Research on the Impact of Mixed Ownership Reform on the ESG Performance of State-owned Enterprises

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Abstract

How to improve the ESG performance of enterprises is a hot issue in both academic and practical circles. The development of mixed-ownership economy is the proper meaning of building a high-level socialist market economic system in the new era. Based on the panel data of A-share listed companies from 2012 to 2022 as a research sample, this paper explores whether the mixed ownership reform of SOEs affects the ESG performance of enterprises and promotes their sustainable development. It is found that (1) there is a U-shaped relationship between the shareholding ratio of non-state shareholders and ESG performance, and this result still holds after a series of robustness tests; (2) in terms of the three dimensions of ESG performance, this U-shaped relationship is mainly reflected in the environmental and governance dimensions; (3) the mechanism test suggests that non-state shareholders can improve the ESG by improving green innovation and information transparency to improve the ESG ratings; (4) Heterogeneity analyses show that this relationship is more pronounced in economically developed regions, heavily polluting firms, and firms with fewer financing constraints. This study enriches the impact of SOEs' mixed reforms, analyses the paths of compatibility between mixed ownership reforms and sustainable development, and provides a channel for SOEs to improve their ESG ratings.

Keywords

Mixed Ownership Reform, ESG, Corporate Sustainability