

Common Ownership Around the World

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- All-shares Deal: 1 share BBVA for 4.83 shares Sabadell
- Initial 30% Premium evaporated really fast.
- 16 month-long process: ECB, Competition, and Government approvals.
- Tender period Sept 8th - October 7th 2025: premium at 3%.

Who were the shareholders deciding the merger?

In May 2024, BBVA launched a hostile takeover bid for Sabadell

Investor	BBVA	Sabadell
BlackRock	5.63%	6.62%
Vanguard	3.83%	3.67%
Norges Bank	2.38%	2.60%
Amundi	0.78%	1.81%
DWS	0.48%	1.01%
JP Morgan AM	1.19%	1.21%
UBS AM	0.29%	0.45%
Goldman Sachs	1.04%	0.60%
Total	15.62%	18.06%

In May 2024, BBVA launched a hostile takeover bid for Sabadell

Investor	BBVA	Sabadell	Santander	CaixaBank	Bankinter
BlackRock	5.63%	6.62%	5.73%	5.11%	4.09%
Vanguard	3.83%	3.67%	3.85%	0.08%	2.81%
Norges Bank	2.38%	2.60%	1.68%	1.01%	1.06%
Amundi	0.78%	1.81%	1.14%	0.42%	0.75%
DWS	0.48%	1.01%	0.60%	0.15%	0.70%
JP Morgan AM	1.19%	1.21%	0.51%	0.14%	0.13%
UBS AM	0.29%	0.45%	0.34%	0.12%	0.21%
Goldman Sachs	1.04%	0.60%	0.32%	0.12%	1.10%
Total	15.62%	18.06%	14.17%	7.15%	10.85%

Common Institutional Owners in Japan

Sony	[%]
BlackRock	8.07
Nomura AM	4.62
Sumitomo Mitsui Trust AM	4.30
Vanguard	3.82
Amova AM	2.45
Daiwa AM	2.13
Norges Bank	2.00
PRIMECAP	1.77
Mitsubishi UFJ AM	1.05

MUFG	[%]
BlackRock	6.76
Nomura AM	3.90
Vanguard	3.52
Sumitomo Mitsui Trust AM	3.18
Amova AM	1.97
Norges Bank	1.85
Daiwa AM	1.69
Meiji Yasuda Life	1.50
Toyota Motor	1.28

Toyota	[%]
Toyota Industries	8.85
Sumitomo Mitsui Trust AM	5.59
Nissay AM	4.70
JPMorgan	4.35
DENSO	3.34
Vanguard	3.30
Nomura AM	2.90
BlackRock	2.64
Mitsubishi UFJ AM	2.62

Tokyo Electron	[%]
BlackRock	7.42
Amova AM	4.63
Daiwa AM	4.28
Vanguard	3.54
Sumitomo Mitsui Trust AM	3.42
Nomura AM	3.29
TBS Holdings	3.28
Mitsubishi UFJ T&B	3.23
Mitsubishi UFJ AM	2.47

Nintendo	[%]
PIF	9.57
BlackRock	6.99
Nomura AM	4.62
Bank of Kyoto	4.19
Sumitomo Mitsui Trust AM	3.83
MUFG Bank	3.62
Vanguard	3.32
Amova AM	2.45
Mitsubishi UFJ AM	2.36

Fujitsu	[%]
BlackRock	7.05
Ichigo Trust	6.08
Nomura AM	3.89
Vanguard	3.45
Sumitomo Mitsui Trust AM	3.39
Capital Research	3.33
Amova AM	2.84
Asahi Life	1.91
Fujitsu Ltd.	1.87

State and Institutional Ownership in China

Company	State-Owned Enterprise	%	Global Institutional Owners	%
China Mobile	China Mobile Communication Group	69.64	UBS, JP Morgan, BlackRock	0.13
China Telecom	China Telecom Group	63.90	UBS, JP Morgan, HSBC, BlackRock	0.21
ICBC	Central Huijin Investment, Ministry of Finance	65.90	BlackRock, Vanguard, Norges Bank, Fidelity	2.55
China Construction Bank	Central Huijin Investment	57.14	BlackRock, Vanguard, Norges Bank, Fidelity	3.96
PetroChina	China National Petroleum	82.62	BlackRock, Vanguard, Norges Bank, JP Morgan	1.46
Sinopec	China Petrochemical	68.91	BlackRock, Vanguard, JP Morgan, Norges Bank	2.88

Rise of Common Ownership in the U.S.

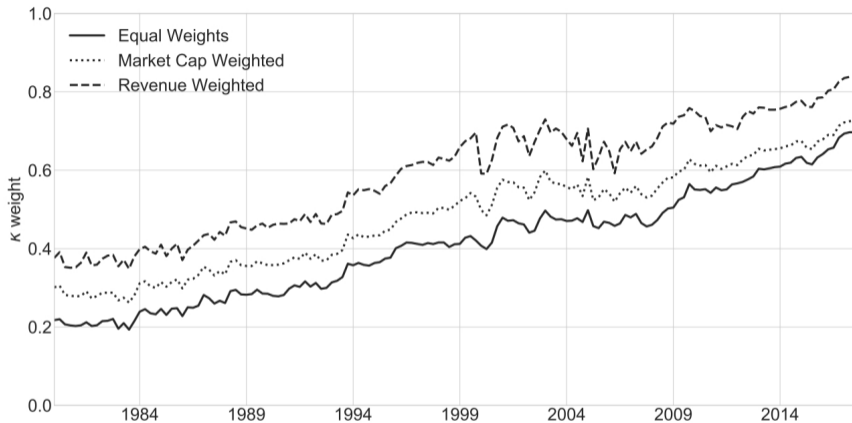


Figure: Common ownership profit weights κ over time (Backus et al., 2021)

...but we know **next to nothing** about common ownership around the world.

