Study on Mixed Ownership Reform Modes ——Cases Analysis Based on Central State-owned Enterprises

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Abstract. The mixed ownership reform of state-owned enterprises has experienced more than 30 years of exploration and practice. Since the 18th CPC Central Committee, three batches of mixed ownership reform pilots have been carried out, and a number of advanced models and experiences have been formed. However, the current theoretical research on the mixed ownership reform of state-owned enterprises still lags behind the development of practice. Therefore, the selection of cases of mixed ownership reform of state-owned enterprises can be applied to discover and develop theories from the perspective of case evidence, which has significant practical and theoretical value. This paper selects several typical cases of mixed state-owned enterprises, studies the characteristics of the mixed ownership reform model and corporate governance, and analyzes the relevant experience and deficiencies. The study found that in order to promote the reform of mixed ownership, it is necessary to continue strengthening market-oriented reforms, expand the scope of private capital access, accelerate the transformation of government functions, reform the state-owned assets supervision model, and attach importance to the role of human capital.

1. INTRODUCTION

The Third Plenary Session of the 18th CPC Central Committee proposed the development of mixed-ownership economy. This is an effective way to deepen the reform of state-owned enterprises and an important measure to support the development of the non-public sector of the economy. To promote the establishment of a modern enterprise system in state-owned enterprises, the core content is to establish modern corporate governance.

Since 2013, three batches of pilot projects have been carried out for the mixed ownership reform (Hereinafter referred to as MOR) of state-owned enterprises . The current round of substantive operation is oriented toward “classified and layered implementation”. Huang Shuhe (Yao Dongqin, 2014), deputy director of the State-owned Assets Supervision and Administration Commission of the State Council(Hereinafter referred to as SASAC), once said that in the specific practice of “MOR”, it is necessary to conduct researches and propose measures in a classified way. We must avoid the implementation of “one size fits all” and “one enterprise and one policy.”

In addition, because of different MOR modes and ownership structure, there could be different forms of corporate governance. The two are closely connected and interact. Corporate governance issues are more complex for mixed-ownership state-owned enterprises. This is because the corporate governance of mixed-ownership state-owned enterprises has its own particularity. Although it is in a form of joint-stock company, it cannot be completely equivalent to a general joint-stock enterprise, for there are other forms of shareholders involved in it. Therefore, it is of great practical significance and reference significance to select different types of state-owned enterprises for MOR research.

This paper attempts to analyze the experience and deficiencies throughout of MOR and corporate governance of mixed ownership enterprises by introducing several typical cases of MOR, in order to discover and improve the theory of MOR and provide references to corporate governance of Chinese state-owned enterprises in the future.

2. LITERATURE REVIEW

From the special perspective, the mixed ownership economy has both macro and micro meanings.(Zhu Guanghua, 2004). The macro-mixed ownership economy is an organic combination of various countries under different social systems, also known as macro-ownership structures. The micro-mixed ownership economy is the union of different ownership economies within the enterprise. This article discusses the mixed ownership at the micro level. At the same time, mixed ownership emphasizes the integration of different ownership capital, that is, the integration between public capitals and other non-public capitals. The integration happened among either public capitals or non-public capitals cannot be considered as mixed ownership (Ji Xiaonan, 2014).

The purpose of MOR is to achieve mutual complementarity, mutual promotion and common development of both state-owned capital and other various ownership capitals and thus achieve a win-win situation of "the strength of state-owned enterprises + the vitality of private enterprises = corporate competitiveness" (Song Zhiping, 2018). For the MOR mode, Yang Ruilong (2014) believes that state-owned enterprises of different industries and different products should adopt different modes of MOR. State-owned enterprises of public products should adopt the state-run mode, while monopolistic state-owned enterprises should adopt the state-controlled mode, and competitive state-owned enterprises should adopt the combining mode with joint-stock transformation and privatization.

