



ECOSOC: Economic and Social

Student Officer: Ada Nur Bařar

Issue: The issue of state-sponsored business ownership as a method of mass manipulation

TIMUN '20 

Turkish International Model United Nations



Committee: Economic and Social Council (ECOSOC)

Issue: The issue of state-sponsored business ownership as a method of mass manipulation

Student Officer: Ada Nur Başar - Vice President

I. Introduction

A **state-owned enterprise (SOE)** is a legal entity created or supported by a government to engage in commercial activities on its behalf. Despite the trend towards **privatization** over the last two decades, state-owned enterprises remain important economic actors. SOEs continue to provide essential services in important economic sectors such as utilities, finance, and natural resources. Even in competitive industries, large-scale manufacturing and service enterprises remain in state hands in many countries such as China. SOEs are considered to be monopolies that aim to achieve a public objective. Such enterprises are usually the only provider of a good or a service such as railway companies and are in a specific location or industry such as broadcasting, banking, or healthcare.

Above mentioned businesses also create infant industries which are not strong enough to survive the competitive market due to their recentness. SOEs, with the government funds they get, support the infant industries by investing since such industries tend to not get investments from the private sector due to their risky nature. Furthermore, state-sponsored businesses have political uses for the government. They are usually employed in industries in that governments want to impose user fees but have difficulty imposing any taxation. Additionally, SOEs' use of improving the efficiency of public service is a step towards hybridization. This means that SOEs are not only used for economic purposes but also remain as an important tool in public value creation. For instance, increased global competition for finance, talent, and resources may mean that countries may increasingly turn to SOEs as a tool to better position themselves for the future in the global economy.

Given such uses for the state-sponsored businesses and SOEs, there seems to be a global trend toward greater centralized ownership. Many countries such as China establish a single ownership entity or coordinating body. There are concerns that centralized ownership will lead to resource loss and corruption. It also raises questions about whether SOEs can meet diverse objectives when controlled by a single body



and how the public is affected by the influence the government has over important infrastructure and industries.

II. Involved Countries and Organizations

People's Republic of China

State-owned enterprises play an important role in the Chinese economy and are also crucial instruments for implementing the Party-state's policies and strategic initiatives. SOEs in China are used to implement government agenda to the domestic economy and to tighten the political control of the Chinese Communist Party.

Deng Xiaoping, who was the leader between 1978-1992 leader, moved forward with neoliberal policies that reduced some government controls on parts of the economy. Deng supported China's transition to a more mixed economy with **state-managed capitalism**. Before Deng's leadership, China had been a traditional communist economy with heavy central government control over all economic sectors. Urban industrial workers worked exclusively in state-owned-enterprises (SOEs) that provided welfare known as the Iron Rice Bowl. However, because of the rising costs of benefits provided and the lack of worker productivity that can characterize some of China's state-owned-enterprises, Deng supported a **neoliberal** transition. Under his leadership, China began reducing the role of SOEs and increasing the role of privately controlled companies in China's economy. This resulted in more privately-owned factories that paid workers more but with fewer costs of Iron Rice Bowl benefits and less job security for workers. Today, still, the private sector is the main driver of China's economic growth.

China's SOEs have survived through a series of transformations between the years of 1978 and 2013. On one hand, the size of the state-owned economy has kept growing with continuously improved production efficiency and strengthened control of an impact on the important areas of the national economy; on the other hand, SOEs have stepped through the course of transformation towards a mainstay of the modern market. The Chinese government is committed to maximizing the efficiency of state-owned assets by improving the governance of SOEs. Thus, for the first step adopted the policy of "**zhuada fangxiao**" – grasp the big, release the small – in order to consolidate the massive amount of state assets. This resulted in the grouping of enterprises and the privatization of small enterprises that were too costly. The ownership of companies previously owned by state agencies and operating in similar fields was transferred to holding companies wholly owned by the State-owned Assets Supervision and Administration Commission (SASAC). There are now 97 enterprises owned by the central government which is considered the most strategically important one. Although this policy greatly reduced the number of apparent SOEs



through privatization, the state then closely follows the reaction of private players through stock price dynamics, media publications, and lawsuits, to keep itself informed of any misconduct.

