

# Finance and Labor: Friend or Foe?

Lecture (Friday, 4pm-6pm, SPA1 - 203, starts October 28)  
Seminar (Wednesday, noon-2pm, SPA1 - 21B, starts October 26, )  
Beers (some Fridays, some bar, 6pm)

Alex Stomper, HU Berlin  
School of Business and Economics

**Is finance the enemy of labor? In Zuccotti Park, The 99% seem to think so.**

Are they right? This lecture is an attempt to anchor the debate by presenting some ideas and evidence on the following issues:

- Financial development and economic growth? Is it “jobless” growth?  
*Rajan and Zingales (1998), Pagano and Pica (2011)*
- Banking reforms and deregulation  
*Bertrand, Schoar and Thesmar (2007), Beck, Levine and Levkov (2010)*
- Job losses in banking crises  
*Pagano and Pica (2011)*
- Which firms are good employers?  
*Hanka (1998), Benmelech, Bergman and Seru (2011)*  
*Cunat and Caggese (2006), Mueller and Philippon (2011)*  
*Sraer and Thesmar (2007), Bach and Serrano-Velarde (2010), Waxin (2011),*  
*Cronqvist et al (2009)*
- Leveraged buyouts: corporate restructuring at labor's expense?  
*Perotti and Spier (1993), Bronars and Deere (1991), Matsa (2010)*  
*Davis et al (2008), Arness and Wright (2007), Cressy, Munari and Malipiero (2008), Boucly,*  
*Sraer and Thesmar (2011), Gorton and Schmid (2004)*
- Hostile takeovers: are workers the target? Can they strike preemptively as voters?  
*Bhagat, Shleifer and Vishny (1990), Bertrand and Mullainathan (1999),*  
*Pagano and Volpin (2005)*  
*Rosett (1990), Becker (1995)*
- Employee stock ownership >> corporate socialism?  
*Stulz (1988), Beatty (1995), Chaplinsky and Niehaus (1994), Carmton, Mehran and Traxy*  
*(2010), Benmelech, Bergman and Enriquez (2011)*  
*Kim and Ouimet (2009)*

We will also discuss some methodological questions. For example, suppose you attend a demonstration with a sign that says “takeovers hurt workers (Rosett (1990))”. Is your demonstration statistically significant? Are you demonstrating against a correlation or against a causal effect?

The lecture will run in parallel to the seminar which covers the references stated in italic. If you want to attend the seminar, you must also attend the lecture.