

Comments by Dan W. Puchniak

The Global ESG Stewardship Ecosystem

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The Future of the Corporate Purpose Debate is Global



Are the Giants Still Sleeping?
Institutional Investors as Rationally Active ESG Stewards



“The sleeping giants of British corporate life”

The Value of Hard Law Versus Soft Law in Corporate Governance



Is the “global ESG stewardship ecosystem” really global?



“Although the “global ESG stewardship ecosystem” comprises a myriad of actors, institutional investors are at its core.”

“Institutional investors lie at the heart of this byzantine configuration.”

“The institutional investors’ power in this regard has led to their description as “kingmakers” .”

Globally Institutional Investors Are Not “Absentee Landlords” But “Absentee Tenants”

TABLE 1.¹ INSTITUTIONAL OWNERSHIP² AS OF END-2017

	Mean	Median
All economies ³	20%	17%
All economies (excluding the United States and the United Kingdom)	18%	16%
Asia	11%	9%
Europe (excluding the United Kingdom)	21%	20%
United States	80%	80%
United Kingdom	68%	68%

Notes:

- (1) Table 1 statistics calculated based on data from Table A.4 in *Owners of the World’s Listed Companies*, *supra* note 33, at 38. See also Appendix 1 for more details.
- (2) Institutional ownership refers to mainly profit-maximizing intermediaries that invest on behalf of their ultimate beneficiaries, most importantly, mutual funds, pension funds and insurance companies.
- (3) The total number of economies examined is 54 globally, with 18 in Asia and 26 in Europe (excluding the United Kingdom).

See, Dan W. Puchniak, *The False Hope of Stewardship in the Context of Controlling Shareholders: Making Sense Out of the Global Transplant of a Legal Misfit*, AMERICAN JOURNAL OF COMPARATIVE LAW (Forthcoming), ECGI - Law Working Paper No. 589/2021



Who are the “King Makers”?

TABLE 2.¹
PERCENTAGE OF LISTED COMPANIES
IN WHICH THE 3 LARGEST SHAREHOLDERS OWN MORE THAN 50% OF THE SHARES
(AS OF THE END-2017)

Jurisdictions	Mean	Median
All Jurisdictions (excluding the United Kingdom & the United States) ²	61%	70%
United Kingdom	12%	12%
United States	4%	4%

Notes:

(1) Table 2 calculations are based on the data from Appendix 2.

(2) The total number of countries excluding the United Kingdom and the United States is 33, *see* Appendix 2 for details.

See, Dan W. Puchniak, *The False Hope of Stewardship in the Context of Controlling Shareholders: Making Sense Out of the Global Transplant of a Legal Misfit*, AMERICAN JOURNAL OF COMPARATIVE LAW (Forthcoming), ECGI - Law Working Paper No. 589/2021



Is there A “Global ESG Stewardship Ecosystem” or **MANY** EcosystemS?



The Panda in the Room



Lin Lin & Dan W. Puchniak, *Institutional Investors in China: Corporate Governance and Policy Channeling in the Market Within the State*, 35 COLUMBIA JOURNAL OF ASIAN LAW 159 (2022)

Thank You