The Common Ownership Hypothesis

- “When large investors own shares in many firms **within the same industry**, those firms *may* have reduced incentives to compete.”
 - ▶ Firms produce fewer units, raise prices, reduce investment, limit entry
 - ▶ Strong incentives to consolidate within industry

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- **Economy-wide common ownership shifts the focus from *competition* to broader *governance and network* implications.**
 - ▶ Cross-industry internalization of positive externalities → higher output, lower markups (Azar and Vives (2021a,b))
 - ▶ Internalization of social and environmental externalities (Hart and Zingales (2017))

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 - ▶ Cross-industry internalization of positive externalities → higher output, lower markups (Azar and Vives (2021a,b))
 - ▶ Internalization of social and environmental externalities (Hart and Zingales (2017))
 - ▶ Impact governance mechanisms
 - ★ *Exit*: Under common ownership, selling reveals low quality and results in a lower stock price → stronger incentives to monitor. (Edmans et al. (2019))

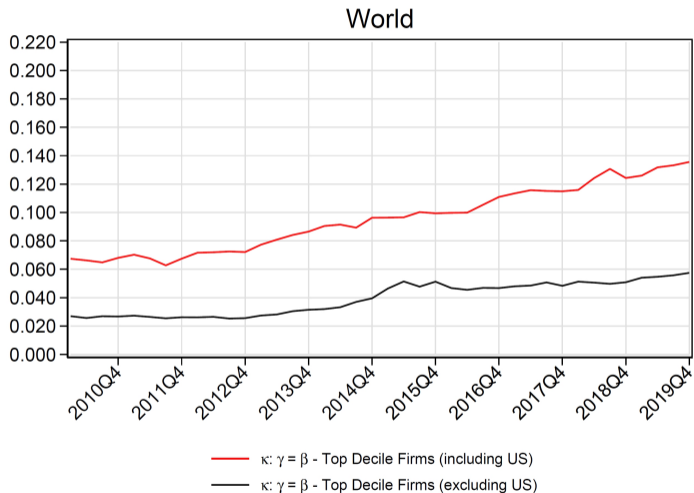
Research Question

- Is common ownership a U.S.-only phenomenon, or a new structural feature of modern capital markets everywhere?
- What institutional and legal characteristics predict its rise?

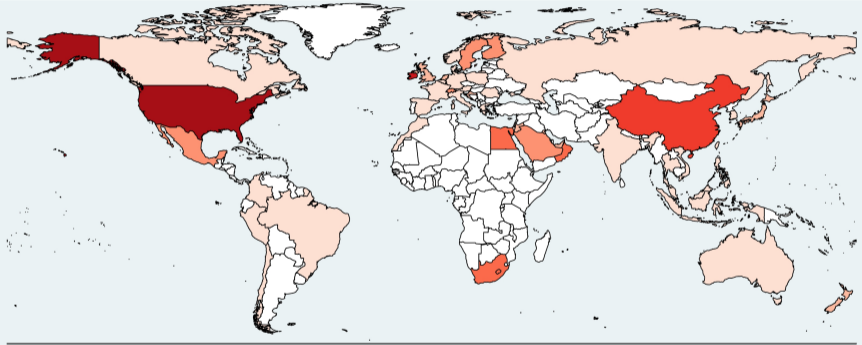
Rise of Common Ownership around the World

We document the **prevalence and drivers of the rise of common ownership ...**
... around the world.

Rise of Common Ownership around the World



Common Ownership around the World



Main Contributions

- **Rise and prevalence of common ownership** across 49 countries and 61,649 firms (2005–2019), covering 86% of global GDP.
 - ▶ Common ownership is now a **global phenomenon**.
 - ▶ United States are an outlier with levels **2–4 times** higher than most other countries.
 - ▶ Firm-size patterns: for top-tercile firm CO is **3 times** larger.
- **Drivers:** Increase in common ownership reflects
 - ▶ **Expansion of institutional investment**
 - ★ Relevant shocks: mergers, ETFs adoption
 - ▶ **Growth of network breadth**, especially in the hands of the **Big 3** (BlackRock, Vanguard, State Street).

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 - ★ Relevant shocks: mergers, ETFs adoption
 - ▶ **Growth of network breadth**, especially in the hands of the **Big 3** (BlackRock, Vanguard, State Street).
- **Institutions and Legal Environment:** Cross-country variation in common ownership is correlated with **investor protection and competition laws**, labor market frictions.

