Index

A-shares and B-shares 66, 67–9, 87
Guangzhou Shipyard International Company (GSIC) 98
listings 119–20
nature of 62–3
Northeast Electrical Company 110
acquisitions 73–5
agency problem 15
Anheuser-Busch 71–2
Asea Brown Boveri 72
Atlantic Richfield 72
B-shares and A-shares 66, 67–9, 87
expansion of market 64–7
growth of 92–3
listings 65
nature of 62–3
backdoor listing
Guangdong Investment (GI) 102, 112–16
process of 93
reduction of holding of state-owned shares (RHSOS) 126
state control of 95–6
Beijing Light Bus 69–70
Beijing Tianqiao Department Store Company 10, 29
Bersani, Matthew 17
Blecher, M. 84–5
Bornstein, Morris 8, 62
Bowles, Paul 17
Brabant, Jozef M. van 14
Bradshaw, York 80
Breslin, Shaun G. 45, 82
Broadman, Harry G. 26, 139
Capital Iron and Steel Corporation 89–90
CCIC Finance 110–11, 116
Chan, Anita 44, 83

Chen Aimin 58
Chen Feng 18
Cheung, Steven 96
China
closed-end country funds 79
as corporatist state 82–4, 88
dependent development theory 79–81
as developmental state 81–2, 85, 86, 87–8
economic growth 5, 46–7, 61
as entrepreneurial state 84–5, 86, 88
foreign capital in 61, 76–9
and the Hong Kong Stock Exchange (SEHK) 116–20
ideological debate 10, 17, 18–22
as market-facilitating state 86–7, 88–9
privatization in 1, 2–3, 4–6, 7, 8, 138–9
state enterprise losses 9–10
state ownership, decline in 33–7
China International Trade and Investment Corporation 86
China Ocean Shipping Company 95
China Securities Regulatory Commission (CSRC)
approval of share listings 99, 131
B-shares 66
conversion of corporate shares 35–6, 69
establishment of 32
Guangzhou Shipyard International Company (GSIC) 101
reduction of holding of state-owned shares (RHSOS) 129
share conversion reform 132, 133, 138
China State Shipbuilding Corporation (CSSC) 97–8, 112, 113
China Strategic Investment (CSI) 73–5
classical dependency theory 79–81
closed-end country funds 79
commodification 9, 18
Company Law
regulation of shareholding enterprises (SHEs) 32, 34, 35, 58
state ownership 117
supervisory mechanism 39
corporate governance 106–7
corporate shares 33, 34–7, 62–4, 69–71
corporatism 44, 83–4
corporatist state 82–4, 88
corporatization 13–14, 27–8
Czech Republic 96, 139

Dai Xianglong 105
Deng Xiaoping 11, 31, 48, 97, 136
dependency theory 79–81
dependent development theory 79–81
developing countries 61, 76–9
developmental state 43–4, 45–6, 81–2, 85, 86, 87–8
Domadenik, Polona 139
domestically listed foreign shares see B-shares
Dongshen Water Project 105
dual-track transition 39, 135–7
Duckett, Jane 84–5
Duncan, Ron 26

Earle, John S. 139
Eastern Europe 2–3, 7, 69, 135
Engels, Friedrich 19
enterprise (collective) shares 12, 13, 51–2
entrepreneurial state 84–5, 86, 88
equity division reform see share conversion reform
Estrin, Saul 139
Europe 76, 81
Evans, Peter 80

fiscal decentralization 111–16
Ford Motor Company 66
foreign capital 61, 76–9, 92
foreign direct investment (FDI) 92
foreign investors
capital flows 61, 76–9, 92
Foshan Tongbao Shareholding Limited Company 54
increasing participation 64–75
privatization in other developing countries 61, 76–9
shareholding system reform 59
state role 79–89
foreign loans 92
foreign shares 33, 63, 64, 69–71, 124
foreign stock exchange listing 71–3
Foshan Electrical and Lighting Company Limited 55–7, 58
Foshan First Radio Factory 51–3, 57, 58
Foshan, shareholding system reform in 46–57, 58
Foshan Tongbao Shareholding Limited Company 53–5, 58
Frank, Andre 80
Fujian 31
Fushan First Radio Factory 29

Gelb, Alan 14
gradualism 135–7
grafting into foreign capital 73–5
Guangdong 31, 97
Guangdong Enterprises Holdings (GEH) Limited 101–7, 113
Guangdong International Trust and Investment Corporation (GITIC) 104, 105
Guangdong Investment (GI) 94, 101–7, 112–16, 120–22
Guangzhou 29
Guangzhou Shipyard International Company (GSIC) 94, 96–101, 112–13, 120, 121
Guo Shuiping 134

H-share companies
Guangzhou Shipyard International Company (GSIC) 94, 96–101, 112–13, 120, 121
nature of 93–4
Northeast Electrical Company 107–17, 118, 121, 122