For the problem of MOR stocks and increments, different companies have different MOR paths, which may have both incremental and stock reforms (Huang Sujian, 2014). Judging from the current reform situation, it is the most realistic and feasible solution for private enterprises to enter the stock state-owned capital, and it has strong feasibility (Han Fuling, Feng Xue, 2014).

According to the data released by SASAC: As of the end of 2017, among the central enterprises and sub-enterprises under the supervision of the SASAC, the proportion of mixed-ownership enterprises reached 69%, and the proportion of provincial-owned state-owned enterprises in mixed ownership reached 56%; 65% of the assets of central enterprises are concentrated in listed companies. In this regard, Zhang Wenkui (2017) put forward different viewpoints saying that nominal mixed ownership is morethan substantively mixed ownership. He believed that mixed ownership can be divided into nominal and substantive mixed ownership. Nominal mixed ownership maintains a single shareholding structure of state-owned shares. The operating mechanism is not fundamentally different from the original state-owned enterprises. It is easy to lead to an illusion that most of the state-owned assets has been transited to mixed ownership. The essence of substantive mixed ownership is the introduction of non-state-owned active shareholders with a large shareholding ratio, and should cross the turning point of the equity structure.

The deep-level equity structure reform is of decisive significance for transforming the business operation mechanism and establishing good corporate governance. For corporate governance of mixed-ownership companies, Song Zhiping (2017) believes that mixed-ownership companies should get rid of state-owned shares holding. In the past, state-owned enterprises engaged in the shareholding system, and state-owned companies also wore state-owned holding hats to manage their state-owned enterprises. This has major problems: under the shareholding system, the enterprises are still semi-market. Huang Sujian (2014) believes that the MOR of state-owned enterprise requires the establishment of a standardized and transparent corporate governance structure and mechanism to enhance the voice of private capital in corporate governance, and “protect the legitimate rights and interests of non-public capital investors, especially the protection. The voice of non-public capital investors in mixed ownership enterprises, that is, how to make non-state capital willing to come when the enterprise is ‘profitable’”.

3. RESEARCH METHODS AND CASE SELECTION

3.1 Research method

The reasons for choosing case studies in this paper are as follows:

(1) As mentioned above, MOR is in the pilot and exploration stage, and the forming theory is relatively few, but there are many practical cases. Based on the case analysis, the theory of relevant propositions is proposed through case analysis. The construction paradigm is a suitable method for studying MOR enterprises and their corporate governance (Eisenhardt, 1989).

(2) More than two case studies are more reliable (Eisenhardt and Graebner, 2007), and unique case studies are more effective in expanding theory (Yin, 2009). This paper adopts a combination of multi-case classification research and independent case study. Each case has different representations. By comparing similarities and differences, we can explore the law from the empirical point of view, summarize or improve relevant theories, and strive to achieve the reliability and depth of research.

3.2 Case selection

This paper selects MOR cases of five enterprises, Sinopec Sales Company, China Unicom, CIMC, Sinotrans Chemical International Logistics Company, China National Building Material Group, covering different industries, different types, different modes, different levels and different time periods. Its representative characteristics are shown in Table 1.

Table 1 Basic situation of MOR operations of various companies

Company Name	Industry	Industry Characteristics	MOR Pilots Or Not	MOR Mode	State-owned Holdings after MOR
Sinopec Sales Company	Petrochemical	Oligarch Competition	No	Level 2 company-level state-owned holding + private strategic investor	State-owned absolute holding
SCILC	Logistics	Full competition	Employee shareholding pilot	State-owned holdings + private capital + executives and employee holdings	State-owned absolute holding
CIMC Group	Manufacturing Competition	Full Competition	No	major shareholders + social public shares + executives and employee holdings	Two state-owned largest shareholders but not holding
China Unicom	Telecom	Oligarch Competition	Parent company level pilot	Parent company level state-owned holding + private strategic investor + employee holdings	State-owned relative holding
CNBM	Building Materials	Full Competition	MOR Pilots of SASAC	The second-tier company introduced strategic investors + third-level executives and employee stocks.	Second-tier companies state-owned relative holdings + third-tier companies absolutely holding