Created in 2003, China's *State-Owned Assets Supervision and Administration Commission* consolidated the ownership and management of some 200 large, centrally owned state enterprises under a single authority. Still, since 2012, when Xi Jinping took over, the policy change has been evident. As the government intervened itself more and more into the private sector and economy, today, China is where 109 corporations listed on the Fortune Global 500 are located, but 75% of those are government-owned or supported. (Fig. 1. SOEs in Fortune Global 500)

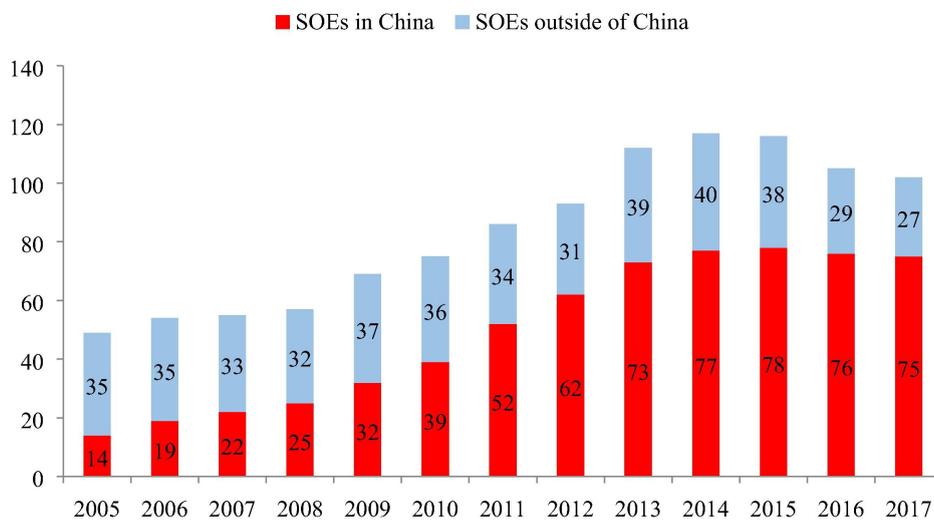


Fig. 1. SOEs in *Fortune Global 500*.

The Chinese government owns the majority of the broadcast media enterprises and imposes great restrictions to access information. Big data collection through SOEs is also present. Chinese SOEs also experienced director changes under Xi Jinping as officials were imprisoned due to corruption charges and were replaced by China's Communist Party's appointed officials.

Chinese Premier Li Keqiang's recently announced 'Made in China 2025' strategy is designed to help Chinese SOEs compete more effectively in overseas markets as well as to improve their high-end export capability. Expected measures will cover the easing of red tape, the introduction of market practices, and the consolidation of selected SOEs to create larger and more efficient national champions. Although China at one point went through a period of market-oriented reforms, it eventually reverted to promoting consolidation of companies, and that policy has persisted. The Made in China 2025 policy is alarming to businesses outside of China because of its anti-competitive orientation. Government support enables



Chinese SOEs, which are protected from competition, to acquire foreign businesses and offer products far below market prices, shutting out foreign firms which damages global trade.

India

At the time of India's independence in 1947, SOEs were perceived to be the best way to accelerate the growth of core sectors of the economy given a weak industrial base, inadequate infrastructure, lack of skilled human capital, and an underdeveloped private sector. However, when the Indian market re-opened to foreign investors in 1991, the country underwent partial privatization of its SOEs instead of complete divestment of state holdings. Recently privatization efforts have increased as the government decided to gradually disinvest from many sectors except 18 "strategic" ones including coal, crude oil, power, steel, and telecom.

United Kingdom

Following significant privatization efforts in the 1980s and 1990s, formal state ownership of enterprises became limited in the United Kingdom. Yet, regulation has grown in importance as a way for the state to exercise control. The two main kinds of state involvement are public services and state shareholdings in diverse companies. Regarding public services, the National Health Service (NHS) and the British Broadcasting Corporation (BBC) are primarily publicly funded.¹

The Philippines

The Philippines Government-Owned and Controlled Corporation Governance Act were passed in 2010 to institutionalize reforms in the public corporate sector. The urgency in reforming the sector came about because the total expenditures of government-sponsored businesses reached nearly 30 percent of the total expenditures in 2009. Previous attempts to monitor and coordinate the activities and functions of these businesses were carried out through executive appointments that changed along with changes in government. The act aimed to ensure long-term reforms in the sector.

