

## Review of Corporate Finance Studies Call for Proposals on “Politics and Corporate Power”

**Submission Deadline: December 1, 2023**

### OVERVIEW

The political landscape firms face is getting more complex. Multiple factors are contributing to this complexity: the rise of a technology-enabled “revolution in shareholder democracy” (BlackRock CEO Larry Fink, November 2022), pressure from workers and customers, and a deeply divided political debate on societal values and culture. For instance, in the US various states have proposed legislation that would restrict state governments from engaging with companies that uphold policies that are viewed as promoting political agendas. In many countries, the emerging trends of rent-seeking and crony capitalism are making inequality a more significant challenge. Also, the regulatory environment has gotten harder to navigate, especially for small and medium firms, due to the pace of regulatory change and the influence of lobbying. These are clearly issues of first-order importance for firms, their shareholders and stakeholders, not only in the US but also internationally, and we believe that corporate finance academic literature should do more to investigate these issues systematically.

We see a relative scarcity of papers on this important topic in finance journals. One reason could be that scholars think of this area as too risky a field to venture into. For example, they may feel that the topic is politically charged or would not appeal to editors, or there may not be enough high-quality referees working in the area.

To encourage work in this area of great current importance, the Editors of the *Review of Corporate Finance Studies* are issuing a call for Registered Reports for research on the theme of “**Politics and Corporate Power.**” With this call for Registered Reports, we want to establish very clearly that we believe that the topic is very important and we are committed to inspiring more research in this area. The selected papers resulting from the reports will be published in a special issue of the RCFS in 2025. The goal of this special issue will be to shine a bright light on the interaction between politics and corporations.

The evaluation of the proposals will follow the two-stage process adopted previously for Registered Reports on “Discrimination, Disparity and Diversity in Finance” (2021), “Finance for the Greater Good” (2022), and “Corporate Market Power: Drivers and Financial Consequences” (2023). It is very similar to the process used by the *Review of Financial Studies* for Registered Reports on the topics of FinTech and Climate Change. Through the two-stage process, we hope to transfer some of the risk from authors to us as the editors.

The first stage is this call for Registered Reports, which will be in the spirit of detailed research proposals, preferably with some preliminary results (for both empirical and theory proposals). We seek proposals in which authors describe the questions they will address, the methods that will be used, and (for empirical work) the data that will be obtained, or (for theoretical work) the model that will be constructed. We encourage authors to describe in detail how the analyses will be conducted and the potential interpretations that may emerge from the range of possible findings. Examples of Registered Reports that were successful in 2023, and subsequently entered in the formal review process, can be found here: <https://sfs.org/review-of-corporate-finance-studies/registered-reports-repository/>.

The RCFS Editorial Board, including the editors and associate editors, will evaluate the proposals.

Proposals accepted after the first stage will be provided with detailed guidance on the expectations for a final paper. The RCFS also plans to hold a special session during the 2024 RCFS Winter Conference (see the details here: <https://sfs.org/rcfs-winter-conference-2024/>) where the highest potential proposals will be presented and receive feedback. Importantly, proposals that pass the first stage will be offered an in-principle acceptance for publication in the *Review of Corporate Finance Studies* before the final results are known. In the second stage, the Editors of the *RCFS*, with the help of the rest of the editorial board, will determine whether the authors have successfully executed on their proposals. Papers that are held to be successful on this dimension will be published in the *RCFS*.

A prize of \$5,000 will be awarded to the paper that, in the opinion of the RCFS's Editorial Board, makes the biggest contribution to the literature.

## **PROPOSAL SUBMISSION TOPICS**

We encourage proposals in the areas of corporate finance, financial intermediation, and political economy that relate to the overall theme of "Politics and Corporate Power." Potential topics may include, but are not limited to:

- Broad effects of corporate political power on labor organizations, consumers, households, and communities;
- The role of corporate lobbying and political donations, and their effects on the level of regulation and market concentration;
- Firms' responses to regulation and regulatory costs;
- Risks and opportunities arising from shareholder activism on social, political and environmental issues;
- Rent-seeking and crony capitalism issues around the world;
- Political power in relation to corporate market power;
- Big tech firms, digital communities, and changing political landscapes;
- Effects of antitrust legislation and enforcement on firms' actions;
- Institutional investors and social, political, and environmental stewardship;
- Firms' actions to navigate the broad societal debates on themes such as gun violence, diversity, voting rights, etc.

## **PROPOSAL SUBMISSION INSTRUCTIONS**

Please submit your Registered Report using this link <https://www.conftool.com/rcfs-winterconference-2024/>. The submission fee is US \$75 per submission.