4. CASE ANALYSIS

4.1 Case of Sinopec Sales Company

In February 2014, Sinopec initiated the reorganization of its sales business and introduced social capital to achieve mixed ownership. In the end, 25 investors actually paid RMB 105.04 billion (including the equivalent USD) to subscribe for 29.42% of the shares of Sinopec Sales Co., Ltd. (referred to as SSC). After the completion of this capital increase, SSC changed from a wholly-owned subsidiary of Sinopec Corp. to its holding subsidiary of 70.58%. Subsequently, the board of directors of SSC was transformed. Currently, the board of directors consists of 11 directors, including 4 directors of Sinopec, 3 directors of other investors, 3 independent directors and 1 employee director. The shareholding structure and board structure after the MOR are shown in Table 2.

Table 2 The equity structure and board structure of the SSC after the MOR

SSC's equity structure after MOR		SSC's broad structure after MOR (nunber of menbers)	
Sinopec	70.58%	Sinopec	4
Other 25 shareholders	29.42%	Other investor representative	3
		Eployee shareholding representative	1
		Independent director	3

The MOR of SSC is the first case of MOR of monopoly industry with large financing scale. It has following characteristics:

A. The industry that introduces industrial investors is highly complementary. The goal is to broaden the scope of non-oil products business by introducing strategic investors, tap the growth potential of emerging businesses, and improve the market-oriented operation level of enterprises. Among the 25 investors, 9 industrial investors such as RT-Mart, Fosun, Xinao Energy, Tencent and Haier have cooperated with Sinopec's mature gas station network to achieve complementary advantages in oil sales and non-oil sales, broadened their respective business scope and achieved a win-win situation.

B. Realized the integration of capital between state-owned enterprises and private enterprises. Sinopec oil sales are in an oligopolistic position in the country, and financial investors can obtain a stable return on investment and excess profits from monopoly positions. Through the integration of capital, the amplification function of state-owned capital has been better realized. According to the valuation of investment of 357.1 billion yuan, state-owned capital has been released about 3.3 times.

C. Maintain the absolute control of the state-owned shareholders in the equity and the board of directors. After the MOR, Sinopec accounted for more than 66% of the shareholding structure; in terms of the composition of the board of directors, Sinopec sent only 4 directors, but if the employee directors, independent directors and major shareholders are mostly closely connected, other investors In fact, only three directors were dispatched, and the major shareholders still have substantial control in the shareholders' meeting and the board of directors.

D. Introduced the "professional manager" system for the first time in the Sinopec system. In addition to the general manager and chief financial officer, Yijie Company, a secondary unit of SSC, publicly recruits nine non-oil business professional managers such as deputy general managers. This is an important step in the direction of marketization, breaking the tradition of the administrative color of monopoly state-owned enterprises.

In general, the MOR of SSC has been completed in the form of equity, which is an effective way to monopolize the introduction of strategic investors by state-owned enterprises. It not only ensures the control of state-owned shares, but also gives full play to the vitality of private shares.

But objectively speaking, there is still a long way to go before the goal of this MOR and market-oriented reform. First of all, there is not much room for private enterprises to effectively check and balance Sinopec's "dominant". Secondly, the selection of professional managers is limited to EasyJet, and cannot be carried out at the sales company level. Again, the role of human capital has not been considered, and employee stock ownership and executive holdings have not been set.

4.2 Case of Sinotrans Chemical Company

Sinotrans Chemical International Logistics Co., Ltd. (referred to as SCILC) is one of the first batch of ten employee shareholding pilots of the State-owned Assets Supervision and Administration Commission in 2016. Established in March 2002, SCILC is a subsidiary of Sinotrans Corp. It provide comprehensive chemical supply chain logistics services for customers in the chemical industry. Prior to the employee shareholding pilot, SCILC had four shareholders, namely Sinotrans (Hong Kong) Logistics Co., Ltd. (51.06%), Sinotrans East China Co., Ltd. (22.94%), and Shanghai Chemical Industry Park Fengxian District Development. Limited (16%), Blonde Industrial (Hong Kong) Limited (non-public capital, accounting for 10%). One director recommended by a non-public capital shareholder is from Blonde Industrial.