H-shares
effects of 94–6
growth of 92–3
Guangzhou Shipyard International Company (GSIC) 98–101
listings 65, 71–2, 92–6, 119–20
nature of 62, 63, 64
PetroChina 127
Hainan 31
Hainan Air Company 35
Harbin Power Equipment 72
Hong Kong Stock Exchange (SEHK)
  Chinese share listings 116–20
  Guangdong Investment (GI) 101–7,
    112–16
  Guangzhou Shipyard International
    Company (GSIC) 98–101
H-share listings 65, 71–2, 92–6,
  119–20
National Social Security Fund 130
Northeast Electrical Company 107–17, 118, 122
Howell, Jude 86
Howie, Fraser J.T. 128
Hua Sheng 134
Huang, Yasheng 115
Huang, Yiping 26
Hungary 77, 96
incrementalism
  shareholding system reform 137
  shareholding system reform in
    Foshan 46–57
    and state reform influence 42–3,
      57–60
individual shares 33, 34–7, 62–4, 124
individual workers shares 12, 13
institutional investors 128
intergovernmental fiscal relations
  111–16
internal-employee shares 110
internal shareholding system 53, 59
Isuzu Motor 69–70
Itochu 69–70
Jefferson, Gary 14
Jiang Zemin 19, 20, 32–3
Jiangling Auto Company 66
  joint ventures 73–5
Kleinberg, R. 81
Kogut, Bruce 139
Lee Chyungly 81
Lee Kuen 14–16
Lee, Peter N.S. 83
Leftwich, Adrian 43, 81
legal-entity shares 54, 55, 56
legal-person shares 33, 62–4, 110,
  124–5
Li, David D. 37
Li Peng 70
Li Yining 21–2
limited liability companies (LLCs) 27
local government see regional
government
management buyouts 131
Mark, Shelley 15
market-facilitating state 86–7, 88–9
marketization 9, 18
Marx, Karl 19, 22
mass ownership transformation 23
McCormick, B.L. 45
mergers 73–5
Min Xin 94
N-shares 62, 63, 64, 65, 72
National Electronic Trading System
  (NETS) 35
National Social Security Fund 127–31
Naughton, Barry 26, 132, 136
new public ownership 21–2
New York Stock Exchange (NYSE) 72
Nimrod 70
Northeast Electrical Company 94,
  107–17, 118, 121, 122
Northeast Electrical Transmission and
  Transformation Equipment Group
  Corporation (NET) 108–11, 113,
    114–15, 117
Nottle, Robert 17
Oi, Jean 44, 83–4, 115
Pan, Weihwa 26
Parker, David 26
Pearson, M.M. 81
pension fund 127–31
People’s Bank of China (PBC) 28, 52,
  98–9
PetroChina 127
Poland 77
political objections 10, 17, 18–22
portfolio equity flows (PEFs)
  acquisition of 92–3
  Guangdong Investment (GI) 94,
    101–7, 112–16, 120–22
Guangzhou Shipyard International Company (GSIC)  94, 96–101, 112–13, 120, 121
Hong Kong Stock Exchange (SEHK) listings  92–6
Northeast Electrical Company  94, 107–17, 118, 121, 122
Prasnikar, Janez  139
private individual shares  12, 13
private placement enterprises  29–30
privatization
advantages  1, 4
channels of  22–3, 124–6
corporatist state  82–4, 88
vs. corporatization  13–14, 27–8
definition  8, 62
dependent development theory  79–81
developmental state  81–2, 85, 86, 87–8
disadvantages  1, 4
dual-track transition  39, 135–7
entrepreneurial state  84–5, 86, 88
foreign investors  61, 76–9
foreign participation, sources of  64–75
future of  138–9
gradualism  135–7
ideological debate  10, 17, 18–22, 94–6
market-facilitating state  86–7, 88–9
origins of  7, 8
pattern of  4–6
proceeds from  1, 2–3
reduction of holding of state-owned shares (RHSOS)  125, 126–31, 133
regional government role  88–9
share conversion reform  125, 131–3, 134, 137, 138
share types  62–4
shareholding enterprises (SHEs), performance of  39
shock therapy  134–7
spread of  8
state ownership, decline in  33–7
terminology  9
worldwide trends in  1–3, 7, 61
profit contract system  9
public-owned enterprise shares  13
public placement enterprises  30
public shareholding system  55, 59
Rana, P.B.  14
Rawski, T.  14
red chip companies
effects of  94–6
Guangdong Investment (GI)  94, 101–7, 112–16, 120–22
Hong Kong Stock Exchange (SEHK)  117
nature of  93–4
reduction of holding of state-owned shares (RHSOS)  125, 126–31, 133
regional government
corporatism  83–4
Foshan, reform in  46–57, 58
Guangdong Investment (GI)  101–7, 112–16
intergovernmental fiscal relations  111–16
Northeast Electrical Company  107–17, 118
pension reform  128
privatization role  88–9
reform role  59
regulation
market-facilitating state  86–7
of mergers and acquisitions  75
of securities listings  95–6
of shareholding system reform  32, 58
residual claims  14–15
rural sector  28–9
Russia  59–60, 77, 96, 139
Schmitter, Philippe C.  82
Securities Commission  32, 58
Securities Law  40, 95
Securities Trading Automated Quotations System (STAQS)  35
Shang Fulin  134, 138
Shanghai  12, 31, 37
Shanghai Dazhong Taxi Company  69
Shanghai Diesel Engine Company  69
Shanghai Lighting Apparatus Factory  22
Shanghai Stock Exchange
fluctuations in  138
Index