Data Sources

- **Main Ownership Data:** [Thomson Reuters Global Ownership Database](#)
 - ▶ Covers institutional investors (13F filers, mutual funds, pension funds, insurance funds, etc.)
 - ▶ Includes **insiders, blockholders, and family/government owners**
 - ▶ Aggregates information from SEC filings, UK Share Register, exchanges, firm reports

- **Strengths**
 - ▶ **Correctly aggregates individual and family ownership**, which is essential outside the U.S.
 - ★ Arnault Family (Dior): 97.5%
 - ★ Hermès Family (Hermès): 66.7%
 - ★ Stefan Quandt (BMW): 25.8%
 - ▶ More accurate than Capital IQ or FactSet

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- **Main Auxiliary Sources**
 - ▶ **Hand-collected data to consolidate Chinese state-owned** enterprises (SOEs)
 - ▶ Capital IQ for share class information & SDC for M&A in asset management

Measuring Common Ownership

- How much do the shareholders s of firm f value profits at firm g ?
 - ▶ Firm objective function (Rotemberg, 1984): $\phi_f = \pi_f + \sum_g \kappa_{fg} \pi_g$
 - ▶ κ_{fg} is Edgeworth's coefficient of sympathy.

$$\kappa_{fg} = \frac{\sum_s \gamma_{fs} \beta_{gs}}{\sum_s \gamma_{fs} \beta_{fs}}$$

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Control of s in f

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The diagram illustrates the decomposition of the Edgeworth coefficient of sympathy, κ_{fg} , into two components: control and cash flow. The equation is presented as:

$$\kappa_{fg} = \frac{\sum_s \gamma_{fs} \beta_{gs}}{\sum_s \gamma_{fs} \beta_{fs}}$$

A red arrow points from the γ_{fs} term in the numerator to the text "Control of s in f ". A blue arrow points from the β_{gs} term in the numerator to the text "Cash flow for s from g ".

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The diagram shows the formula for the Edgeworth coefficient of sympathy, κ_{fg} . A red arrow points from the text "Control of s in f " to the term γ_{fs} in the numerator. A blue arrow points from the text "Cash flow for s from g " to the term β_{gs} in the numerator. The denominator is $\sum_s \gamma_{fs} \beta_{fs}$.

$$\kappa_{fg} = \frac{\sum_s \gamma_{fs} \beta_{gs}}{\sum_s \gamma_{fs} \beta_{fs}}$$

Same-industry fg pairs \Rightarrow common ownership

All fg pairs \Rightarrow universal ownership

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Same-industry fg pairs \Rightarrow common ownership

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“One share, one vote” assumption: $\gamma_{fs} = \beta_{fs}$

Key Cross-Country Patterns

- 1 **United States** are a clear **outlier**
 - ▶ Average pairwise κ equals 0.1583, almost twice as large as any other country.
 - ▶ Other countries with high CO include **Ireland** (0.1147), **China** (0.1017), and **South Africa** (0.0849).
- 2 **Strong North (Ireland, UK, Netherlands, Norway, Sweden)** vs. **South (Italy, Spain)** divide in Europe.
- 3 **High CO in many emerging markets** (e.g. South Africa, Mexico) despite less mature asset management industries. In **China**, government functions as a universal owner.
- 4 **Intra-industry** common ownership is higher than inter-industry in most countries.

Universal and Common Ownership around the World in 2019

Countries	#Unique Firms	Average Pairwise κ	Avg. Pairwise κ Decomposition		Avg. Pairwise κ Firm-Size Restricted Samples		Average Intra-Industry Pairwise κ	Average Inter-Industry Pairwise κ
			Big Three	Non-Big Three	Above Median	Top Tercile		
United States	4,233	0.1583	0.1345	0.0239	0.4288	0.5167	0.1594	0.1583
Canada	2,010	0.0042	0.0005	0.0037	0.0134	0.0236	0.0082	0.0038
Euro Area (integrated)	2,083	0.0082	0.0043	0.0039	0.0288	0.0539	0.0134	0.0081
United Kingdom	1,334	0.0433	0.0125	0.0308	0.1164	0.1661	0.1093	0.0409
France	580	0.0067	0.0020	0.0047	0.0198	0.0372	0.0123	0.0066
Germany	497	0.0104	0.0046	0.0058	0.0332	0.0617	0.0169	0.0102
Italy	313	0.0125	0.0009	0.0116	0.0199	0.0376	0.0242	0.0121
Spain	228	0.0074	0.0028	0.0046	0.0260	0.0476	0.0165	0.0070
Netherlands	119	0.0437	0.0201	0.0236	0.1075	0.1540	0.0781	0.0427
Belgium	113	0.0143	0.0038	0.0105	0.0419	0.0555	0.0426	0.0134
Ireland	75	0.1147	0.0852	0.0296	0.3544	0.4318	0.2217	0.1109
Austria	59	0.0088	0.0024	0.0064	0.0260	0.0422	0.0238	0.0084
Finland	99	0.0567	0.0034	0.0532	0.1028	0.1603	0.0617	0.0565
Sweden	398	0.0448	0.0003	0.0445	0.0612	0.0816	0.0703	0.0436
Norway	187	0.0212	0.0006	0.0206	0.0516	0.0773	0.0316	0.0207
Denmark	92	0.0161	0.0047	0.0113	0.0511	0.0838	0.0185	0.0160
Switzerland	189	0.0454	0.0223	0.0231	0.1227	0.1807	0.0535	0.0451
Poland	307	0.0112	0.0000	0.0112	0.0253	0.0383	0.0212	0.0110
Russian Federation	296	0.0065	0.0000	0.0065	0.0088	0.0100	0.0457	0.0048
Greece	175	0.0037	0.0002	0.0035	0.0110	0.0217	0.0203	0.0034
Croatia	106	0.0236	0.0000	0.0236	0.0245	0.0365	0.0328	0.0227
Romania	249	0.0209	0.0000	0.0209	0.0405	0.0679	0.0439	0.0199