Vietnam

Vietnam stands out in terms of strong state ownership in sectors such as agriculture, real estate, and construction. State ownership of land and overall state responsibility for socially important services such as the distribution of goods and provision of residential housing implies that SOEs are widely perceived as executive agents of the government's developmental strategies and economic policy plans, rather than

¹*State-Owned Enterprises in the EU*. ec.europa.eu/info/sites/info/files/file_import/ip031_en_2.pdf.



individual economic agents whose main objective is the maximization of long-term earnings. The state ownership in Vietnam is decentralized and SOEs are governed by a number of agencies and ministries. Where such agencies are both responsible for regulating a market and owning shares in significant actors often leads to favoritism. For example, allegations that the state-sponsored Vietnam Airlines benefits from unfair advantages granted are widespread. The traveling public also reports that the airline has advantages due to its ownership which results in more convenient scheduling than its competitors; thus, increasing its usage and profits.

The Organization for Economic Cooperation and Development (OECD)

The OECD is an intergovernmental economic organization with 37 member states which include Australia, Japan, Korea, New Zealand from Southeast Asia. Although OECD does not have the power to enforce its decisions, which further require a unanimous vote from its members, it is recognized as a highly influential publisher of economic data as well as annual evaluations and rankings of member countries.

The OECD works to ensure that state-owned enterprises operate in a sound competitive and regulatory environment to promote efficient and open markets at the domestic and international levels. It advances national reforms in countries across the world, guided by the internationally-agreed OECD Guidelines on Corporate Governance of State-Owned Enterprises.² The OECD Guidelines on Corporate Governance of State-Owned Enterprises give concrete advice to countries on how to more effectively manage their responsibilities as company owners, thus helping to make state-owned enterprises more competitive, efficient, and transparent. Furthermore, OECD holds region-specific meetings, such as the 12th Meeting of the Asia Network on Corporate Governance of State-Owned Enterprises, in order to allow an exchange of national experiences on state ownership and SOE governance as well as a discussion of challenges in bringing SOE disclosure and transparency practices in line with the standards of the OECD Guidelines. Most recently, OECD published The Recommendation of the Council on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises as the first international instrument to offer the state, in its role as an enterprise owner, support in fighting corruption and promoting integrity in SOEs. These council guidelines also aim to act complementary for OECD Guidelines.

III. Focused Overview of the Issue

The original objective of state-owned enterprises and state-sponsored businesses was to balance markets through regulation and to be transparent and accountable to the public. Before addressing the

² <http://www.oecd.org/corporate/soes/>



regulatory issues behind SOEs, the public debate on this issue should be mentioned. The utmost concern is the political unease about the underlying motivation of the actions of companies controlled by parties. What the delegates must try to comprehend as a whole is how state-owned or sponsored businesses affect their regions or the whole world socially and politically with a monopoly structure.

In this case, the “**artificial monopoly market**” term will be suitable to use as it defines a common type of market is one in which a small number of companies have gained complete dominance by artificial means such as political influence and partnerships with or ownerships by the state. The SOE has then the ability to set the rules in that market. This situation has potentially dangerous consequences as now state officials are expected to regulate their own behavior.

Globalization

Domestic markets are commonly regulated and managed by states. Governments created SOEs as a defensive measure to avoid losing domestic markets to foreign companies since globalization became the trend. State-owned enterprises have always been an important element of most economies, including the most advanced ones. The state sector has traditionally been characterized by orientation towards domestic markets. However, today, some state-owned enterprises are among the largest and fastest expanding multinational companies. They increasingly compete with private firms for resources, ideas, and consumers in both domestic and international markets. The significant extent of state ownership among the world's top companies raises a question about its impact on global competition. The triple role of the government as a regulator, regulation enforcer, and owner of assets opens a possibility of favorable treatment granted to state-owned enterprises in some cases. They may well be justified in a domestic context, for example, to correct market failures, provide public goods, and foster economic development. But if their effects extend beyond borders, they may undermine the benefits from international trade and investment, and cause a global economic crisis.

