# Call for Papers
# Private Equity, Corporate Turbulence and Labour Regulation

## ESRC/Middlesex University One Day Workshop
## Monday June 13th 2011, University of Geneva, Switzerland

**Concerns over the role of private equity in shaping corporate behaviour were already apparent in the years immediately preceding the Great Financial Crash of 2008. In 2006 alone buy-outs of businesses by private equity organisations amounted to US$ 725bn. – equivalent to the economies of Argentina, Poland and South Africa combined. One quarter of all takeovers before the financial crash were financed by such private equity.**

Major household names, such as Nabisco, Carrefour, Gate Gourmet and EMI have already fallen to such venture capital. Private equity finance depends on leverage, or the ability to borrow money to raise more finance. There is thus a dependence on debt, which enormously increases the risk of such investment. Up until the financial crash such risky ventures produced huge returns for the financiers, but after the crash such debt led to huge losses. Harvard University, for example, lost millions of dollars from its funds after it had mistakenly switched to private equity investment as an alternative to stocks and bonds. The result was lay-offs and redundancies of workers to cover the cost, a pattern of events being repeated elsewhere for workers whose employing organisation is dependent on debt finance. Such 'short-termism' appears built in to the private equity model, as the financiers seek immediate gains from their investments at the cost of longer term corporate stability. Employees and their unions are faced with continuous episodes of restructuring as corporations are treated as 'bundles of assets' and plants are sold off to make profits or avoid losses. Productive investment in a company becomes less likely, as it is an additional cost to the remote owners. Workers suffer from increased job insecurity as off-shoring and contracting-out is encouraged, while industrial relations and collective bargaining become a casualty of corporate instability and 'invisible' employers.

This seminar will discuss and debate the continuing problems of private equity finance and corporate turbulence by bringing together academics and practitioners from trade unions, government bodies, employers and NGOs to discuss policy initiatives. The seminar is convened by Middlesex University, London and funded by the UK's Economic and Social Research Council. It is part of a series of seminars examining global labour regulation in the international economy. Previous seminars reviewed problems arising from the increasing use of contract and agency labour, and migrant workers.

Overview speakers include:

Professor John Grahl (Middlesex University) on ***Restructuring under the Rule of the Capital Markets: the case of private equity?*** and

Professor Geoff Wood (Sheffield University), Professor Marc Goergen (Cardiff University) and Professor Noel O'Sullivan (University of Sheffield) with a data presentation on ***The Employment Consequences of Private Equity Acquisitions: The Case of Institutional Buy-Outs.***

Plus speakers from International Trade Union Federations on the trade union response.

**If you wish to contribute a paper to this seminar, or wish to attend as a delegate please contact below. We are particularly keen to hear case study presentations on labour-related problems flowing from private equity and institutional buy-outs.**

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**For more information, and registration at the Seminar, please contact Professor Martin Upchurch, Middlesex University, London, UK (m.upchurch@mdx.ac.uk) or Denise Arden (d.arden@mdx.ac.uk). Further information on the seminar series can be found at Beyond Labour Regulation blog http://www.globalworkonline.net/blog/private-equity-corporate-turbulence-and-labour-regulation/**