The SCILC's employee shareholding plan adopts the incremental introduction method, and the employee shareholding ratio is 20% (an additional 10% is reserved). The share price is 1.6182 yuan, which is 55% higher than the book value of net assets. The amount of personal capital is 111.25 million yuan in total . Altogether, there were 167 participants composed of the company's middle and senior management, the department manager of the division/molecular company, and some key employees..

SCILC's employees have the following characteristics:

A. Non-technical employees hold shares. "Opinions on piloting employee stock ownership in state-owned mixed-ownership enterprises" proposes to give priority to supporting the transformation of research institutes, high-tech enterprises, and technology service-oriented enterprises to carry out employee shareholding pilots. This round of employee stock ownership pilots selected several non-technical enterprises as pilots, which is the recognition of the human capital of the management team and the innovative spirit of the team and the active service consciousness.

B. Further optimized corporate governance. At the beginning of the establishment of SCILC, it was a mixed-ownership enterprise. The corporate governance and control mechanism was relatively mature and the degree of marketization was relatively high. On this basis, the company implements employee stock ownership, and allows all employees to recommend one employee director to enter the board of directors, which plays a role in the participation and supervision of employees in the company's decision-making. This is a step forward than the supervision of the traditional state-owned enterprise workers' congress. The shareholding structure and board structure of SCILC after MOR are shown in Table 3.

Table 3 Shareholding structure and board structure after MOR of SCILC

SCILC's equity structure after MOR in 2017		SSC's broad structure after MOR in 2017 (nunber of menbers)	
Sinotrans	59.20%	Sinotrans	7
SCIPFDD	12.80%	SCIPFDD	1
BI H.K.	8.00%	BI H.K.	1
Eployee shareholding	20.00%	Eployee shareholding representative	1

C. The company is in a high-speed growth period and has a listing plan in the later stage. Under the strong expectation conditions, after the implementation of the employee stock ownership plan, the roles and mentality of the employees have changed greatly, the sense of responsibility and ownership have been further enhanced, the pioneering spirit and lean management awareness have been continuously improved, and the performance of business performance has been paid more attention to, and operating expenses. The control effect is remarkable.

However, due to policy restrictions, the employees of SCILC also have insufficient shares. First, there is no difference in the upper limit of employee stock ownership. According to the pilot, "the total amount of employee stocks can not exceed 30% of the company's total share capital in principle, and the single employee shareholding ratio can not be higher than 1% of the company's total share capital in principle." The total share capital of companies of different sizes is very different. For enterprises with small volume, high management complexity and strong profit, the ratio is relatively low. Second, the employee transfer withdrawal mechanism is not reasonable. SCILC is a non-listed company. After employees participate in the shareholding plan, their equity must be locked for three years. The pilot regulations stipulate that "employee retirement, intra-group transfer must be transferred within 12 months", and the term is relatively short.

4.3 Case of CIMC Group

China International Marine Containers (Group) Co., Ltd. (referred to as CIMC) completed the MOR as early as the 1990s. After years of development, it has become the world's leading logistics equipment and energy equipment supplier, container, marine engineering, etc. The market share of more than 10 products has maintained the number one position in the world for many years. When it was listed in 1994, CIMC's operating income was only 1.3 billion yuan and its net profit was 90 million yuan. In 2017, it realized operating income of 76.3 billion yuan, net profit of 2.5 billion yuan and total assets of 130.6 billion yuan.