Countries	#Unique Firms	Average Pairwise κ	Avg. Pairwise κ Decomposition		Avg. Pairwise κ Firm-Size Restricted Samples		Average Intra-Industry Pairwise κ	Average Inter-Industry Pairwise κ
			Big Three	Non-Big Three	Above Median	Top Tercile		
Japan	3,811	0.0309	0.0041	0.0268	0.0811	0.1182	0.0407	0.0306
China	3,396	0.1017	0.0000	0.1017	0.2010	0.2459	0.0859	0.1022
India	3,969	0.0015	0.0000	0.0015	0.0043	0.0078	0.0021	0.0015
Hong Kong	1,431	0.0067	0.0001	0.0066	0.0161	0.0250	0.0063	0.0067
Taiwan	1,657	0.0107	0.0032	0.0074	0.0336	0.0540	0.0200	0.0101
South Korea	2,257	0.0037	0.0003	0.0034	0.0119	0.0221	0.0048	0.0037
Malaysia	905	0.0044	0.0000	0.0043	0.0140	0.0262	0.0049	0.0043
Indonesia	505	0.0006	0.0000	0.0006	0.0011	0.0016	0.0025	0.0006
Singapore	606	0.0014	0.0001	0.0013	0.0044	0.0079	0.0008	0.0014
Thailand	744	0.0027	0.0002	0.0026	0.0051	0.0070	0.0097	0.0025
Vietnam	784	0.0040	0.0000	0.0040	0.0058	0.0082	0.0276	0.0028
Philippines	208	0.0028	0.0001	0.0027	0.0057	0.0092	0.0095	0.0024
Australia	1,621	0.0063	0.0034	0.0029	0.0220	0.0442	0.0072	0.0063
New Zealand	121	0.0310	0.0045	0.0266	0.0810	0.1089	0.0982	0.0292
Brazil	269	0.0083	0.0019	0.0064	0.0207	0.0292	0.0185	0.0080
Mexico	62	0.0488	0.0209	0.0279	0.0694	0.0644	0.0999	0.0475
Chile	143	0.0163	0.0001	0.0162	0.0181	0.0224	0.0542	0.0149
Colombia	51	0.0177	0.0000	0.0177	0.0486	0.0433	0.1077	0.0137
Peru	59	0.0102	0.0000	0.0102	0.0168	0.0230	0.0792	0.0067
South Africa	238	0.0849	0.0041	0.0808	0.2089	0.2800	0.1107	0.0843
Egypt	219	0.0749	0.0000	0.0748	0.1135	0.0938	0.0929	0.0740
Morocco	69	0.0168	0.0000	0.0168	0.0269	0.0243	0.0328	0.0164
Israel	432	0.0101	0.0003	0.0098	0.0217	0.0293	0.0108	0.0101
United Arab Emirates	119	0.0226	0.0002	0.0224	0.0359	0.0425	0.0294	0.0222
Saudi Arabia	157	0.0498	0.0031	0.0467	0.1543	0.2155	0.1013	0.0473
Kuwait	160	0.0285	0.0001	0.0284	0.0508	0.0693	0.0194	0.0294
Oman	108	0.0802	0.0000	0.0802	0.1220	0.1598	0.1306	0.0785
Jordan	185	0.0263	0.0000	0.0263	0.0549	0.0715	0.0260	0.0263

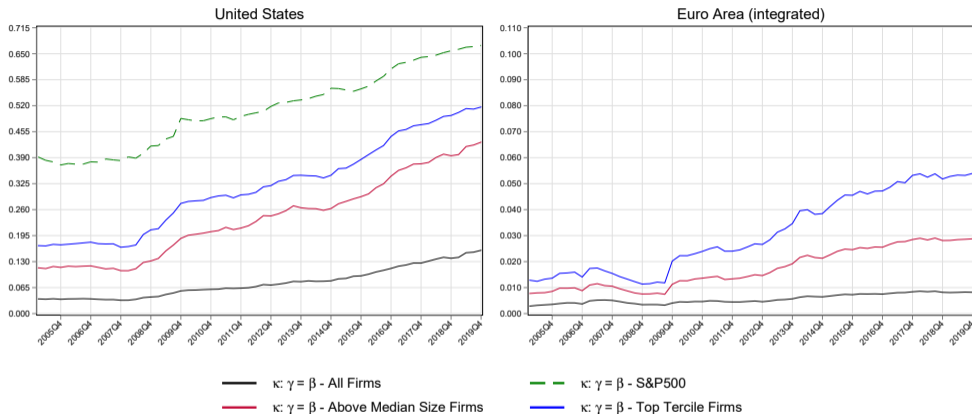
How Common Ownership Evolved Over Time

- **Global rise... but uneven trajectories**
 - ▶ Universal ownership increases in most major economies
 - ▶ Magnitude and timing vary substantially across regions
- **United States is the canary in the coal mine**
 - ▶ κ more than doubles from 2005 to 2019
 - ▶ Steeper growth than anywhere else ... but likely to happen everywhere else now too