Globalization consists of political, economic, and cultural factors. The cultural aspect is the existence of a uniform consumption culture all over the world. In domestic markets, the industries and enterprises are chosen through political agendas by states. Therefore, cultural changes are occurring as local varieties of products and services are downgraded to uniform products in order to meet global market standards. Cultural transformation is thus taking place largely as a result of pressure from SOEs. These government-supported artificial monopolies are actually the roots of the destructive tendencies often attributed to globalization.

SOEs serve the purpose of regulating the domestic market while countries compete globally without external interference. The ultimate cause of these changes is globalization, but the everyday pressure from



state-sponsored businesses on the culture is much more evident than that of global businesses. Thus, this globalization argument used frequently by many governments can be considered as manipulation of the public. Many governments gain power and legitimacy as they blame “external forces” that presumably meddle with internal works, for the failing economy, unemployment, and inefficiency of services.

Income and Employment

Another way the state-sponsored businesses assist governments to gain more power or maintain power is by enabling the redistribution of income. In economies with unequal distribution of income, the voters most generally prefer to redistribute the income. Democratic regimes, even autocratic ones, are responsive to the median (majority) voter, thus they are interested in carrying out redistributions to please the majority voters and to remain in power. Pro-labor governments whose majority constituents are workers are likely to employ SOEs for redistribution of income in order to place more importance on egalitarianism. Pro-capital governments - in favor of or supporting capitalist policies and ideologies which in the long run lead to a decline in the wage share - on the other hand, are more likely to adopt policies that reflect the capital-rich constituents' preferences and further invest in smaller industries that yield less redistribution.

Furthermore, the government may want to eliminate the potential social unrest by providing employment and benefits to the public through such enterprises. This means that with the lower unemployment and faux social safety net created by the government through enterprises, governments could maintain power. It is arguable that governments boost employment through SOEs to manipulate votes. Correspondingly, SOEs display higher employment levels in election years which reflects well on the supportive government. Moreover, this correlation is stronger in less developed regions where people need a job more than anything.

Politics and Elections

The resources of SOEs are often used to fund political parties or **electoral campaigns**. Their resources serve as “rewards” to be given to **political backers**. These actions disrupt electoral cycles and hinder accountability which is a key requirement of a democratic system. Therefore, it is possible to conclude that discretionary use of national resources through state-owned enterprises or state-sponsored businesses serves for **party patronage** and unprofessional appointments.

Media

As delegates try to understand the subject profoundly and search for solutions, the media should be emphasized in particular. “**Online content manipulation** contributed to a seventh consecutive year of the



overall decline in internet freedom, along with a rise in disruptions to mobile internet service and increases in physical and technical attacks on human rights defenders and independent media.” reports the Freedom House.³ As Freedom House continues, in over half of the countries, studied in the report of 2017 the online media outlets are distorted by **bribery**, **politicized editorials**, and **takeovers** by government-sponsored entities. The results are drastic misrepresentations in the media where major news outlets adhere to the rules of the government.

Over the last few years, many governments have alleged public safety to justify the sudden cease of online communication networks, mostly mobile services, due to the fact that mobile access has become the predominant source of information. These shutdowns isolate the minorities as the government chooses to target specific ethnic or religious groups. For example in China, Tibetan and Uighur minorities are found to experience the most shutdowns of mobile connectivity. Therefore, specific shutdowns can be used to silence groups that criticize the government. Furthermore, governments increasingly restrict the internet during elections such as when the Republic of Congo government completely blocked the internet during the 2016 presidential elections in order to prevent the unofficial reporting of results.

“**Misinformation**” and “**fake news**” become manipulative and controlling when it’s the government who decides what is the truth. A concrete example would be WeChat of China which is a social media giant like Facebook, owned by telecom company Tencent. WeChat has been subsidized and controlled by the Chinese government since 2011 and provides services for over 1 billion Chinese citizens. WeChat has a feature where users may check whether the news is discredited by WeChat’s own **fact-checkers**. This feature proves that it facilitates the government to claim any opposition against the government is “fake” and thus legitimize the misinformation provided by the government itself.

