

they are still “proletariat”.

(3) If working-class owns depressive and limited stock but can't hold company; this kind of “property” can't be equal to the “property” of capitalist. In the terrible hot competitions nowadays, savings and stocks don't change the position of the whole working-class to be employed although a certain worker may be one of members in the line of capitalists.

[CN] XIAOLIANG ZHOU

Contact Information:

Address: Room 102, Building 28, Tingfangyuan, Fuzhou University, Fuzhou 350002,
P.R., China

Mobile: 13859032429

Email Address: xlzfzu@163.com.

Xiaoliang Zhou, Male, born in 1963, Economics Doctor, Professor, Executive Vice Director of Fuzhou university- Research Center for Economic , the Director of Research Institute for Economic Management, Doctoral Supervisor, Principal of the master degree station for western economics and province key discipline, Director of Chinese Society for foreign economic thoughts research, the President of Fujian Province Society for capital operation research etc, mainly do research on the fields of Institutional Economics and

Industrial Economics. Recently, he has presided and participated in 5 National Foundation Fund, presided more than 10 Provincial Research Projects.

He has published 3 works and more than 80 essays in National Authority and Core magazines such as Economics Dynamic, Guangming Daily and Contemporary Economic Research.

**Coordinating Benefit Relations And
Adjustment of Enterprises Ownership Structure
——The Case of Chinese State-owned Enterprises**

[CN] Xiaoliang Zhou & Jieyang Huang

How to coordinate the interest relationship among different economic subjects of Enterprise, and then establish a model which possesses efficiency and wealth growth based on interest compatibility. It is an inevitable problem in the process of enterprise harmonious development. According to the theoretical analysis of Marxism Economics, it can be found that, interest relationship essentially is ownership relationship, different ownership Structure determines different interest relationship. Consequently, the institutional foundation of coordinating interest relationship is to adjust enterprise ownership structure. Therefore, in this paper:

First, theoretically, It briefly reviews several relevant theoretical essentials such as the classification of production essential factors of relevant enterprise theory in Mainstream Western Economics, and the element distribute theory that based on utility value theory and production function analysis, and the relationship between enterprise ownership structure and income distribution among various right subjects in Modernized Enterprise Theory. Besides, emphatically around the nature of enterprises and the view of how to make Enterprise Ownership rational distribute among various production essential factors owners, different viewpoints of various schools of economic theory are reviewed briefly. Point out that:

(1) Marxist Economy is based on ownership of production means, emphatically from the angle of residual claim (“Surplus Value”), mainly analyze the extremely asymmetric distribution of Capitalist enterprise ownership between employer(personified capital) and employee, and the problems of labor dissimilation and class contradiction caused by it. Emphasize that the enterprise theory of Marx is system synthetic, and the analysis of enterprise ownership structure are consistent with the phenomenon of capitalist enterprises.

(2) With the introduction of several analysis tools such as production function and the method of function derivation in calculus, the enterprise theory in Neo-classical Economics possess much stronger logicity and operability. However, it neglects the impact of social production relationship and economic institution on enterprise production, and make the contract network of interest-related parties abstractive.

(3) New institutional economics represented by Coase introduces transaction cost in neo-classic price's theory, emphasizes that the essence of enterprise is a contract structure, believes that enterprise material capital owner should possess residual claim, and constitute a group that engaging in supervising the behavior of cooperative members, thus can improve the efficiency of supervision. The key point proves that Shareholder Primacy mode that capital employs labor is the most efficient enterprise ownership structure. However, it neglects Human Capital and interest demand of laborers, thus, the essence is an unharmonious enterprise theory of neglecting fairness.

(4) The theory of common control by both enterprise employee and capital emerged in the 1990s introduces and applies Schultz' s human capital theory to mainstream enterprise theory, emphasize that enterprise human capital owner should be given certain residual claim, and put “Sharing Surplus” and “Common Control” as a “Motivation Tool” then, which lead to the formation of effective enterprise ownership structure and governance structure. The theory describes the foreground of the interest coordination of different factors owner and sharing enterprise ownership.

