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UNIVERSITÀ DEGLI STUDI DI  
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## **Purpose in Business: Steward Ownership and Enterprise**

# **Steward-Ownership: a legal form with the potential to develop a sustainable business model?**

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- 1. General context**
- 2. Purpose**
- 3. Economic sustainability: long-term oriented entrepreneurship**
  - a. Asset lock**
  - b. Self-Governance**
- 4. Conclusion**

## 1. General Context

Sustainability - Sustainable development -Sustainable corporation

Corporate Law: tool to promote sustainable business

Different legal frameworks for alternative models that foster sustainability challenges. Steward ownership – emerging concept

## 2. Purpose

Entrepreneurs are free to pursue any lawful business purpose

- Adaptability, flexibility
- Promotion of sustainable entrepreneurial activity is not mandatory

### 3. Economic sustainability: long-term oriented entrepreneurship

a. Asset Lock  (*capital lock, profit distribution constraint*)

*§ 1 (1) sentence 2 of the German proposal:*

*"the asset-lock [...] is intended to facilitate **long-term value creation**, taking into account the interests of the **stakeholders**"*

- Asset locks prevent short-termism and promote the long-term nature of entrepreneurial activity
- The asset lock avoids shareholder primacy and structurally promotes the consideration of stakeholder interests (stakeholder value orientation)

However...

- asset lock is not a guarantee of sustainability. It is an enabler
- sustainability is not simply mere long-termism
- shareholder primacy is not a legal requirement in most continental European corporate governance systems
- stakeholderism has limitations in achieving sustainability goals

## b. Self-Governance

Separation of control and economic rights:

It makes stakeholder value orientation possible

Corporate purpose movement



## 4. Conclusion

- Steward ownership is not a guaranteed path to sustainable entrepreneurship
- Steward ownership is a promising legal and governance framework that can facilitate the pursuit of sustainable goals—provided it is supported by a genuine commitment to ecological and social values
- The asset lock is a critical tool in this effort