State Capitalism vs. Private Enterprise

Abstract

[illegible]

[illegible]

[illegible]

[1] [illegible]

[2] [illegible]

2005), [illegible] ., [illegible]

2005), [illegible]

[illegible]

$$\text{[illegible]} \quad {}_{i,t} \quad Q_{i,t\ 1} \quad X_{i,t\ 1} \quad {}_{j,t} \quad {}_{k,t} \quad {}_{i,t} \tag{1}$$

[illegible] i [illegible] k [illegible] j [illegible] t. [illegible]

[illegible] , [illegible] is [illegible]

[illegible] $Q_{i\ 1}$, [illegible]

[illegible] Q .

[illegible]

[illegible] Q (ie,

[illegible] $_{j,t}$. [illegible]

[illegible] Q [illegible]

[illegible] Q.

[illegible] (1) [illegible] X_{i} 1,

[illegible] $_{k,t}$. [illegible]

[illegible] [10]

[illegible]

2. Sample and Data

[illegible]

2013). [illegible]

[illegible] [11]

[illegible] 230 [illegible] 91 [illegible] 2004 [illegible]

2013.[12] ([illegible] 82 [illegible] 148 [illegible]

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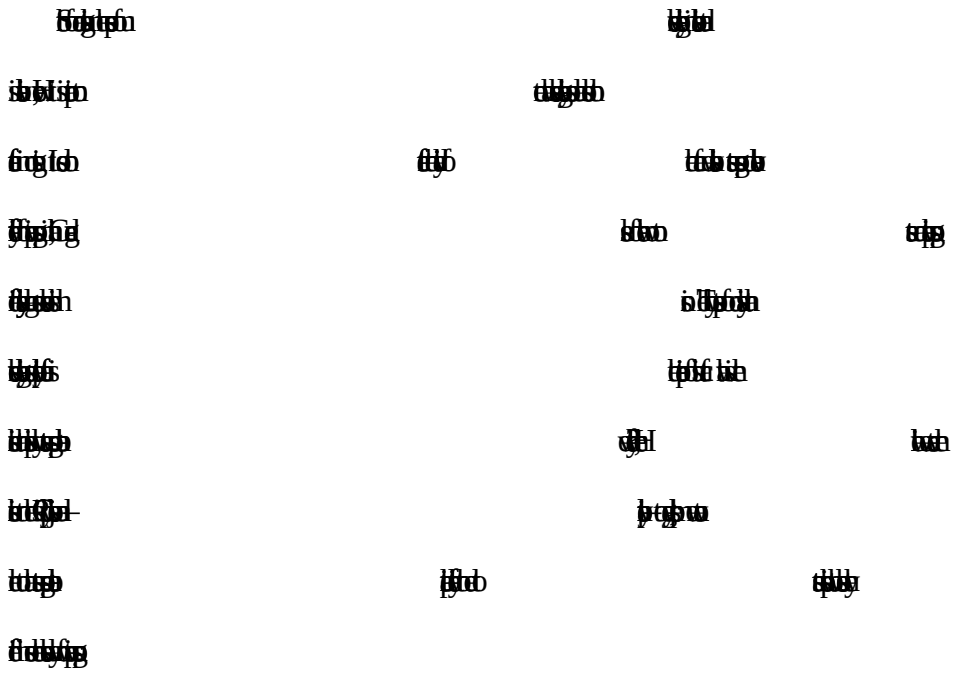
[10] [illegible] 3 [illegible] 0026 [illegible] 2.185 10.4 705.42 1, [illegible] 002 [illegible]

[14]

[15] [16]

[14]

[15]



3. Capital Allocations in Stat

(t1). Pe ll e d
ll k -j f n e
e n g l n 0.48%
p(p 0.026), l f n l f e
y 5.93% n l j e g l w
P l p t 0.42% n 5.19% (p 0.043).
l l y l e e p l
y l e f 10.24% 10.85%, l
l i l e e e
l f l l p l e
l p l e
l l p l
[22] l e l
l l G l e
j n l l e h
l l e l e
l l p l
i l l e
B

e 2 l e l l d
e l l W l
p l e l l
y l l e l e
p l e l l
l l e l e
l l e l e
l l e l e

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] Q [illegible] 10,000 [illegible]

[illegible] 2.78% [illegible] p<0.001); [illegible]

[illegible] r([illegible]) 0.21% [illegible] p<0.027).

