

Research on the Reform Path of State-Owned Enterprises in Infrastructure from the Perspective of Property Rights Flow

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Abstract: In recent years, with the deepening of the corporate system reform of state-owned enterprises, state-owned enterprises around the world have generally carried out the reform of the diversification of property rights subjects. On the basis of systematically sorting out the literature on property rights theory and property rights reform, this paper firmly grasps the essence of state-owned enterprises, seeks the foothold and starting point of state-owned enterprises' property rights reform theories and realization methods, and puts forward the reform ideas of property rights diversification on this basis. Although privatization is the ultimate way for the reform of state-owned enterprises in the field of infrastructure, On this basis, the reform idea of property rights diversification is put forward. Although privatization is the ultimate path for the reform of state-owned enterprises in the infrastructure field, the special legal person-public enterprise system based on separate legislation, industrial divisibility and external efficiency of enterprises will be an unavoidable institutional arrangement for the reform of state-owned enterprises in the infrastructure field. The content of the property right system in our country was too narrow before, only due to the clear property right, but the modern property right system should also include its internal requirement - the liquidity of property right. This paper tries to analyze the necessity of speeding up the property right transaction of state-owned enterprises in the reform of state-owned enterprises from the perspective of property right flow, and puts forward some suggestions.

1. Introduction

In recent years, governments at all levels and state-owned asset management departments have taken active measures to strengthen the state-owned enterprise asset management, and the reform of state-owned asset management has achieved certain results [1]. To solve the problems existing in the current state-owned enterprises and enliven them, it is necessary to deepen the enterprise restructuring with the establishment of a modern enterprise system as the central content, and strive to build an operating mechanism of enterprise property rights flow and reorganization that is compatible with the socialist market economy [2]. Since 1994, there has been a common phenomenon in the reform of state-owned enterprises in China's infrastructure sector: some people not only equate Chinese “state-owned enterprises” with Western “public enterprises”, but confuse the reform of Chinese state-owned enterprises with Western ones. The reform of public enterprises inappropriately separates public enterprises from special legal persons and equates state-owned enterprises that provide infrastructure and services with state-owned enterprises that provide private goods. In this way, the state-owned enterprises in the infrastructure field are inappropriately regarded as state-owned enterprises that provide private goods. They are all placed under the framework of the “Company Law”, reformed according to the “modern enterprise system”, and generally adopted the shareholding system reform and then listed and withdrawn way [3].

After entering the 21st century, the reform of state-owned enterprises has gone deep into the field of property right reform, which has entered the “deep water area”, or the stage of tackling key problems [4]. At the same time, with the improvement of China's economic development level, the national development strategy began to change, that is, from unbalanced development to balanced

development. At the same time, the government will pay more attention to fairness, allocate more resources to building a new socialist countryside and solve the problems faced by vulnerable groups. The internal efficiency of public enterprises in the field of infrastructure is determined by the actual ability and level of state-owned enterprises to convert resources into infrastructure goods [5]. It can be seen that although privatization is the ultimate way of reforming state-owned enterprises in the infrastructure field, the institutional arrangement of special legalization will be an unavoidable institutional arrangement for the reform of state-owned enterprises in the infrastructure field; In some links or modules, there will be institutional arrangements of this special legal person for a long time. In this way, it is necessary to re-explore the reform ideas of state-owned enterprises in the field of infrastructure in China [6].

2. Theoretical Analysis on the Diversification of Enterprise Property Rights Subjects

2.1 Modern Enterprises and Diversification of Property Rights Subjects

With the deepening of social division of labor and the development of socialized mass production, the modern enterprise system has been gradually established and improved, which is also the product of the internal contradiction movement of the market economy and the embodiment of the progress of human civilization [7]. As China's state-owned enterprises play an important role in the national economy, and the efficiency of state-owned enterprises is not commensurate with their position in the national economy and the expectations of Chinese people for state-owned enterprises, the property right reform of state-owned enterprises is imperative [8]. The reform of state-owned enterprises has always been the central link of economic system reform. Especially since the mid-1990s, the pace of property rights reform (privatization) of state-owned enterprises has been accelerated, and state-owned capital has gradually withdrawn from competitive industries under the guidance of the policy of “grasping the big and letting the small go”. Non-state-owned capital, especially private capital and foreign investment (including Hong Kong, Macao and Taiwan capital) have entered most competitive industries at a fairly fast speed [9].