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- **Institutional shocks drive abrupt jumps elsewhere**
 - ▶ Euro Area: surge post-2009 BlackRock-BGI merger
 - ▶ Japan: sharp increase after Bank of Japan ETF program expansion (2014–2016)
 - ▶ Australia: rapid rise only after 2015 ETF adoption
- **High levels but flat growth in some markets**
 - ▶ United Kingdom, China, India, South Africa show persistently high κ with little recent growth

U.S. vs Europe

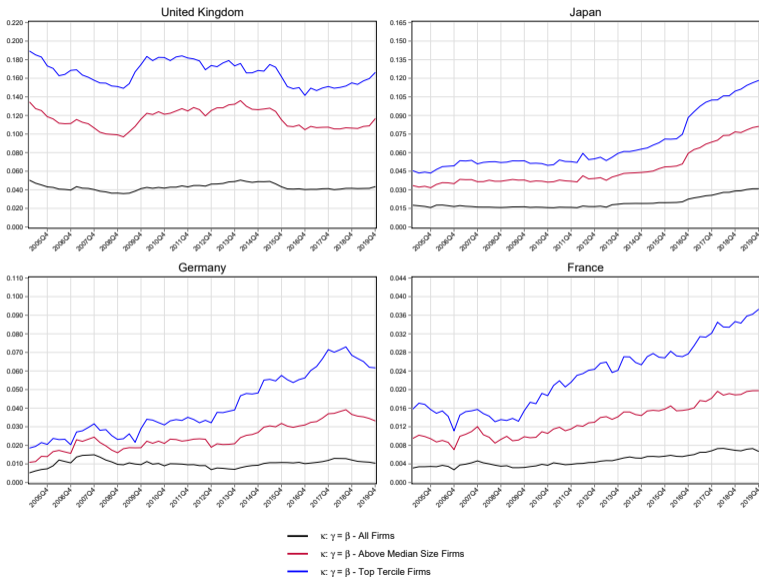


- Trends are similar for **balanced panel** of firms present in all quarters (2005–2019) and therefore due to ownership changes rather than changes in firm composition

Firm Size as a Key Driver of Common Ownership

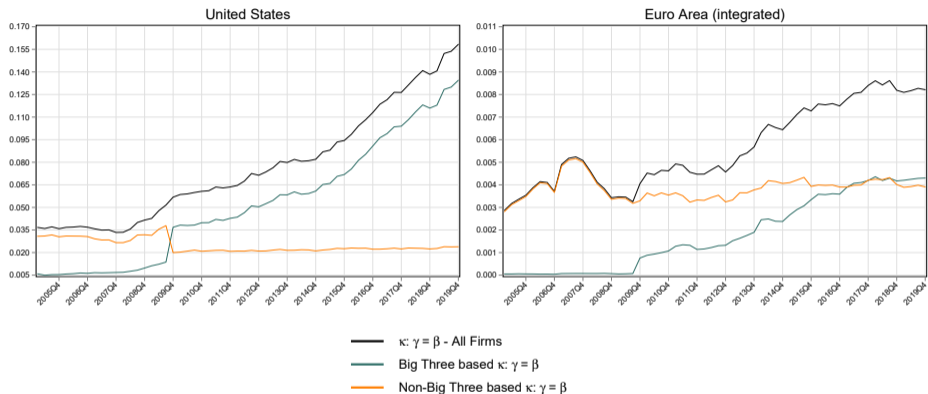
- **Universal ownership rises sharply with firm size**
 - ▶ In almost every country, average pairwise κ is about **3 times higher** for above-median firms
 - ▶ **Top-tercile firms** consistently exhibit the highest levels
- **Global regularity ... but U.S. exceptionalism**
 - ▶ For **top-tercile U.S. firms**, $\kappa \approx 0.52$ by 2019
 - ▶ S&P 500 firms lie above the top tercile, but common ownership is **not confined to mega-caps**
- **Firm size magnifies common ownership dynamics**
 - ▶ **Large firms act as ownership hubs**, amplifying potential competitive & governance effects at the top of the market.