The CIMC Group has the following characteristics:

A. State-owned shares are both dominant and scattered.dominant. Different scholars have different interpretations of the equity structure of CIMC. The first view is that the first two state-owned shareholders, China Merchants Group and COSCO Group, hold 25.56% and 22.73% of the shares of CIMC respectively. From the perspective of total holdings, CIMC is a state-controlled listed company. The second view (Wang Ye, 2015) believes that, unlike typical state-controlled listed companies, CIMC’s state-owned controlling shareholders are not unique, and state-owned shares are relatively dispersed, which will result in “long-term supervision” and “no supervision”. Problems that exacerbate insider control. The third viewpoint (Tang Xianjie, 2017) believes that CIMC’s “double lion control group” MOR paradigm is characterized by “balanced shareholding between two major shareholders, management authority, internal control responsibility and dynamic distribution of interest distribution”. It has realized the separation of government and enterprise, scientific corporate governance structure, flexible and efficient market operation mechanism.

B. Fully market-oriented operation and corporate governance. CIMC's products are oriented to a fully competitive global market, and the way of thinking and operation must be fully integrated with international standards. Affected by this, the professional manager team of CIMC Group is completely internationalized and market-oriented, and the remuneration is completely market-oriented. As an A+H-share listed company, corporate governance operates in full accordance with international rules. The two major shareholders, China Merchants Group and COSCO Group They all have a deep understanding of international rules. There has been no major shareholder intervention in corporate decision-making and operations. CIMC currently has 8 board members: 2 from China Merchants Group, deputy general manager of China Merchants Group, Ren Fei, executive chairman and legal representative; 2 non-executive directors of COSCO Group; Mai Boliang as president and executive director 3 independent directors, 2 of whom have served in the former COSCO Group. This kind of board structure makes the state-owned shareholders can play a decisive role in the company's major issues, and can ensure that the company's business decisions are not interfered by the major shareholders, but also prevent insiders from controlling and realizing the checks and balances of the parties. The current shareholding structure and board structure of CIMC are shown in Table 4.

Table 4 CIMC Group Equity Structure and Board Structure

CIMC’s equity structure in September 2018		CIMC’s broad structure in September 2018 (nunber of menbers)	
China Merchants Group	24.56%	China Merchants Group	2
COSCO Group	22.73%	COSCO Group	2
Lenove Hony	24.06%	Excutive director	1
Social public shareholders	28.65%	Independent director	3

C. Strong incentive policy for senior executives to hold shares. In July 2006, CIMC Encore, a subsidiary of CIMC, provided share options to employees, directors and eligible persons. In 2009-2014, share options were granted in three batches to subscribe for a total of 120.37 million shares of common stock. In 2011, CIMC implemented a total of 60 million A-share stock option incentive plans in two batches. The reason why CIMC can implement high-level executive equity incentives is that the China Merchants Group and China Shipping Group have not regarded them as holding subsidiaries, and thus are not subject to the current state-owned assets supervision policy.

The MOR of CIMC Group has been implemented for more than 20 years, and it is completely born out of marketization and has a strong reference significance. However, this model also has certain limitations and limitations: First, the model can only be applied in a highly market-oriented environment. The headquarters of CIMC is located in the forefront of reform and development in Shenzhen, adjacent to Hong Kong. The concept of marketization has been deeply rooted in the hearts of the people. This advantage is difficult to replicate in many places. Second, neither of the two major state-owned shareholders of CIMC Group included them in the consolidated statements, which led to their inability to be included in the statistical scope of state-owned assets and to be outside the state-owned assets supervision system.

4.4 Case of China Unicom

There are similarities between China Unicom (referred to as CU) and Sinopec's sales companies, which are both MOR under the conditions of non-competitive market. But the two are different. First, the MOR of SSC is on the level of the second-level company of the central enterprises. The MOR of CU was approved by the State Council, and it was the first MOR example of the parent company at the central level. Second, in CU's MOR program, the introduction of employee stocks is a big step forward.