The process of state-owned enterprise reform is actually a gradual process of delegating power and transferring profits from the central government to local governments, departments and enterprises. To a certain extent, the separation of administrative agency power and economic agency power has been realized, and it has gradually transitioned to a new stage of establishing a corporate governance organization. It promotes the enthusiasm of the enterprise to complete the plan and increase production and income, and enhances the enterprise's self-development awareness and profitability [10]. To sum up, the previous attempts at reform have always been bad. In the end, it comes down to one problem: the property right system has not been changed. Theoretically, all the activities of enterprises are carried out under a certain property right system. Therefore, if there are defects in the property right system, the enterprise activities must be distorted. However, for enterprises, the internal vitality of enterprises can not be stimulated unless the reform is carried out on the subject of responsibility and rights. In this sense, the core of the reform of property rights clarification is to clarify the responsibilities through the clarification of ownership, so that the micro-organization and capital structure of enterprises can be reconstructed, and on the basis of clarification, the optimal allocation of resources can be realized through the capital market such as the stock market and liquidity. State-owned enterprises and non-state-owned enterprises can only achieve the overall progress of the national economy through common development and progress. Exerting the potential of various economic components can improve the speed of economic development. Of course, the role of the state-owned economy is indispensable.

2.2 Theoretical Basis for Institutional Arrangement and Reform of Public Enterprises in Infrastructure Field

From a legal point of view, based on different social goods, the legal norms provided are different. A public legal person is a legal person established under public law, such as the state and local self-government organizations, etc.; a private legal person is a legal person established under

private law, such as associations and foundations established under the civil law, and various companies established under the company law. Public and legal persons mainly pursue public interests, which can only be established with the approval of the authority. They are closely related to the state and usually subject to strong government supervision; Private law persons are established in accordance with the provisions of the civil and commercial law, with the goal of maximizing interests and implementing autonomy of will, and the State shall not interfere arbitrarily. What the separate legislation regulates is the provider of chargeable goods - the relationship between the operating legal persons who engage in strong public welfare and are placed under the strong protection and supervision of the state and are neither suitable for the direct intervention of the state nor for the direct operation of private enterprises, as well as with the government and consumers.

Public enterprises are special legal persons, which are wholly or partially funded by the government, mainly provide public goods, are operated or intervened by the government, and are regulated and restricted by separate legislation. They are a balance of the game between the power structure and the right structure, and a manifestation of the micro-organization. However, the situation of state-owned enterprises is more complicated, because it involves the differences of legal adjustment modes and their differences between China and western countries. There are four legal statuses of foreign SOEs: One is an enterprise controlled by a department without an independent personality, which constitutes a part of the general administrative organization; Second, it is a public institution established according to laws or regulations, with legal person status, and is a public legal person; Third, it is a public enterprise with legal person status established according to separate legislation, and it is a special legal person; Fourth, it is a commercial company controlled by the government, which is no different from any other commercial company in form. State-owned enterprises that provide infrastructure and services are only regulated by special legislation, but rarely regulated and regulated by general enterprise legislation. Among the institutional arrangements in the field of infrastructure in all countries and regions, there are very few cases where the private order is completely provided directly by the government and completely handed over to the market for competition, and there are not many cases where private litigation and independent law enforcement are used. It is to choose between the B-type public enterprise system and the C-type public enterprise system, and its institutional distribution basically conforms to the normal distribution. As shown in Figure 1.

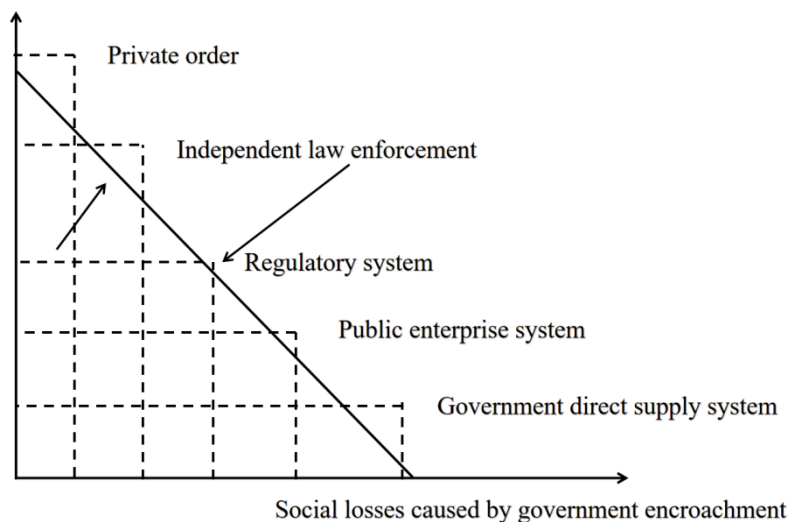


Fig.1 The Relationship between the Possibility Boundary of the System and Different Modules of Infrastructure, Types of Joint Ventures and “Duality”

Influenced by the technical, economic and social characteristics of infrastructure, although public enterprises have a broad base of existence in the field of infrastructure, it does not mean that each module in the field of infrastructure must choose the form of public enterprises. Businesses, in turn, must choose the same type.

