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Introduction

Globalization of Private Equity: Changes in the International Market and the Impact on Private Equity Investments

*David Van Zandt**

Since the boom of the private equity industry in the 1980s, private equity has expanded dramatically, both domestically and internationally. Given the wealth and influence of private equity firms and transactions, the laws and ethics surrounding the industry have emerged at the forefront of academic, political and legal discussion. The current financial crisis, however, has had a profound impact on the private equity industry. Private equity investment has come to an abrupt halt from the height of its boom in 2007 and remains at a standstill up until today. Despite this, private equity investment is not dead, but merely dormant. The core logic of private equity investment that has driven its success is that private ownership better aligns the interests of owners and of managers of such firms, although financial leverage certainly enhanced the success. That logic should hold regardless of the state of debt and equity markets. It is also a logic that knows no borders. As private equity investment regains its footing during this financial crisis, many issues are being hotly debated. These topics are the focus of this symposium issue.

The title of this year's symposium is "Globalization of Private Equity: Changes in the International Market and the Impact on Private Equity

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Investments.” As reflected by the title, the goal of this year’s symposium is to explore the changes in the private equity industry after the financial crisis. The papers in this issue examine topics such as the future of convergence between hedge funds and private equity, the legal and ethical implications of vulture funds in developing countries, and the legal, ethical, and financial implications surrounding valuation and disclosure. Additionally, this issue will explore the contentious legal and political debate over the proper taxation of the carried interest. Each article in this symposium issue addresses important topics currently being debated in the field of private equity, with the hope that this discourse will enhance the discussions currently occurring throughout the private equity industry.

Additionally, this spring the *Journal of International Law and Business* proudly hosted its first Symposium event which complemented this published issue. Four of this issue’s authors presented their papers at the Symposium, and each presentation was followed by a panel discussion. The conversations that followed each presentation were insightful and added to the quality of the published volume. We anticipate that this will be only the first of many such events that will enhance the Journal’s published articles and add to the depth of their analysis through face-to-face discourse and debate.

It is with great pleasure that I invite you to be part of this exciting symposium issue. Northwestern University’s *Journal of International Law and Business* strives to present the foremost issues that fall within the nexus of international, business, and legal issues. This symposium issue is no exception and hopes to serve as a forum for different perspectives on private equity law and policy.