Guangzhou Shipyard International Company (GSIC) 98
reduction of holding of state-owned shares (RHSOS) 127, 128
share listings 31, 62, 64, 67
state share sales 118
share conversion reform 125, 131–3, 134, 137, 138
share issues 17, 36
share types 62–4
shareholding conglomerates 13
shareholding cooperative enterprises 30, 33
shareholding enterprises (SHEs)
companies, number of 11, 29, 30, 31, 32, 40
corporatization 27–8
enterprise models 12–13, 51
evolution of 29–33, 39–40
foreign investors 87
in Foshan 46–57, 58
performance of 37–9
regulation of 10, 32, 34, 35, 58
shareholders, number of 23
and state-owned enterprises (SOEs) 25, 28–33, 39–40
state ownership, reduction in 33–7
shareholding system reform
development of 10–11, 124–6
effects of 37–40
enterprise models 12–13, 51
evolution of 5–6, 28–33, 39–40, 137
in Foshan 46–57, 58
Guangzhou Shipyard International Company (GSIC) 97
ideological debate 10, 17, 18–22
literature review 14–18
origins of 7
privatization, future of 138–9
regulation of 32, 58
share issues 17, 36
share types 62–4
spontaneity in 42–3, 57–60
state role 10, 43–6, 57–60
Shenping Departmental Store 47
Shenyany 12
Shenzhen 12, 31, 37, 46
Shenzhen Development Bank 36
Shenzhen Stock Exchange 31, 62, 64, 67, 138
Shenzhen Wanke Company 36
shock therapy 134–7
Shougang 89–90
Shun Shing 95
Sichuan 12
Sichuan Guanghua Chemical Fibre 70
Singh, Ajit 16–17
Singh, Inderjit 14
social security 99, 106–7, 109, 118, 127–31
socialist guided markets 82
socialist states 80–81
socialization 9, 19
South Korea 43, 45, 82, 83
Spicer, Andrew 139
spontaneity
shareholding system reform in Foshan 46–57
and state reform influence 42–3, 57–60
state
bailout by 110–16
enterprise models, role in 12–13
expropriation of state assets 14–15
foreign investors 79–89
Foshan, reform in 46–57, 58
Guangdong Investment (GI) 105, 106–7, 112–16, 120–22
and the Hong Kong Stock Exchange (SEHK) 116–18
intergovernmental fiscal relations 111–16
ownership, decline in 33–7
securities listing controls 95–6
share of shareholding companies 14
shareholding system reform 10, 28–33, 43–6, 57–60
and spontaneous reform 42–3, 57–60
State Commission for Economic System Reform (SCESR) 97, 98
State Council Securities Commission (SCSC) 99
state enterprises 9–10, 22–3
State-Owned Assets Supervision and Administration Commission (State Asset Commission) 131, 132
state-owned enterprises (SOEs)
conversion to shareholding enterprises (SHEs) 25, 28–33, 39–40
corporatization of 27–8
decline in 33–7
foreign participation 64–75, 87
Guangzhou Shipyard International
Company (GSIC) 94, 96–101, 112–13, 120, 121
Hong Kong Stock Exchange (SEHK)
listings 94–6, 119–20
losses 28
Northeast Electrical Company 94, 107–17, 118, 121, 122
reduction of holding of state-owned
shares (RHSOS) 125, 126–31, 133
reforms 26–8
share conversion reform 125, 131–3
size of 61
state-owned shares 124–5
state shares
conversion of 34–7, 69–71
Foshan Electrical and Lighting
Company Limited 55–6
Foshan First Radio Factory 51
Foshan Tongbao Shareholding
Limited Company 54, 55
Guangzhou Shipyard International
Company (GSIC) 98
Hong Kong Stock Exchange (SEHK)
listings 117–18
nature of 33, 124–5
Northeast Electrical Company 110, 118
reduction of holding of state-owned
shares (RHSOS) 125, 126–31, 133
share conversion reform 125, 131–3
shareholding enterprises, models of 12, 13
shareholding system reform 62–4
Steinfeld, Edward 115
Sun, Yan 18
Svejnar, Jan 139
Taiwan 43, 45, 82, 83
Tam, On Kit 16
tax-for-profit system 9
Telegdy, Álmos 139
transitional economies in Europe and
Central Asia (TEECA) 76–9
Tsingtao Brewery 71–2, 94
Unger, Jonathan 44, 83
Union Globe Development Limited 102
unit shares 12, 13
Wade, Robert 43, 82
Walter, Carl E. 128
Wang Qishan 105
welfare benefits 99, 106–7, 109, 118,
127–31
White, Gordon 17, 43, 82
worker shares 51, 52, 54, 55, 56
World Bank 29, 96
Xie Maoshi 134
You, Ji 18
Zhao Ziyang 11, 20, 29, 31, 33, 47–8
Zhenhai Refinery 72
Zhongce phenomenon 73
Zhu Rongji 28, 52, 75, 129