3. Thoughts on the Reform of State-Owned Enterprises in China's Infrastructure Sector

3.1 “Dichotomy” and “One Step”

From the perspective of the reform path, although the starting point of the reform is all state-owned enterprises and the end point is mostly public enterprises of class C or D, there are significant differences in the reform path between public enterprises providing infrastructure goods and public enterprises providing private goods. The right boundary between the government and the enterprise is not clear, and there are neither property owners nor owners, so it is difficult to form effective management means and methods. It is necessary to fully define the right boundary of the enterprise, introduce multiple investors, and form the board of directors by property owners. The board of directors should select competent entrepreneurs from their own interests, constantly strengthen enterprise management, and promote the continuous development of the enterprise under the attention and supervision of the board of directors. The so-called “dichotomy” is to divide enterprises into two categories: public legal person and private legal person according to their legal basis; The so-called “one-step” reform refers to the direct reform of state-owned state-owned enterprises lacking separate legislation into private enterprises owned by the people or state-owned private enterprises based on private law. The main property rights are clear, and market transactions can achieve optimal allocation of resources.

China has a huge stock of state-owned assets. We should standardize the transfer of property rights through the transfer of property rights, promote the rational flow of state-owned assets, realize the optimal allocation of state-owned assets, and improve operational efficiency. However, for a public enterprise in the field of infrastructure items, it has a different legal status from that of a general private legal person, and its behavior must be adjusted by a separate legislative model. It is a special legal person and has requirements for a special legal person governance structure. It is possible to carry out a “step-by-step” reform according to the private law model and the “modern enterprise system” in the clear sense of private property rights. However, due to the lack of various conditions, two significant “effect variations” have generally appeared in the reform: first, the “externalization” of “insider control” - a large number of derivatives of marginal enterprises, resulting in a large loss of internal efficiency - assets and profits of enterprises; Second, the failure of external regulation - the relationship crowding out regulation is very serious, making the external efficiency of enterprises - fair and reasonable seriously distorted, which to a large extent interferes with and hinders the deepening of the reform of state-owned enterprises in the field of infrastructure.

3.2 New Ideas for Reform: “Pedigree Method” and “Step by Step”

China is at the critical stage of transition economy, and some institutional arrangements that seem to fail to meet the optimal conditions of classical economics are effective in a specific context. According to suboptimal theory, if some conditions exist in the general equilibrium system, and these conditions destroy a certain condition of Pareto optimality, then even if all other Pareto optimality conditions can be met, the result may not be satisfactory. Deepening the reform of enterprises including property rights and strengthening the internal management of enterprises are two indispensable conditions for doing well in state-owned enterprises. Enterprise reform is to remove all the constraints and obstacles to the survival and development of enterprises through system, system adjustment and reform, so that enterprises can revive and vitality, increase their adaptability and resilience to the market, and truly become the main body of the market. It can be seen that the purpose of reform is to get rid of the shackles of the old system and remove the original obstacles, and the purpose of management and management innovation is to continuously improve the viability and development ability of enterprises. The reform of enterprise property rights cannot replace enterprise management, nor can it solve all the problems within state-owned enterprises. The so-called “pedigree method” is based on the classification of special legal persons and private legal persons, subdivides the public enterprises of the single independent method into four categories A, B, C and D, and arranges the corresponding different enterprise organization forms according to different dimensions. This arrangement is shown in Figure 2.

