

Exploring the Reform of Property Rights of State-owned Enterprises from the Perspective of New Institutional Economics

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Abstract

State-owned enterprises are the pillars of our national economy. To develop the productive forces of socialist society and realize the industrialization and modernization of the country, we must always rely on state-owned enterprises. In order to carry out economic system reform in China, the reform of state-owned enterprises must be carried out first, and the reform of property rights system is the core of the reform of state-owned enterprises, which means the reform of property rights system is inevitable. In the current social environment, to deepen the reform of property rights system, we cannot blindly copy its model to "reshape" the property rights relationship of our national enterprises, but should combine with our national conditions and carry out the reform of property rights system suitable for our country. In the following, I will explore the problems and solutions of the reform of property rights system of state-owned enterprises from the perspective of the new institutional economics, taking into account the knowledge of property rights.

Keywords

State-owned Enterprises; Property Rights System; Reform.

1. Introduction

The Third Plenary Session of the 16th CPC Central Committee clearly proposed to establish a sound modern property rights system, and outlined four features of modern property rights system, namely clear attribution, clear rights and responsibilities, strict protection and smooth flow. And what is the reform of property right system and how to carry out the reform of property right system is a question worthy of our in-depth consideration and inquiry. This paper briefly introduces the problems related to the reform of property right system and puts forward some suggestions.

2. Property Rights and Property Rights System

2.1. What is Property Right?

According to the essential characteristics of property rights, we can generally define property rights from two different perspectives: one is defined from the perspective of the relationship between people and property; the other is defined from the perspective of the relationship between people and people based on property.

2.1.1. Defined from the Perspective of the Relationship between People and Property

Coase says: "Property rights are a right that people enjoy." According to Demcz, the owner of property rights has the right to agree with his colleagues on a certain behavior, and property rights are a social tool, a property right related to ownership, and a dynamic concept.

2.1.2. Defined from the Perspective of Property-Based Human-Human Relations

Fisher believes that property rights are an abstract social relationship. According to Fruberton and Pajewicz, property right is a mutually recognized behavioral relationship between human beings arising from the existence of things and their use.

2.2. What is a Property Rights System?

A property rights system is a set of institutional regulations established by the state to regulate the economic rights relations related to property. The property right system has the following six basic characteristics: independence: once the property right system is established, the property right subject can exercise the rights within the scope of the law independently; clarity, that is, the property right subject and ownership is clear; transferability, that is, the property right market can be transferred to each other; profitability: the property right subject has the right to obtain income revenue according to its asset ownership; responsibility, that is, to bear the asset flow risk and responsibility; legality, that is, it is confirmed, protected and regulated by the national law.

3. The Importance of the Reform of Property Rights System

3.1. Reform of Property Right System

The reform of property right system of state-owned enterprises is to make foreign capital, private capital, management capital and other types of capital participate in the management and development of state-owned enterprises through a series of property right system arrangement and property right structure design, transforming state-owned enterprises into mixed enterprises and establishing diversified investment subjects with mutual control and common development. It means clarifying property rights, sorting out the original ambiguous state, defining the property rights boundary and the rights and obligations of property rights subjects. Establish property rights constraint mechanism in order to achieve the best allocation of social resources.

3.2. The Significance of Property Rights System Reform

With the development of market economy, the reform of property right system of state-owned enterprises becomes more and more urgent. Establishing and improving the modern property right system has important practical significance: it helps to maintain public property rights and make the dominant position of the public economy more solid. It helps to protect private property rights and develop non-public economy; it helps to promote the flow and reorganization of all kinds of capital and the diversification of property rights of state-owned enterprises; it helps to enhance the motivation of enterprises and public entrepreneurship and innovation, better develop the economy and establish a good market order. This is also an important reform measure to promote the forward development of state-owned economy. Therefore, the reform of property rights system of state-owned enterprises has become the core content of deepening the reform of state-owned enterprises, which has been the general trend, and it is of great significance to find the right idea to reform accurately for the development of China's economy.

4. The Problems of China's Property Rights Reform

There are many reasons that make the reform of property rights of state-owned enterprises appear problems, such as the reform of the deepening situation of state-owned enterprises themselves and the overall environment of domestic economic development. The problems of property right reform are mainly concentrated in five aspects.

4.1. The Market of State-Owned Property Rights is Not Developed, and There is Ambiguity in Property Rights

In China, the relationship between the property rights of state-owned enterprises is not very clear, and there is a deep degree of "government-enterprise non-distinction" in state-owned enterprises. This ambiguous ownership relationship not only cannot fundamentally solve the problems of confusion between government and enterprises, loss of state-owned assets, and inefficient operation of enterprise assets, but also restricts the further development of other reform processes and has a certain impact on the transformation of the economic system.

4.2. State-owned Enterprise Companies do not have a Perfect Governance Structure

At the beginning of the reform, although the decentralization and contract responsibility system aimed at revitalizing state-owned enterprises was implemented, the corporate governance structure basically remained unchanged. In terms of internal governance structure, the shareholding system reform piloted after the 1990s was only a formal separation of two kinds of rights. The relationship between the property rights of enterprises is not clear, the corporate governance structure has not been really established, and the problem has not been really solved.