In August 2017, CU announced a MOR plan. Adopting the method of "fixing + transferring shares + employee holding shares" involves funds of 78 billion yuan. Specifically, no more than 9.037 billion shares will be issued to strategic investors by means of non-public issuance, and the raised funds will not exceed 61.725 billion yuan; the Unicom Group will transfer 1.9 billion shares of CU A shares to the structural adjustment fund agreement. The consideration was approximately 12.975 billion yuan; the restricted employees were granted no more than 848 million shares of restricted stock, raising funds of approximately 3.213 billion yuan. After the MOR, CU better solved the problems of the original existing mechanisms, insufficient incentives, and insufficient innovation (Wang Xiaochu, 2018).

MOR of CU has the following characteristics:

A. "Internet +" MOR. Telecommunications and the Internet have high correlation and strong complementarity. This MOR adopts non-public issuance and transfer of old stocks to introduce strategic investors with synergy and leading advantages, including Baidu, Ali, Tencent and Jingdong. Vertical industry companies Suning Yunshang, Guangqi, Didi, UFI, etc., most of China's Internet companies are involved in Unicom's MOR. In addition, it also introduced financial companies such as China Life Insurance and Qianhai Fund, and industrial groups such as China Railway.

B. From the perspective of the shareholding structure, it broke the situation of "dominant" of state-owned shares. Unicom Group gave 35% of the shares to private enterprises, the shareholding ratio decreased from 62.7% to 36.7%, the 14 strategic investors introduced totaled 35.2%, the public shareholders held 25.5%, and the employee restricted stock incentive plan accounted for 2.6%, achieving mutual integration of different capitals and effective checks and balances of equity. In terms of corporate governance, the board of directors has also changed a lot. In February 2018, the board of directors of CU reformed in advance, among the 13 members of the board of directors, 3 directors of China Unicom Group, 3 directors of state-owned shareholders such as China Life Insurance, and 4 directors of Baidu, Ali, Tencent and Jingdong private shareholders, and independent directors of universities and overseas. Three people, the directors of state-owned shareholders have no absolute majority. The shareholding structure and board structure of CU after MOR are shown in Table 5.

Table 5 Shareholding structure and board structure after CU's MOR

CU's equity structure after MOR		CU's broad structure after MOR (nunber of menbers)	
China Unicom Group	36.70%	China Unicom Group	3
14 strategic investors	35.20%	CLIC, CNIC, SASAC	3
Eployee shareholding	2.60%	BATJ	4
Social public shareholders	25.50%	University independent director	2
		Overseas independent director	1

C. Allow core employees to own shares with considerable discount. CU's first implementation of the "core management talents" and "professional talents" for restrictive equity incentives for mainland A-share listed companies will not exceed 7,550. The unit price of employee stocks is 3.79

yuan, which is a 45% discount to the stock price of 6.83 yuan, which is a big breakthrough compared with the previous employee stock ownership pilot price. In addition, the scale of restricted equity incentives of more than 7,000 people is still rare.

As the forerunner of the MOR of the central enterprise group, CU has provided reproducible experience for future MOR in power, petroleum, railway, military and other fields. However, there are still many aspects of CU's MOR that are worth exploring. First, whether state-owned shares have actually changed from “dominant” to relative holding. If the introduced strategic shareholders are subdivided according to the nature of the equity, the introduced state-owned shareholder China Life holds 10.22%, the Chinese state-owned enterprise structural adjustment fund holds 6.11%, and the recalculated state-owned shares still account for more than 51%. Whether or not to truly guarantee the voice of private shareholders remains to be seen. Second, whether state-owned enterprises in monopoly industries must maintain state-owned holdings. At present, the reform of state-owned enterprises has not made fundamental breakthroughs in the issue of ownership and use of state-owned assets. What we are now emphasizing is the control of ownership. In fact, the more important is the right to use.

4.5 Case of China National Building Material Group

China National Building Material Group (referred to as CNBM) was originally a “grassroots central enterprise” with weak foundation, limited capital, and fierce competition. Since 2002, in the face of “multiple scattered” building materials industry, CNBM has been focusing on industry integration and capital blending. It has reorganized nearly 1,000 companies with different ownership systems and quickly became the world's largest manufacturer of building materials industry.