Firm Size Matters



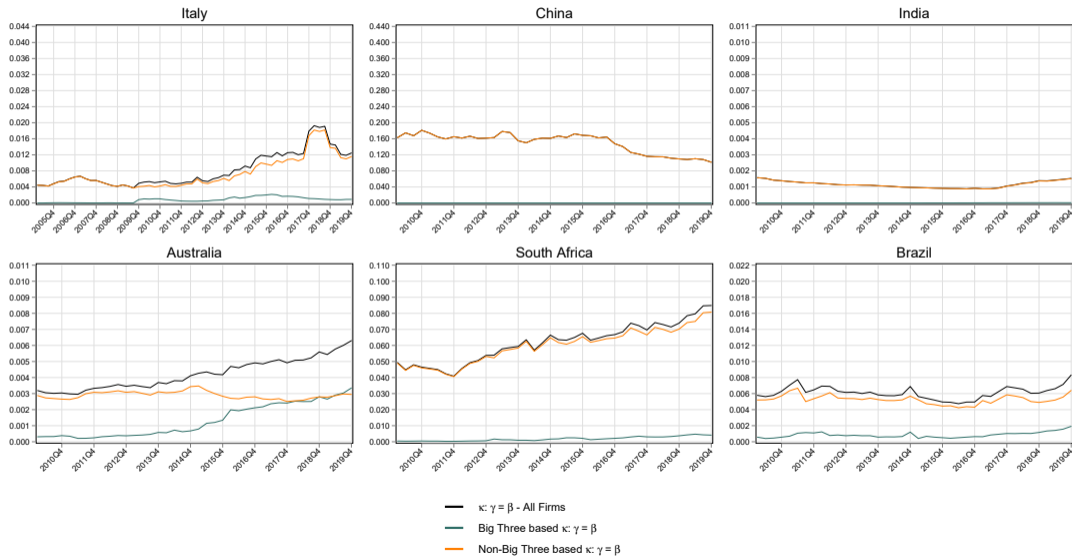
Role of Institutional Investors: Big 3 in US and EU

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- Most growth in universal/common ownership is driven by the Big 3 in US and EU
 - ▶ Non-Big 3 contributions are essentially flat despite large ownership stakes (level).

Role of Large Domestic Institutional Investors



Role of the Big 3 and Other Large Institutional Investors

- **Big 3 shape global ownership patterns**
 - ▶ BlackRock, Vanguard, and State Street drive the rise in κ
 - ▶ Most influential in the **U.S.**: largest owner in approximately 40% of firms by 2019
 - ▶ Also significant in **Ireland, Netherlands, Switzerland, UK**
- **Outside the U.S., stakes are small but portfolios are vast**
 - ▶ Even only 2-3% ownership per firm produces sizable κ due to broad coverage
 - ▶ **Network breadth** (number of firms held) matters more than control of any single firm.

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 - ▶ **Network breadth** (number of firms held) matters more than control of any single firm.
- **Non-Big 3 and local investors still matter**
 - ▶ Dominant in most countries: **domestic asset managers, sovereign funds, and family owners**
 - ▶ Stable over time, unlike the Big 3's rapid ascent

Kappas Decomposition: Portfolio Overlap vs Relative Concentration

If $\gamma_f = \beta_f$, i.e., “one share, one vote”, we obtain the equation from [Backus et al. \(2019, 2021\)](#):

$$\kappa_{fg} = \underbrace{\cos(\beta_f, \beta_g)}_{\text{Overlapping Ownership}} \cdot \underbrace{\sqrt{\frac{IHHI_g}{IHHI_f}}}_{\text{Relative IHHI}} \quad (1)$$

Under the proportional control assumption, the covariance term will mechanically be zero. Hence:

$$\text{Var}(\log \kappa_{fg}) = \text{Var}(\log \cos(\beta_f, \beta_g)) + \text{Var}\left(\log \sqrt{\frac{IHHI_g}{IHHI_f}}\right) \quad (2)$$

Previous Evidence from S&P 500 Constituents

TABLE 3—DECOMPOSITION OF VARIANCE OF $\log \kappa$

	Overlapping ownership	Relative IHHI
Raw	68.67%	31.33%
Cross section	54.89%	45.11%
Time series	67.96%	32.04%
Panel	61.69%	38.31%

Variance decomposition of κ (Backus et al., 2021)

- **Relative IHHI explains 30%-40%** of variation in profit weights so overlapping ownership is **not** the whole story.
- **Rising institutional ownership**
 - ▶ Investor concentration increases for **all firms**.
- Time-series increase in common ownership is driven by **overlapping ownership**.

