

INTRODUCTION

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Abstract

The book has three main objectives. The first objective is to make available systematic and comparable accounts of ownership structure change and persistence in large firms in eight European countries over the last three decades. The book asks a few basic questions: (1) To what extent has the role of corporate insiders (e.g. families, banks) and the state been decreased in ownership structure of large firms? (2) Is there an increase in widely held companies and institutional investors? (3) Is there an increase in foreign ownership in general and US foreign ownership in particular?

The second objective is to examine the determinants of ownership structure in large firms in each country. It asks the following basic questions: (1) Which have been the determinants (e.g. global competition, EU capital market integration, legal reforms, and politics) of the decreasing role of corporate insiders and the state in European countries since the 1990s? (2) Which are the determinants of ownership persistence? (3) Which are the determinants of the observed patterns of ownership change (e.g. the rise of foreign and institutional investors)?

The third objective is to apply an international comparative approach to ownership structure changes to shed some light on the questions of whether similar forces impact ownership change and persistence in each country, whether particular institutional factors influence the causes of the ownership changes and whether the decline of corporate insiders and the state and the rise of foreign and institutional investors are influenced by similar forces in each country in particular, and what implications follow for economic theory.

The book focuses on countries in the four major European regions: Western Europe, Eastern Europe, Southern Europe and Northern Europe. It examines countries from all legal origin families: Anglo-Saxon (UK), Germanic (Austria, Germany, Switzerland), Scandinavian (Sweden), French legal origin (Italy) and transition (Bulgaria, Slovenia).

We have collected data on both private and listed large companies for each of the eight countries in our study. These datasets have been constructed using data collected by some of the book authors in the 1990s.

All of the country studies in this book report three kinds of results: (1) ownership structures in the initial period (the mid-1990s) and end period (2018/2019) of our study, (2) the patterns of ownership persistence and change in large firms in the past decades, (3) results concerning the determinants of ownership and ownership change.