

Faculty of Business Administration
Department of Finance and Business Economics
Visiting Scholar Seminar

*Privatization Advances State-owned Enterprises:
A Theoretical Analysis of Firms' Political Connections in Mixed
Markets*

Prof. Jie LI

Professor, Institute of Industrial Economics, Jinan University

Abstract

In OECD and many other countries, state-owned public enterprises normally receive various forms of exclusive preferential treatment that directly affect the profits of all firms, motivating firms to lobby politicians. Using the common agency approach, we show that when state ownership of public enterprises is sufficiently low, i.e., the privatization process is sufficiently advanced, corporate lobbying boosts preferential treatment, causing public enterprises to “advance” as the playing field is tilted in their favor. Conversely, when state ownership is high, corporate lobbying can reduce preferential treatment, causing public enterprises to “retreat” as the playing field levels.

Date: 05 Sep 2019 (Thu)

Time: 10:00-11:30 am

Venue: E22-2010

Short Biography

Prof. Jie LI is a Full Professor at the Institute of Industrial Economics, Jinan University. He received a bachelor degree in international finance from Lingnan College, Sun Yat-sen University, and a PhD in economics from the joint program of City University of Hong Kong and Sun Yat-sen University. His research interests center on political economy in international trade, firms' strategic behavior, corporate finance, and Chinese economy. His research publications appear in internationally well-recognized journals, including *Journal of International Money and Finance*, *Journal of Comparative Economics*, *Environmental and Resource Economics*, *Journal of Regulatory Economics*, *Review of International Economics*, *Southern Economic Journal*, *China Economic Review*, etc. He has also served as a consultant for Guangdong Provincial Government in P.R. China and an adjunct professor at Hainan University.

ALL ARE WELCOME!