Common Ownership is a Network Phenomenon Around the World

Countries	Raw		Cross Section		Time Series	
	Overlapping Ownership (%)	Relative IHHI (%)	Overlapping Ownership (%)	Relative IHHI (%)	Overlapping Ownership (%)	Relative IHHI (%)
United States	83.15	16.85	80.84	19.16	87.59	12.41
Canada	78.98	21.02	78.93	21.07	84.82	15.18
Euro Area (integrated)	79.60	20.40	79.12	20.88	87.87	12.13
United Kingdom	80.92	19.08	80.77	19.23	81.81	18.19
France	80.08	19.92	79.85	20.15	90.02	9.98
Germany	79.24	20.76	78.97	21.03	85.27	14.73
Italy	78.86	21.14	78.29	21.71	86.35	13.65
Spain	79.27	20.73	78.66	21.34	91.10	8.90
Netherlands	78.73	21.27	78.31	21.69	84.96	15.04
Belgium	79.75	20.25	78.79	21.21	88.95	11.05
Ireland	81.90	18.10	81.19	18.81	80.28	19.72
Austria	81.41	18.59	81.12	18.88	89.87	10.13
Finland	75.84	24.16	74.71	25.29	80.19	19.81
Sweden	79.95	20.05	79.67	20.33	79.08	20.92
Norway	80.55	19.45	80.32	19.68	85.24	14.76
Denmark	79.64	20.36	79.11	20.89	87.25	12.75
Switzerland	79.24	20.76	78.39	21.61	87.85	12.15
Poland	85.11	14.89	84.47	15.53	83.86	16.14
Russian Federation	94.17	5.83	94.01	5.99	87.48	12.52
Greece	89.13	10.87	88.57	11.43	87.81	12.19
Croatia	88.53	11.47	85.89	14.11	87.93	12.07
Romania	79.40	20.60	76.84	23.16	85.50	14.50
Japan	80.47	19.53	80.17	19.83	91.14	8.86
China	85.77	14.23	85.52	14.48	91.10	8.90
India	85.61	14.39	85.36	14.64	91.92	8.08

Network breadth as the main driver of the variation in κ is a **global regularity**.

- Even in the cross-section, **overlapping ownership explains $\geq 75\%$ everywhere.**
- US case: We go beyond S&P 500 firms, but still large firms. Why do weights differ?
 - ▶ **Time period:** our focus is on later period ([Backus et al. \(2021\)](#): 1980–2017)
 - ▶ **Inclusion of blockholders & insiders:** \uparrow IHHI levels but \downarrow variation in relative IHHI. Ignoring them may overstate the role of IHHI.

Network Breadth: Top 5 Universal Owners by Country

1 United States: Big 3 dominate

- ▶ Vanguard, BlackRock, State Street each hold around 3,000 firms
- ▶ Account for 4–8% of U.S. market cap
- ▶ Stakes >5% in **more than 40%** of firms for Vanguard and BlackRock

2 Euro Area: fragmented ownership

- ▶ Mix of global and strong domestic institutions
- ▶ Norges Bank, DWS, Amundi, MFS vs. Big 3

3 Global footprint of BlackRock and Vanguard

- ▶ Nearly ubiquitous among top owners
- ▶ **Breadth** (everywhere) vs. **Depth** (in U.S. and select markets)

4 Local players matter in key markets

- ▶ UK: L&G and Schroder rival Big 3 influence
- ▶ Japan: Nomura, Nikko, Daiwa remain central
- ▶ Australia: diversified base with smaller Big 3 stakes

Network Breadth: Top 5 Universal Owners by Country

Countries	Owner's Name	# Firms in Portfolio	% of Firms	% of Mkt. Cap.	Pct. of Country Sample: stake \geq		
					0.5%	1%	5%
United States	The Vanguard Group, Inc.	3036	71.72	8.32	68.13	65.82	40.07
United States	BlackRock, Inc.	3060	72.29	7.14	63.81	61.37	45.95
United States	State Street Corporation	2583	61.02	4.29	54.67	51.05	5.27
United States	Fidelity Investments	2121	50.11	2.22	27.50	23.06	6.87
United States	T Rowe Price Group, Inc.	2160	51.03	2.00	19.09	16.56	6.90
Euro Area (integrated)	BlackRock, Inc.	795	38.17	4.58	26.55	19.92	7.92
Euro Area (integrated)	The Vanguard Group, Inc.	703	33.75	2.54	28.32	23.96	1.20
Euro Area (integrated)	Norges Bank Investment Management (NBIM)	774	37.16	1.62	32.65	25.73	0.34
Euro Area (integrated)	Amundi SA	760	36.49	1.13	15.17	8.59	0.53
Euro Area (integrated)	State Street Corporation	736	35.33	0.70	4.13	2.45	0.19
United Kingdom	BlackRock, Inc.	606	45.43	6.82	40.03	30.96	14.54
United Kingdom	The Vanguard Group, Inc.	509	38.16	2.75	23.46	18.89	0.37
United Kingdom	Legal & General Group plc	577	43.25	1.74	40.63	36.96	2.17
United Kingdom	State Street Corporation	542	40.63	1.52	19.27	11.92	0.15
United Kingdom	Schroder Investment Management, Ltd. (SIM)	560	41.98	1.07	29.09	23.09	8.77
France	BlackRock, Inc.	143	24.66	4.08	19.66	15.17	5.86
France	The Vanguard Group, Inc.	151	26.03	1.92	22.41	17.93	0.34
France	Norges Bank Investment Management (NBIM)	183	31.55	1.61	27.41	23.10	0.69
France	Amundi SA	201	34.66	1.53	18.79	11.90	1.03
France	MFS Investment Management	87	15.00	0.88	2.76	1.55	0.69
Germany	BlackRock, Inc.	162	32.60	5.54	25.75	21.33	8.85
Germany	The Vanguard Group, Inc.	160	32.19	1.99	25.55	22.13	0.00
Germany	Norges Bank Investment Management (NBIM)	166	33.40	1.83	28.37	20.72	0.40
Germany	DWS Investment GmbH	177	35.61	1.24	16.10	12.88	2.41
Germany	Amundi SA	174	35.01	1.14	13.08	7.44	0.00
Italy	Italian Government	15	4.79	11.29	4.79	4.79	4.79
Italy	BlackRock, Inc.	190	60.70	3.48	19.81	11.50	3.51
Italy	The Vanguard Group, Inc.	90	28.75	1.88	25.88	21.09	0.00
Italy	Norges Bank Investment Management (NBIM)	126	40.26	1.79	37.70	29.71	0.00
Italy	Dimensional Fund Advisors, LP	130	41.53	0.53	25.88	12.14	0.64

