.

The papers will be discussed by panelists from globally significant asset managers, legal scholars and other researchers, and corporate governance practitioners.

Programme queries should be directed to Jeff Gordon ([jgordon@law.columbia.edu](mailto:jgordon@law.columbia.edu))

## Program

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**Friday 23 October | 09:30 -15:45 (EDT)**

09:30 – 09:45 Welcome and introduction

09:45 – 10:55 **Index Fund Stewardship**

*Speaker:* **Lucian Bebchuk** (Harvard Law School and ECGI)

*Panelists:* **Richard F Lacaille** (State Street); **Dorothy Lund** (USC); **Bonnie Saynay** (ISS ESG)

*Moderator:* **Merritt Fox** (Columbia Law School and ECGI)

10:55 – 11:00 Break

11:00 –12:30 **Systematic Stewardship**

*Speaker:* **Jeffrey Gordon** (Columbia Law School and ECGI)

*Panelists:* **Ray Cameron** (BlackRock); **Patrick Bolton** (Columbia Business School and ECGI);

**William McNabb** (Vanguard); **Jill Fisch** (University of Pennsylvania and ECGI); **Theresa**

**Whitmarsh** (Washington State Investment Board)

*Moderator:* **Ronald J. Gilson** (Stanford Law School, Columbia Law School and ECGI)

12:30 – 13:00 Lunch Break

13:00 –14:15 **Keynote: Stewardship or Stuartship: The Influence of The Stuart Monarchs on Larry Fink**

*Speaker:* **Leo E. Strine, Jr. Chief Justice (ret)** (Delaware Supreme Court)

*Respondent:* **Rebecca Henderson** (Harvard Business School)

*Chair:* **Eric Talley** (Columbia Law School)

14:15 – 14:25 Break

14:25 –15:35 **Stewardship, Hedge Fund Activism, and Controlling Shareholders: What Can – and Cannot – be Learned From the UK**

*Speakers:* **Dan Puchniak** (National University of Singapore) and **Dionysia Katelouzou** (King's College London)

*Panelists:* **Mats Isaksson** (OECD), **Mariana Pargendler** (FGV Law School and ECGI),

**Frederic Samama** (Amundi)

*Moderator:* **Marco Becht** (Solvay Brussels School and ECGI)

15:35 – 15:45 Concluding remarks

## SPEAKERS

**Lucian Bebchuk**, James Barr Ames Professor of Law, Economics, and Finance, Harvard Law School

**Patrick Bolton**, Barbara and David Professor of Business, Columbia Business School

**Ray Cameron**, Head of Investment Stewardship - The Americas, BlackRock

**Jill Fisch**, Saul A. Fox Distinguished Professor of Business Law, Univ. of Pennsylvania Law School

**Jeffrey Gordon**, Richard Paul Richman Professor of Law, Columbia Law School

**Rebecca Henderson**, John and Natty McArthur University Professor, Harvard University

**Mats Isaksson**, Head, Corporate Governance and Corporate Finance Division, OECD\*

**Dionysia Katelouzou**, Senior Lecturer, Dickson Poon School of Law, King's College London

**Richard Lacaille**, Global Chief Investment Officer, State Street

**Dorothy S. Lund**, Assistant Professor, University of Southern California

**William McNabb**, former Chairman and CEO, Vanguard\*

**Mariana Pargendler**, Professor, Fundação Getulio Vargas (FGV Direito SP)

**Dan Puchniak**, Associate Professor, National University of Singapore, Faculty of Law

**Bonnie Saynay**, Managing Director and Global Head of ESG Research & Data Strategy

**Frederick Samama**, Co-Head, Institutional Clients Coverage, Amundi

**Leo E. Strine, Jr.**, Former Chief Justice, Delaware Supreme Court, Ira M. Millstein Distinguished Senior Fellow, Ira M. Millstein Center for Global Markets and Corporate Ownership, Columbia Law School

**Theresa Whitmarsh**, Executive Director, Washington State Investment Board\*

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\* *Millstein Center Advisory Board Member*