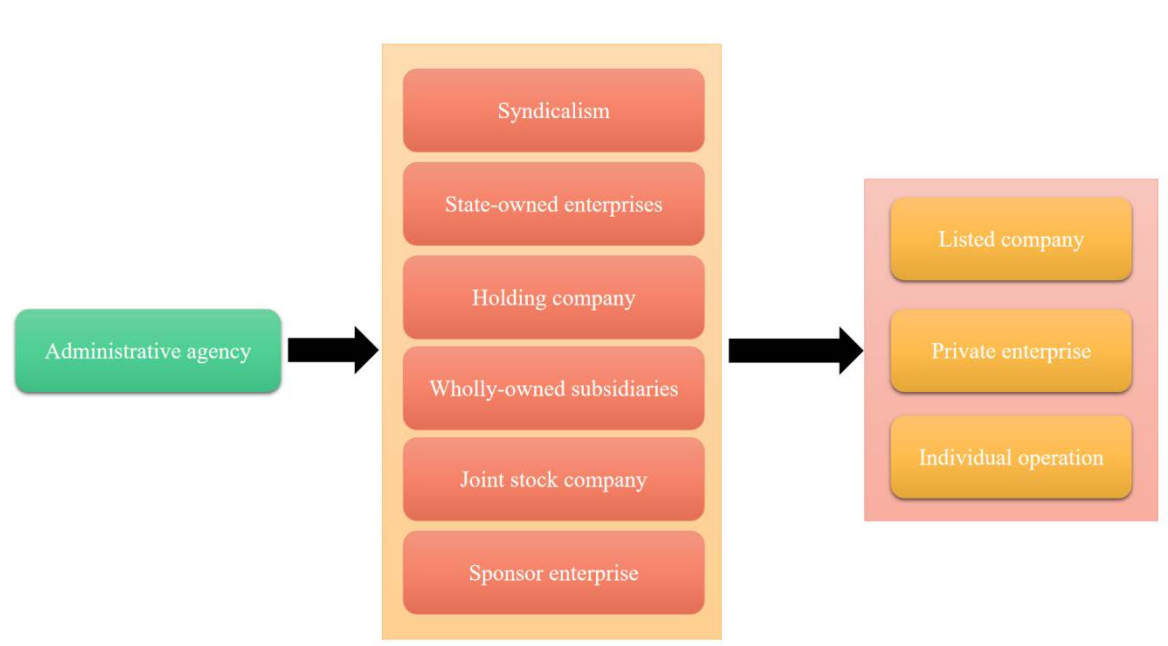


Fig.2 Schematic Diagram of Enterprise Pedigree Based on Different Legal Adjustment Modes

As shown in Figure 2, there is a gradually changing pedigree from fully state-owned to fully private and private, each type of enterprise has relatively clear boundaries between other enterprises, and the reformed state-owned enterprises are some adjusted by separate legislation and normative special legal persons.

There are three forms of state-owned assets: physical form, securities form and currency form. If the state-owned enterprises are changed into joint-stock enterprises, the state-owned assets will change from the physical form to the securities form. If the state-owned shares are sold, the state-owned assets will change from the securities form to the monetary form. The purchased enterprise or joint venture has taken over the assets, but the debts have not taken over. The assets are transferred out at a special preferential low price, while the employment of employees is left to the government, and so on. It can be seen that the irregular flow will lead to the loss of state-owned assets. To sum up, the reform of China's infrastructure provision system can't follow the old path of the past, and it is necessary to change our thinking from a new angle. This new idea is "pedigree method, step by step". There are four main policy recommendations: (1) To clarify the corporate law system and establish a special legal person law suitable for public enterprises; (2) To take into account different interests and demands, and to establish a governance structure dominated by key stakeholders; (3) To open up the infrastructure market and establish property rights for public-private cooperation system (PPP); (4) Strengthen supervision and establish incentive regulation based on efficiency and pro-poor regulation based on fairness. Therefore, it is necessary to re-examine and review the current split reform ideas, and explore how to create an effective competition model for several integrated operators whose businesses overlap with each other.

4. Conclusions

Enterprise reform is to remove all the constraints and obstacles to the survival and development of enterprises through system, system adjustment and reform, so that enterprises can revitalize and revitalize, increase their adaptability and resilience to the market, and truly become the main body of the market. They should obtain the right to distribute the income. In addition, they should also receive normal wages. The realization of the diversification of property rights subjects of state-owned enterprises, especially the diversification of property rights subjects of large state-owned enterprises, is not simple and easy. It is a very complex and huge systematic project. is essential. In the arrangement of property rights of entrepreneurs and other human resources, we should distinguish between different characteristics and endow human capital with corresponding residual

control rights and residual claim rights. We can promote the application of annual salary system and stock option system as effective forms for entrepreneurs to participate in property rights reform. The patent system and direct quantitative pricing of human capital can be used as institutional arrangements for R & D and technological human capital to participate in the property rights structure of enterprises. Only by constructing the public information system of enterprises can diversified property rights subjects effectively monitor the operation and management activities of enterprises, which is an important supporting system arrangement related to the success or failure of diversified property rights reform of state-owned enterprises.

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