Countries	Owner's Name	# Firms in Portfolio	% of Firms	% of Mkt. Cap.	Pct. of Country Sample: stake \geq		
					0.5%	1%	5%
Japan	Nomura Asset Management Co., Ltd.	2335	61.27	3.07	58.23	51.69	3.83
Japan	BlackRock, Inc.	2238	58.72	2.41	25.72	18.47	2.26
Japan	The Vanguard Group, Inc.	1452	38.10	1.96	36.05	32.35	0.00
Japan	Nikko Asset Management Co., Ltd.	2326	61.03	1.49	49.65	15.14	0.58
Japan	Daiwa Asset Management Co., Ltd.	2533	66.47	1.38	54.61	24.06	1.31
China	Government of China	2598	76.50	18.35	54.62	49.03	30.83
China	The Vanguard Group, Inc.	1695	49.91	0.34	4.15	3.06	0.00
China	E Fund Management Co., Ltd.	1129	33.24	0.25	7.01	3.06	0.09
China	Harvest Fund Management Co., Ltd.	1394	41.05	0.22	6.86	3.00	0.21
China	Gf Fund Management Co., Ltd.	2299	67.70	0.16	4.65	2.18	0.15
India	Government Of India	870	21.92	7.66	12.98	10.08	2.44
India	Life Insurance Corporation Of India	344	8.67	3.90	8.67	8.62	2.52
India	Sbi Funds Management Private, Ltd.	273	6.88	1.26	5.11	4.16	0.81
India	BlackRock, Inc.	357	8.99	1.04	4.43	1.91	0.00
India	Icici Prudential Asset Management Co., Ltd.	528	13.30	0.91	4.61	3.58	0.50
Australia	The Vanguard Group, Inc.	273	16.84	4.43	16.53	14.93	5.37
Australia	BlackRock, Inc.	273	16.84	4.26	12.65	9.56	3.89
Australia	Norges Bank Investment Management (NBIM)	277	17.09	1.17	15.36	11.72	0.12
Australia	State Street Corporation	264	16.29	0.79	2.47	0.99	0.56
Australia	Dimensional Fund Advisors, LP	401	24.74	0.60	14.13	9.50	1.17
South Africa	Public Investment Corporation SOC, Ltd.	117	49.16	10.50	49.16	49.16	44.96
South Africa	The Vanguard Group, Inc.	102	42.86	2.76	42.02	39.92	2.52
South Africa	BlackRock, Inc.	96	40.34	2.22	35.71	28.57	2.52
South Africa	Coronation Fund Managers, Ltd.	77	32.35	1.68	22.69	19.33	12.18
South Africa	Ninety One SA Pty., Ltd.	124	52.10	1.37	38.66	28.99	14.29
Brazil	BlackRock, Inc.	106	39.41	2.34	30.48	20.82	5.20
Brazil	The Vanguard Group, Inc.	98	36.43	1.24	34.20	27.14	0.00
Brazil	Itaú Unibanco SA	124	46.10	0.88	29.00	22.68	5.20
Brazil	Norges Bank Investment Management (NBIM)	114	42.38	0.81	28.62	17.84	1.12
Brazil	Dimensional Fund Advisors, LP	131	48.70	0.49	27.88	17.47	0.00

Family, Government, and Geographic Ownership Patterns

- **Family and individual ownership persists**
 - ▶ Especially important in Italy, Spain, India
 - ▶ Declines in markets with strong sovereign funds (e.g., Norway)
- **Government ownership plays a major role**
 - ▶ **China**: 2,598 firms held via SOEs and state-linked entities
 - ▶ **India**: Government of India and LIC dominate
 - ▶ **South Africa**: PIC is the largest investor
 - ▶ **Italy**: small number of firms, but large government stakes (11.29% of market cap)

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 - ▶ **Italy**: small number of firms, but large government stakes (11.29% of market cap)
- **Global common ownership structures combine**
 - ▶ Big 3 global reach + local institutional strength + significant state ownership in many emerging markets

Contributions

- **Common ownership is a global phenomenon**
 - ▶ Rising across countries, industries, and firm sizes
 - ▶ Most pronounced in the United States, but no longer uniquely American
- Drivers of common ownership
 - ▶ Common ownership is **particularly high for larger firms**, but it is not limited to them
 - ▶ **Big 3 are the most important contributors to the rise** of common ownership
 - ▶ Regional asset managers and state ownership remain important
- Policy relevance
 - ▶ Growing importance for competition policy, governance, and market regulation



Thank You!

Paper available here



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