SOEs also lead to **online data collection**. According to one article of the Guardian, The Chinese Communist Party (CCP) “has established a “massive and global data-collection ecosystem” that uses *state-owned enterprises*, Chinese technology companies and partnerships with foreign actors and institutions⁴... collects data from around the world in more than 65 languages, and analyses and processes that data for use by the government and corporate clients.” The usage of collected user data is a way of mass manipulation. Governments use the data to segment and categorize people in order to manipulate

³ “Manipulating Social Media to Undermine Democracy.” *Freedom House*, freedomhouse.org/report/freedom-net/2017/manipulating-social-media-undermine-democracy.

⁴ Doherty, Ben. “China Has Built 'Massive Global Data-Collection Ecosystem' to Boost Its Interests.” *The Guardian*, Guardian News and Media, 14 Oct. 2019, www.theguardian.com/australia-news/2019/oct/15/china-has-built-massive-global-data-collection-ecosystem-to-boost-its-interests.



voter behavior through targeted advertising. Furthermore, the idea of **valid consent** and human rights are being endangered since the autonomy is undermined due to constant surveillance and abuse of free will.

IV. Key Vocabulary

State-owned enterprises (SOEs): “There is no universal definition of an SOE but commonly they are considered to be commercially active enterprises owned fully or partially by the state, and they can also include agencies set up by the state, such as health services or museums. Some states define SOEs as where the state has a majority of the shares. SOEs can also be defined as where the state has effective control through voting rights, a golden share, or influence.” (Transparency International 2018)

Privatization: Privatisation refers to the transfer of ownership and control of the government or state assets, firms, and operations to private investors.

Manipulation: Exerting shrewd or devious influence especially for one's own advantage⁵.

Transparency: Transparency can also refer to a figurative kind of clearness or openness, which is what people mean when they talk about "government transparency." If you can see clearly, without anything being hidden, what you're looking at (or through) has transparency.

Monopoly: In economics, a monopoly specifically means the domination of a market by one owner or seller. When it is an SEO who owns the monopolistic power, which is usually the case considering SEOs appear in the most important sectors, it gives the government the power to control the sector.

Neoliberalism: A term used to describe government policies aiming to reduce state regulation and promote competition among business firms within the market. This policy supports privatization, free trade, deregulation, and the elimination of state subsidies. In context, neoliberalism shaped transitions from closed economies to private and free markets; such neoliberal approaches can be seen in the UK and China's histories. Neoliberalism policies have reduced inflation and increased national income; however, caused growing inequality in wealth distribution, and persistent political corruption.

Single ownership: Individual or single ownership of business means that a business is owned and operated by a single person or entity which may include the state.

State-managed capitalism: In his book, *The End of the Free Market*, Bremmer, who runs Eurasia Group, a political risk consulting firm, defines state capitalism as economies in which the state is the principal actor

⁵ <https://www.vocabulary.com/dictionary/>



and judge, and uses the markets for political gains. An example of state-managed capitalism would be China. The Chinese government owns many large firms and decides which industries will receive subsidies, protected markets, and favorable loans; therefore, controlling the economy and being able to decide for their own benefit.

Globalization: Globalization is the spread of products, technology, information, and jobs across national borders and cultures. In economic terms, it describes an interdependence of nations around the globe fostered through free trade. An example of globalization can be a car manufacturer that is based in Japan. This manufacturer can manufacture auto parts in several developing countries, ship the parts to another country for assembly, then sell the finished cars to any nation.

Online content manipulation: Online manipulation is defined to be the use of human psychological weaknesses to redirect behavior.

Data processing: "Data" is used as a generic term, including but not limited to statistics. It is seen as encompassing a wide range of quantitative or qualitative standardized information compiled by national statistical offices as well as other governmental or non-governmental entities. Data processing is the converting of raw data to machine-readable form and its subsequent processing (such as storing, updating, rearranging, or printing out) by a computer. Data collectors should provide clear, openly accessible information about their operations, including research design and data collection methodology. Data collected by State agencies should be openly accessible to the public.

V. Important Events & Chronology

Date	Event
December 10, 1948	Universal Declaration of Human Rights; as stated in Article 19, "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers."
December 18, 1978	Chinese Communist Party (CCP) adopts Deng Xiaoping's new "open door" policy to attract foreign technology and investment, starting the process of Chinese economic reform.
1991	The liberalization of the economy in India. India underwent only partial privatization of its SOEs.



