

Critical dimensions in the empirical measurement of common shareholding^{*,**}

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Abstract

The debate on common shareholding - and its potential antitrust effects - is currently on the agenda of all major institutions worldwide. All discussions point to the need for improved empirical quantification in order to assess potential impacts. This work presents a unifying statistical framework for a series of common shareholding indices, with detailed mathematical properties. The framework includes indices coming from both sparse matrix theory as well as from network analysis. The proposed indices are based on balance-sheet and ownership firm-level data, and cover both the firm's and the investor's perspectives. They are then aggregated at market level to obtain suitable industry indicators. The measures are tested using firm level data for European Mobile Network Operators between 2007-2019, with special attention dedicated to the role of the largest investors. Many of the indicators currently used in the literature can be identified as special cases falling within this framework.

Keywords: Common ownership, corporate governance, networks, Mobile Network Operators

JEL: C02, C18, D21, D22, G11, G32, K21, L40

***Disclaimer:** *The views expressed are purely those of the authors and may not in any circumstances be regarded as stating an official position of the European Commission.*

****Acknowledgments:** This paper benefited from valuable contributions from Jean Bergevin, Maria Elena Despott, José Enrique Elías Cabrera, Sean Greenaway, Issam Hallak, Cyril Hariton, Igor Jelinski, Michela Nardo, Cornelius Schmidt, Joanna Sikora-Wittnebel and Anthea Wingender. The authors also thank valuable comments from seminar participants at the Essex Finance Centre and from conference participants at European Economics and Finance Society Annual Conference and at the International Conference on European Studies. Author Nicoletta Rosati was partially supported by the Project CEMAPRE/REM - UIDB/05069/2020 financed by FCT/MCTES through national funds.

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