

Corporate Governance in China: Comments

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A Diversity

- Corporations with majority government ownership
- Joint ventures (spin-offs of SOEs) with foreign companies of various national origins
- TVEs (=> partnerships, JSCs)
- Privately owned corporations

Unique Problems with Transition

- Disguised bureaucratic control cum insider control (collusion)
- Provincial control (Steinfeld, Li-an Zhou)
- Bad debts problem (a legacy of social security provisions by SEOs)

Reforms

- Securities regulations. Outsider representations
- Social securities reform is complementary. How can national social securities funds funded?
- Will the state relinquish ownership?

Transition and **Development**

- Industrialization in an economy where the peasant economy is dominant ... a common feature in East Asia
 - FDI vs. domestic savings
 - Mediating financing of industrial development by the developmental state (DS): market-enhancing and degenerate.
 - Mobilization of household savings ... Banks rather than markets
- Evolution of compensation mechanism under DS and a gradual transformation to inclusive “administered” pluralism (Japan) or competitive democracy (Korea, Taiwan)?
- Enterprises as “teams”? Relational contingent governance? Banking reform? Comprehensive systemic reforms in industrial finance, public finance, and social securities? Political constraints?

A great need for comparative institutional analysis and public policy analysis in East Asia.