1997	<p>The Asian Financial Crisis</p> <p>The International Monetary Fund (IMF), which provided loans to stabilize Indonesia, the Republic of Korea, and Thailand required them to undertake reforms, all of which resulted in SOE reforms. A sustained solution to the crisis called for a state takeover of the management of significant enterprises.</p>
March 25, 1998	<p>China launched a 3-year plan to reform and restructure State-owned Enterprises (SOEs) which led to widespread job losses but paved the way for China's economy to boom in the coming years.</p>
2003	<p>The State-owned Assets Supervision and Administration Commission of the State Council (SASAC) is founded under the State Council as the responsible of SOEs in China including supervision and appointment of executives, management work of wages, formulating, and implementing policies.</p>
2005	<p>"OECD Guidelines on Corporate Governance of State-Owned Enterprises" was created.</p>
2010	<p>The Philippines Government-Owned and Controlled Corporation Governance Act were passed in 2010 to institutionalize reforms in the public corporate sector.</p>
2015	<p>OECD Guidelines on Corporate Governance of State-Owned Enterprises was revised and has taken its current form. This guideline is the internationally agreed standard for how governments should exercise the state ownership function. Was first published in 2005 but has been updated in 2015.</p>
2015	<p>The Chinese government has launched "Made in China 2025," a state-led industrial policy that seeks to make China dominant in global manufacturing.</p>
May 23, 2019	<p>Anti-Corruption and Integrity Guidelines for State-Owned Enterprises are adopted by the OECD Ministries. The ACI Guidelines are the first international instrument to offer the state, in its role as an enterprise owner, support in fighting corruption and promoting integrity in SOEs.</p>
September 4-5, 2019	<p>OECD organized the 12th meeting of the Asia Network on Corporate Governance of State-Owned Enterprises in Manila, Philippines. The event allowed an exchange of national experiences on state ownership and governance of SOEs as well as a discussion of challenges in bringing their SOE disclosure and transparency practices in line with the standards of the OECD Guidelines.</p>



VI. Past Resolutions and Treaties

There are currently no United Nations resolutions or treaties on this subject. The United Nations continues to conduct research and is yet to establish a binding agreement and thereby come to a conclusion on the issue. But there are OECD, World Bank, and EU guidelines and toolkits provided to states. Such reports and guidelines contributed to the overall understanding of how the organizational structure of an SEO should be, how governments should act as shareholders, and how transparency and accountability of SEOs should be established. These guidelines provided governments international standards to uphold and to work towards.

Under Article 87 of the EU Treaty, “Any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods shall, insofar as it affects trade between the Member States, be incompatible with the common market.” The EU Treaty also gives enforcement powers to the European Commission, which can require member states to apply competition rules to SOEs and even take measures directed at the SOEs that infringe these rules.

- OECD Guidelines on Corporate Governance of State-Owned Enterprises:
<http://www.bicg.eu/wp-content/uploads/2017/07/OECD-2015.pdf>
- An application of the OECD Guidelines on Corporate Governance of State-Owned Enterprises to the cross-border operations of SOEs:
<http://www.oecd.org/daf/ca/corporategovernanceofstate-ownedenterprises/44215438.pdf>
- “State-Owned Enterprises: Trade Effects and Policy Implications”, OECD Trade Policy Papers, No. 147: https://baobab.uc3m.es/monet/monnet/IMG/pdf/5k4869ckqk7l_1_.pdf
- World Bank’s Corporate governance of state-owned enterprises: A toolkit:
<http://documents1.worldbank.org/curated/en/228331468169750340/pdf/Corporate-governance-of-state-owned-enterprises-a-toolkit.pdf>
- Anti-Corruption and Integrity Guidelines for State-Owned Enterprises by OECD:
<https://www.oecd.org/fr/gouvernementdentreprise/anti-corruption-integrity-guidelines-for-soes.htm>

VII. Failed Solution Attempts

Currently, no solutions attempts have been made to establish international cooperation except for the guidelines of the OECD and EU. However, these guidelines are not binding as SOEs fall under the “internal affairs” of a state, and any interference by the aforementioned therefore raises the issue of



sovereignty. Every state has its own policy and regulations regarding the issue. It is highly encouraged that delegates do profound research on their country's policies about SOEs, how government ownership plays part in enterprises' work, and how it affects the general population. Keeping these in mind, delegates should approach the issue from the human rights perspective in order to create a binding and international resolution.

