

R.I.S.K.: A Project, an Event

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R.I.S.K. is an initiative aimed at developing research and best practices with regard to risk. The recent crisis has highlighted the importance of much ongoing work and the need to reinvigorate ideas and practices concerning risk. In particular, it seems essential today to mutually enrich approaches coming from apparently separate areas of application.

Each year, R.I.S.K. will recommend topics for research and reflection to researchers directly tied to the operational concerns of professionals. An annual event will offer a meeting-place for these professionals and the world of academic research. The exchanges are meant to promote the development of partnerships that provide the basis for the following year's event. An annual event journal and a website publish the minutes and serve to bolster the communication and circulation of the different theoretical and applied advances made.

The event took place for the first time on December 3rd in Paris.

Event 2009: Resiliency

This year the chosen theme was resiliency.

Resiliency is the capacity of a system to return to its initial state following a shock. The major shocks of recent years (September 11, pandemics, subprimes, etc.) have prompted all of us to rethink the notion of risk along broader lines than the approaches coming out of banking regulations did at the turn of the century. Concepts that are part of an ecological perspective – by nature systemic – like system vulnerability offer two additional dimensions that are today indispensable: systemic reasoning and the temporal dimension. Resiliency thus plays a key role in reinvigorating our approaches, since it allows us to take into account the system's reaction to a shock over time.

The intersection of concern for sustainable development and rethinking risk is therefore not surprising. What is surprising is the diversity of conceptual tools and practical approaches. R.I.S.K. has sought to begin its history by engaging with this diversity.

To that end, four central themes have been identified:

- It was difficult not to account for the current crisis by examining the world of credit derivatives by way of the theme of Resiliency.
- Another obvious, topical fact: climatic risk.
- The third theme, which the decline in the markets has also made timely with regard to pension funds, is the sustainability of retirement systems.
- Finally, the fourth, more generic theme is the use of stress scenarios to reinvigorate risk measures.

Two hundred participants had the opportunity to exchange thoughts with round tables speakers and to meet and discuss topics related to risk. While resiliency was not an unfamiliar concept for most of them, it appeared at the end of the day as a particularly productive way to rethink a lot of current problems. Vulnerability, coping capacities, "no-regrets" strategy, sequential optimization, etc., have to become tools in major fields of risk management.

And now?

The themes of Research and Development that will be submitted to the participants, encouraging them to develop partnerships, are currently being discussed. "Long term risk management" is a clear candidate as a topic guiding work on issues related to R&D.

Presentation proceedings, synthesis, discussions, and a call for papers will soon be available on a dedicated website.

R.I.S.K. was initiated by the University Paris Ouest and OTC Conseil. It has received the support of the Fondation du Risque and the Institut Louis Bachelier. Already in this first year the initiative has numerous partners, among which the Institut CDC (Caisse des Dépôts et Consignations). Other notable partners include: BNP Paribas Securities Services, CACEIS Investor Services, EconomiX, Metnext, OFI Asset Management, SCOR, SLIB, Viel & Cie. Certain among them are already committed to long-term involvement with the R.I.S.K. initiative.