4.3. Problems in the Property Rights Market of State-Owned Enterprises at Present

There is a lack of "buyers" and "sources" for property rights transactions. Due to the lack of market economy legal construction in China, the development of property rights market is not mature enough, which seriously restricts the property rights reform of state-owned enterprises. In addition, governments at all levels basically control the reorganization of enterprise assets and the transfer of property rights. The mutual exclusion between regions has led to the formation of an independently operating and everywhere prosperous property rights trading market. Without standardization, it is difficult to transfer and reclaim state-owned property rights in a high-quality manner. In addition, many local government leaders mistakenly believe that the reform of property rights of SOEs is to reduce the burden, or even to turn "public" into "private", and do not act in accordance with economic laws, but blindly set goals, give orders and take some measures that they think are wrong. This makes the reform of property rights system of state-owned enterprises encounter obstacles.

4.4. Serious Loss of State-Owned Assets

Along with the reform and development of state-owned enterprises, there is a serious loss of state-owned assets. This phenomenon has attracted more and more attention from the state and enterprises. The loss of state-owned assets is mainly reflected in four aspects. First, it does not act in accordance with national regulations, misappropriates government assets, and converts some government assets into collective and individual shares privately and free of charge. Second: it reduces the book value of government assets through special ways and falsifies them to make profits from them; third: government assets are misvalued. When government assets are transferred, they only sell the assets and ignore the debts. They

deliberately do not conduct legal evaluation and bidding; the last one is operating in the dark, buying and selling or cooperating with others inside and outside.

4.5. Backward Concept of Restructuring

There are a large number of employees in state-owned enterprises, and in the process of restructuring, employees are afraid of losing their "state-owned" status, their sense of security, and their protection. This negative reform concept hinders the process of enterprise restructuring.

5. The Key to Solve the Problem of Reforming the Property Rights System of State-Owned Enterprises

To solve the problem of property rights system of state-owned enterprises, we must clarify the foothold of property rights system and the fundamental problems to be solved, in order to make the property rights system on the right track and solve the problems.

5.1. Deeper Inquiry to Solve the Contradictions of Property Right System Reform

The reform of property right system should focus on solving the deep-seated contradictions of state-owned enterprises. We should solve the problems of insufficient state-owned enterprises' own capital, insufficient direct financing of state-owned enterprises, unreasonable internal structure of state-owned enterprises, surplus employees, low efficiency and backward technology, as well as the long-standing problem of duplicate construction. At the same time, we should try to solve the problems of heavy social burden of enterprises and confusion between government and enterprises. For these problems, governments at all levels have taken many measures over the years, but often treat the symptoms but not the root cause. The final result is that the reform of property rights system does not touch or focus on these deep-seated contradictions, making them deeper and deeper, the more difficult it is to solve the problem from the root. So seize the deep-seated problems of property rights system reform is the key to solve the problem of property rights system reform. The long-term and complexity of the deep-level contradictions of state-owned enterprises determine that the reform of property rights system should not be too hasty, ready to fight a protracted war, can not expect a momentary miracle, but from the perspective of long-term development, deeper investigation of the solution.

5.2. Focus on the Market Allocation Problem

The reform of property rights system of state-owned enterprises is, in essence, the redistribution of state-owned capital. Under the new situation and background of market economy, the government should fully consider market rules, market mechanism and market orientation when formulating state-owned capital policies and plans. The transfer of state-owned capital of enterprises should comply with the law of market supply and demand and the rules of competition in the industry, and should not be arbitrary and arbitrary. Start from reality and solve specific problems. We should not only prevent "stagnation", but also prevent administrative intervention "one-size-fits-all" and "retreat" type of sales and transfers, only market resources for benign transfer, each Enterprises to comply with the rules of healthy competition, not for private interests disrupt the market order, the market allocation problem will be reasonably solved.

5.3. Adhere to the Principle of Promoting According to Law

The central theme of the reform of the property rights system of state-owned enterprises is the redistribution of net state-owned assets. At present, the laws and regulations concerning the

management of state-owned assets have not been perfected, and the change of ownership of state-owned assets involved in the reform of the property right system should be regulated by law. People's congresses at all levels should make full use of the macroeconomic supervision function to supervise, and supervisory boards and employee congresses should also make full use of the legal and democratic supervision function to strengthen supervision and prevent the loss of state-owned assets. Adhere to the principle of reasonable adjustment of the structure of the national economy. In the reform of property rights system of state-owned enterprises, the focus should be on revitalizing the state-owned economy, promoting in-depth reform of property rights system of state-owned enterprises on the basis of reasonableness and legality in accordance with the law, and keeping pace with the national system.

6. Concluding Remarks

The key to the reform of state-owned enterprises is the reform of property rights. In today's era, against the background of overall social oversupply, state-owned enterprises should adjust their thinking, improve their products with a positive and innovative attitude, and promote the fair distribution of social resources. In the specific reform process, we need to achieve a deep and comprehensive reform, we need to penetrate the property rights reform into all aspects of the economy, and from an economic point of view, the reasonable allocation of resources in state-owned enterprises must be achieved through clear ownership. The development of China's social economy must be based on reality, combined with China's basic national conditions, improve the legal basis of property rights system reform, seize the key of China's state-owned enterprise property rights system reform, explore the implementation of reasonable and correct reform measures, so that the problems of China's state-owned enterprise property rights system can be properly solved.

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