VIII. Possible Solutions

Enhancing citizen media literacy skills should be the first step to take. Media literacy is a tool to empower citizens as well as raising awareness and help counter the effects of disinformation campaigns and fake news spreading through digital media. Children can be easily reached in school through a curriculum to teach them media literacy. Adults, on the other hand, require indirect learning, thus civil society groups that encourage media literacy should be supported. Media activism should be encouraged to reach the masses.

States should take active measures to ensure that State-owned media correctly reflect objectivity. In order to ensure freedom of expression, privately-owned media should be encouraged through legislation.

A core component of the solution is to improve the way in which the state exercises its ownership rights, appoints the governing bodies of SOEs, and communicates with the companies. States should be encouraged to create legislation to ensure transparency and accountability or a binding international standard should be set which states are to follow. Ownership should be defined. The functions of the state, the board of directors, and management are distinguished.

Competition law should be applied to neutralize the advantages that SOEs have in the industries against other private corporations. Different regulatory pathways can be considered for neutrality. The example of the EU can be considered.

There must be international standards set for transparency and public disclosure. Financial reporting requirements are to be decided. Next, public transparency should be established under international supervision.

Governments can be advised by experts to create governance codes within their states. Developing tools and manuals for SOE organizations and training for companies and directors can be some of the components of the code.



IX. Useful Links

- In the light of the COVID-19 pandemic, this link provides delegates with an overview of how the governments have taken action for the pandemic through SOEs:
<https://www.oecd.org/coronavirus/policy-responses/the-covid-19-crisis-and-state-ownership-in-the-economy-issues-and-policy-considerations-ce417c46/#boxsection-d1e323>
- An example of how the capital can be used for manipulation and political deeds. Under this system, loyalty to the Chinese Communist Party is rewarded with career advancement in Hong Kong:
<https://scroll.in/article/968680/chinas-state-owned-companies-are-using-red-capital-to-wield-political-power-in-hong-kong>
- The Fortune Global 500, is an annual ranking of the top 500 corporations worldwide as measured by revenue: <https://fortune.com/global500/>
- An insightful article on how the Indian government uses mass surveillance as a political manipulation tool: <https://frontline.thehindu.com/cover-story/article25878762.ece>
- A chapter of Sharon Beder's 'Moulding and Manipulating the News' on the ways in which the news is shaped and how this influences the way environmental issues are reported and constructed in the mass media: <https://documents.uow.edu.au/~sharonb/mediachap.html>
- OECD's report on how SOEs are perceived in global trade. The report tries to answer the following questions: "(1) How important is state ownership in the global economy; (2) What types of advantages granted to SOEs by governments (or disadvantages afflicting them) are inconsistent with the key principles of the non-discriminatory trading system; and (3) What policies and practices support effective competition among all market participants?" (OECD, State-Owned Enterprises: Trade Effects and Policy Implications):
<https://www.oecd-ilibrary.org/docserver/5k4869ckqk7l-en.pdf?expires=1597441451&id=id&accname=guest&checksum=C9188062197D800037FEBD06817C5052>
- This document offers an in-depth understanding of how SOEs developed globally, what struggles countries have faced, SOEs' privatization problems, and lessons learned:
<https://www.adb.org/sites/default/files/linked-documents/2-Global-Experience-with-SOE-Reforms.pdf>
- A detailed look into the People's Republic of China's 10-year economic plan: "Made in China 2025", and its effects or threats to global trade:
<https://www.cfr.org/backgrounder/made-china-2025-threat-global-trade>