Song Zhiping, chairman of CNBM, summarized his experience in MOR as:

A. Deepen the reform of property rights with “three-tiered mix”: First, the listed company absorbs a large amount of social capital; second, the business platform level brings some shares of private enterprises to cross-share; third, the factory level leaves the original owner About 30% of the shares.

B. Design the shareholding structure with the “Three-Seven Principles”: adopt the diversified shareholding structure of “Zheng Sanqi” and “Pan Sanqi”. “Zheng Sanqi” means that CNBM Group holds no less than 30% of the shares of listed companies, maintaining the relative holding of the largest shareholder, and other investment institutions and tradable shares not exceeding 70%. “Pour Sanqi” means that the listed company holds about 70% of the shares of its subsidiary, and reserves 30% of the shares for institutional investors and original entrepreneurs.

C. Attracting private enterprises with “three sets of beef”: attracting restructured enterprises with fair and real income through fair and reasonable pricing, leaving shares for entrepreneurs, retaining management teams and attracting entrepreneurs to become professional managers. Join.

D. Optimize corporate governance with “central enterprise market”: “central enterprise market” means centralized market operation of central enterprises. "Central enterprise" is the owner's attribute, and must take the initiative to bear economic responsibility, political responsibility and social responsibility; "marketing" is a market-oriented attribute, which includes five core contents, namely, equity diversification, standardized corporate system and corporate governance structure, occupation The manager system, the internal mechanism of the company, and the operation of the company in accordance with market rules. The CNBM’s MOR mode is shown in Figure 1.

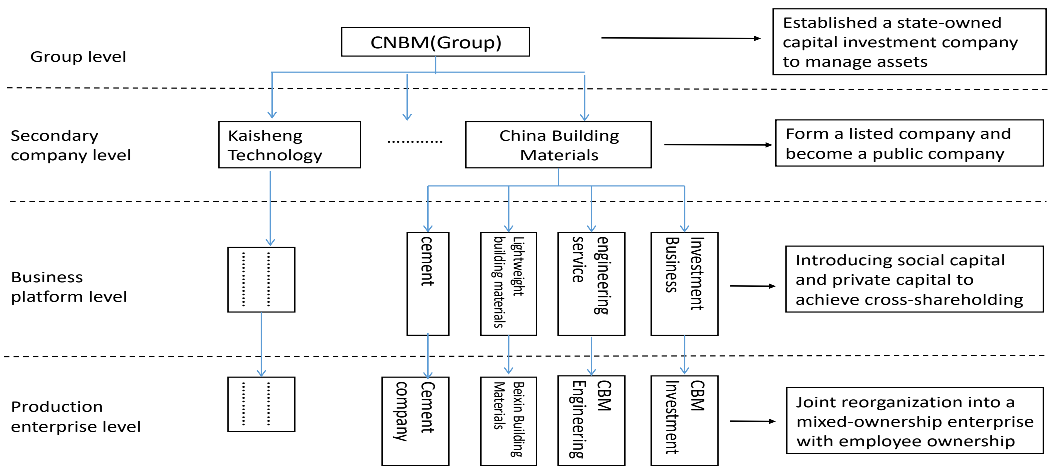

Figure 1 MOR of CNBM Group

The MOR of Chinese building materials has the following characteristics:

A. Fully mixed, achieving a comprehensive mix of state-owned enterprises and private enterprises. There are mixed at different levels of listed companies, business platforms and factories, as well as a mix of different mechanisms, as well as a mix of “state-owned capital + private capital + (executives and employees) stocks”, giving full play to nationals. The "hybridization" advantage of both sides combines the standardized management, scale advantage and technical strength of state-owned enterprises with the flexibility, incentive mechanism and entrepreneurship of private enterprises.

