

# **Which type of institutional investors promotes CSR?**

**Yoko Shirasu**

Department of Economics, Aoyama Gakuin University, Japan

Email: shirasu@cc.aoyama.ac.jp

**Hidetaka Kawakita**

Graduate School of Management, Kyoto University, Japan

## **Abstract**

We provide an empirical analysis of the links between corporate social responsibility (CSR) and ownership share of long-term investors. Our findings can be summarized as follows. First, we find that we cannot see the precise characteristics of the higher owner share of long-term investors, whereas the higher owner share of domestic short-term investors improves CSR activities about governance and social. Second, the higher owner share of long-term passive investors is positively significant for all CSR categories, whereas, all short-term passive investors are insignificant. Also, we find that the long-term growth and value investors interested in all classes of CSR activities, whereas short-term investors are not interested in environmental activities. Third, long-term foreign blockholder interested in CSR activities, positive effects on governance CSR categories, and negative impact on environment categories. Finally, it seems that long-term foreign investors use CSR as a tool for risk hedge during the crisis period.

*Keywords: corporate social responsibility, long-term investors, stock share, foreign investors, corporate governance*

*JEL Classifications: G11; G32; G39*