X. Works Cited

- Avsar, Veysel. "State-Owned Enterprises Inequality and Political Ideology." *ResearchGate*, 2017, www.researchgate.net/publication/259548370_State-Owned_Enterprises_Inequality_and_Political_Ideology.
- Büge, Max. "State-Owned Enterprises in the Global Economy: Reason for Concern?" *VOX, CEPR Policy Portal*, 2 May 2013, <https://voxeu.org/article/state-owned-enterprises-global-economy-reason-concern>.
- Christine J. Richmond, Dora Benedek. "Reassessing the Role of State-Owned Enterprises in Central, Eastern and Southeastern Europe." *IMF*, July 2019, www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2019/06/17/Reassessing-the-Role-of-State-Owned-Enterprises-in-Central-Eastern-and-Southeastern-Europe-46859.
- Crain, Matthew. "Political Manipulation and Internet Advertising Infrastructure." *Journal of Information Policy Vol. 9* , 2019, www.jstor.org/stable/10.5325/jinfopoli.9.2019.0370#metadata_info_tab_contents.
- Danie, Elinor Primrose. [PDF] [663] Paper. *The Inferior Performance of State Owned Enterprises: Is It Due to Ownership or Market Structure?* Sept. 2019, <https://silo.tips/download/663-paper-the-inferior-performance-of-state-owned-enterprises-is-it-due-to-owner>.
- "Disinformation as a Threat to Private and State-Owned Businesses." *Warsaw Institute*, 23 July 2018, <https://warsawinstitute.org/disinformation-threat-private-state-owned-businesses/>.
- "How the Political Capture of State Owned Enterprises Is Damaging Democracy in Central and Eastern Europe." *EUROPP*, 9 July 2018, https://blogs.lse.ac.uk/europpblog/2018/03/05/how-the-political-capture-of-state-owned-enterprises-is-damaging-democracy-in-central-and-eastern-europe/?utm_source=feedburner.
- Industry Today. "State-Sponsored Overcapacity: The Looming Crisis in the Global Steel Industry." *Industry Today*, 30 Jan. 2020,



<https://industrytoday.com/state-sponsored-overcapacity-the-looming-crisis-in-the-global-steel-industry/>.

Knowledge, HBS Working. "What Capitalists Should Know About State-Owned Enterprises." *Forbes*, Forbes Magazine, 22 Feb. 2013, www.forbes.com/sites/hbsworkingknowledge/2013/02/22/what-capitalists-should-know-about-state-owned-enterprises/.

OECD. *Ownership and Governance of State-Owned Enterprises: A Compendium of National Practices*. 2018, www.oecd.org/corporate/Ownership-and-Governance-of-State-Owned-Enterprises-A-Compendium-of-National-Practices.pdf.

Peskoe-Yang, Lynne. "Full Page Reload." *IEEE Spectrum: Technology, Engineering, and Science News*, 2018, <https://spectrum.ieee.org/tech-talk/telecom/internet/how-chinas-statesponsored-social-networks-control-misinformationand-dissent>.

Singh, Jewellord Nem. "State-Owned Enterprises and the Political Economy of State–State Relations in the Developing World." *Taylor & Francis*, 2017, www.tandfonline.com/doi/abs/10.1080/01436597.2017.1333888?scroll=top.

Song, Houze. "State-Owned Enterprise Reforms: Untangling Ownership, Control, and Corporate Governance." *MacroPolo*, 10 Sept. 2019, <https://macropolo.org/analysis/state-owned-enterprise-reforms-untangling-ownership-control-corporate-governance/>.

"State-Owned Enterprises." *International Finance Corporation*, www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc_cg/topics/state-owned-enterprises.

Szamoszegi, Andrew, and Cole Kyle. "An Analysis of State-Owned Enterprises and State Capitalism in China." *U.S.-China Economic and Security Review Commission*, 26 Oct. 2011, www.bollettinoadapt.it/old/files/document/14786CapitalTradeSOES.pdf.

Wilkinson, Peter. "STATE-OWNED ENTERPRISES: BEACONS OF INTEGRITY? THE CASE FOR IMPLEMENTING THE 10 ANTI-CORRUPTION PRINCIPLES FOR STATE-OWNED



ENTERPRISES.” *Transparency International*, 2018,

https://images.transparencycdn.org/images/2018_SOE_Paper_EN.pdf.

Written by Stephen S. Roach, Senior Fellow. “How Market Manipulation Has Gone Global.” *World Economic Forum*, 2015,

www.weforum.org/agenda/2015/07/how-market-manipulation-has-gone-global/.