[illegible] Q [illegible] p<0.001). [33]

[illegible]

[illegible] in

[illegible] Q [illegible]

[illegible]

5. Party Objectives, Managerial Incentives, And Interest Alignment

[illegible] 4.4 [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] 60: [illegible] 7, [illegible]

[illegible] 65 [illegible]

[illegible]

[illegible]

[33] [illegible]

[illegible]

[illegible]

[illegible]

35

6. Conclusions

References

[illegible] 1986, [illegible], [illegible]

[illegible] 2006, [illegible] 79, 317–337.

[illegible] 2005, [illegible] 77, 571–16.

[illegible] 2014, [illegible], [illegible]

[illegible] 2011, [illegible] 99, 447–475.

[illegible] 2006, [illegible] 61, 2637–2680.

[illegible] 2008, [illegible] 21, 2015–2060.

[illegible] 2002, [illegible] 57, 2695–2740.

[illegible] 2006, [illegible] 61, 2415–2449.

[illegible] 2004, [illegible] 32, 599–616.

[illegible] 2003, [illegible] 1, 478–483.

[illegible] 02, [illegible] 117, 1214–8.

[illegible] 2003, [illegible] 16, 1167–201.

[illegible] 2011, [illegible] 17, 541–554.

[illegible] 1997, [illegible] 52, 578–2.

[illegible] 2015, [illegible]

[illegible] 1, [illegible] 17, 259–271.

114, 1193–1242.

Appendix A. Variable Definitions.

Summary statistics and capital allocation models

State groups [illegible]

Size [illegible]

Sales [illegible]

Employees [illegible]

Tobin's Q [illegible] 1601. [illegible] 2005 [illegible] (2011) [illegible] 2005 [illegible]

Return on assets ([illegible]) [illegible]

Total factor productivity

Abnormal portfolio returns (Table 5)

Market risk premium [illegible]

SMB [illegible] ***HML*** [illegible] (1993). [illegible]

[illegible]

t-1. [illegible]

[illegible]

ROA impairment [illegible]

Internal capital misallocation [illegible]

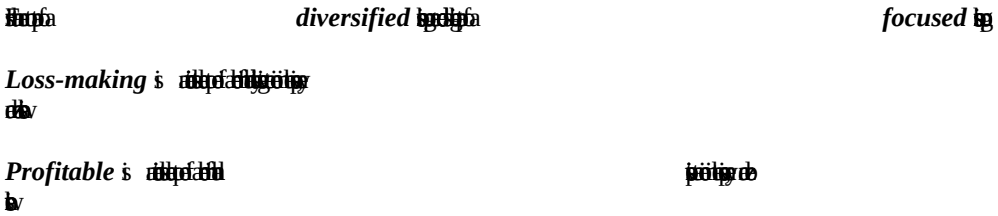

diversified
focused
Loss-making
Profitable
Below-average TFP

Table 1. Summary Statistics.

Table 2. *Q* Sensitivity of Internal and External Capital Allocations.

Table 3. Mitigating and Enabling Factors: Monitoring and Soft Budget Constraints.

Table 4. Characteristics of Source and Recipient Firms.

Table 5. Are Minority Shareholders Harmed?

Table 6. Diversified vs. Focused State Business Groups.

[illegible]

[illegible]

[illegible]

Table 7, Panel A: Promotions and Demotions at the Group Level.

Table 7, Panel B: Promotions and Demotions at the Member-firm Level.

Table 8. Profitability and Productivity.

Table 10. Career Objectives.

INTERNET APPENDIX

(NOT INTENDED FOR PUBLICATION)

Table IA.1. Baseline Models with Alternative Measures of Internal Capital Allocations.

Table IA.2. Baseline Models with Capital Transfers for Alternative Sets of Group Entities.

Table IA.3. Alternative Size Cut-offs and Placebo Tests.