B. Mixed moderately, to achieve effective operation of corporate governance. Appropriately maintaining the status of the largest shareholder of state-owned shares and being able to control it in substance, neither monopolizing nor dispersing equity, guaranteeing the control of state-owned shares and realizing the magnifying effect of state-owned capital. At the level of listed companies, state-owned shareholders and two or three private enterprise shareholders form an active shareholder, and the rest are financial investors and small and medium-sized shareholders, which guarantees the combination of long-term strategic goals and short-term financial goals. At the production level, executives hold shares. Employees hold shares and promote “inclusive culture” to achieve inclusive growth.

C. Mixed reasonably, achieving national progress, symbiosis and win-win. In the process of mixing, the interests of all shareholders are fully considered. The main goal of state-owned shareholders is to enhance the vitality, control and influence of the state-owned economy. The main goal of private shareholders is to achieve “borrowing from the sea” and obtain investment returns. The main goal of executives and employee stocks is to realize the value of life and the return on the value of human capital. At the same time as the shareholders of all parties win together, the company has also achieved full development.

The exploration and practice of CNBM provides reference for the various levels and various forms of MOR of state-owned enterprises, but it also encounters obstacles in some institutional mechanisms. For example, the state-owned assets supervision system has not followed the changes in the MOR, and the authorization of the board of directors at the level of the central enterprise group is not sufficient.

5. CONCLUSIONS AND RECOMMENDATIONS

From the above MOR cases, the following conclusions and recommendations are drawn:

1. The premise of MOR must have a fair and equitable market and legal environment, and implement a clear property rights system to ensure the equal status of different ownership

shareholders in the market economy. Otherwise, in an environment without stable expectations, private capital is not afraid. If you mix it with state-owned capital, even if it is mixed, it is just a mixture of appearance and separation. In line with this, we must increase the transformation of government functions. First, continue to deepen the separation of government and enterprises, divide the boundaries between the government and the market, government and enterprises, and standardize government behaviors, so that the government can not directly intervene in the market and intervene in the enterprise, on the other hand, the supervision is in place and the market is realized. The true equality of the subject. Second, continue to deepen the separation of government and capital, deepen the reform of state-owned assets and state-owned enterprises, reform the current mode of state-owned assets management, reform the "mother-in-law management" to "boss-style management", and no longer strictly distinguish between state-owned holdings and state-owned shares, and protect shareholders of different ownership systems. The main body plays a real role in corporate governance.

2. Expand the access scope of private capital as much as possible. In general, the more competitive the field, the more different types of companies can be treated equally and the market more dynamic. Therefore, on the basis of doing a good job of industry type and type of enterprise, we should vigorously break the monopoly of the industry. Except for a small number of areas that should be allowed to maintain state-owned or absolute holdings under negative list, we should open up the scope of access for private sector as much as possible.

3. The role of human capital cannot be ignored. Human capital has not received much attention for a long time. At present, the human capital'sscientific and technological talents is widely recognized, and the human capital role of managers is gradually accepted. At present, the employee shareholding pilot is still more cautious and safe, and the operation is difficult. The reason is that there is no standard model for the measurement and measurement of human capital and the introduction and exit of equity. In the future, through the establishment of professional manager system and market cultivation, a mature human capital market will be formed to realize the free flow and balanced combination of various capital elements.

4. Establish a balanced multi-dimensional relationship among shareholders in the process of MOR and corporate governance. First, the relationship between state-owned shareholders and non-state-owned shareholders. It is necessary to minimize the difference between state-owned shareholders and non-state-owned shareholders. Otherwise, state-owned shareholders may be regarded as a single state-owned shareholder, which is not conducive to the later corporate governance, and is also contrary to our market-oriented reform direction. The second is the relationship between industrial investment shareholders and financial investment shareholders. The investment intentions of the two are different, and the degree of willingness to participate in corporate governance is also different. Industry shareholders tend to have strong willingness to participate, mostly active shareholders, and financial shareholders are mostly non-active shareholders. There should be differences in the design of corporate governance structures such as the board of directors. The third is the relationship between external shareholders and internal shareholders, especially the relationship with employee shareholders. It is necessary to prevent the emergence of internal controllers, and to enable internal shareholders, especially executive shareholders, to have certain autonomy.

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