Second, analyze the problem of interest incompatibility due to single ownership within State-Owned Enterprises and centralized structure of ownership under the traditional planned system, and use the category of interest groups, do research on the preferences of different interest Groups in the process of Ownership Reform of State-Owned Enterprises and two different mode of reform by holism method. This article argues that material

capital was scarce in era of planned economy. That state-owned enterprise ownership was centralized in government administration department would benefit many aspects, such as scheduling of resource can centralized and unified by state, concentrate the personnel, narrow the earning gap. But the overemphasize on the status of material capital can lead to unable to combine enterprise employee with production materials, thus, labor enthusiasm may lost. Besides, human capital property right of state-owned enterprises was absent in various degrees, this restricts the improvement of enterprise employee's income level. Furthermore, single ownership within State-Owned Enterprises and centralized structure of ownership can cause the problem of interest incompatibility, such as (1)Single and centralized structure of Enterprise ownership demands multi-principle-agency, thus the cost of entrust-agency is very high and the effect of governance is not good.(2) State-owned enterprise ownership of highly single and centralized can not effective motivate employees and mobilize the enthusiasm of the laborers.(3) Modern enterprises have different types of production factors, and the technology of manufacturing is complex, but the single and centralized structure of State-owned enterprise ownership are not fit for the demand of socialized production in which various production factors organic combine and contingent governance, then, can not fit for the development of productivity.

Aiming at the above problems, through analyze the reform process of State-owned enterprise ownership and use the category of interest Groups, this paper establishes three theoretical hypotheses, do research on preferences, factor endowment and functional division of three different interest groups within State-owned enterprise by holism method, and the relationship between their interaction and the adjustment of enterprise ownership structure as well as institutional reform. On this basis, it points out that the reconstruction of State-owned enterprise ownership reform has two mode: one is convert State-owned enterprise whole into stock company in the axes of enterprise material capital ownership, this is asymmetric reform plan; the other is profit-sharing system model of common governance based on stock company model. This mode is a more equal mode in the process of the form of State-owned enterprise ownership, for it make inner person such as employees and managers share stock and all stock circulate and transfer based on the principle of common governance by stakeholder under the framework of modern stock company reorganization. The characteristics of this reorganization model of State-owned enterprise is that let its inner person share stock, common governance and share profit, thus, this can be taken as profit-sharing system of common governance.

Third, analyze some main problems produced in the process of State-owned enterprise ownership reform according to asymmetric mode and the interactive selection of three different interest groups within State-owned enterprise in the reform of enterprise ownership structure theoretically. Point out that they have different preferences among the three ownership structure mode, thus, there would be impact of interaction on the selection of reform plan of State-owned enterprise ownership, but the advantage of power and

organization make the manager of State-owned enterprise more easy to gain the leading position in the process of reform. Thus, on one hand, we analyze some main problems produce in the process of State-owned enterprise ownership reform that according to asymmetric mode as follows: (1)It would cause unreasonable enterprise ownership structure according to asymmetric mode.(2)The reform of property rights of state-owned enterprise under asymmetric mode has cause the problem of insiders control with manager as the main body, and generate new interest groups that represent minority seeking self-interest by the means of assets manipulation, financial manipulation and utilize huge state-owned property to possess the labor of the majority freely.(3) The phenomenon of state-owned property loss exists greatly in practice due to the reform mode of asymmetric.

On the other hand, analyze different preferences of three interest groups among three ownership structure mode in the reform of enterprise ownership structure according to Oison's theory model, and make simulating analysis on their impact of interaction by "voting paradox" model under the assumption conditions that the three interest groups have the equal power. Point out that it would be unable to get the reform plan which possess Pareto improvement through voting decision, for there would generate interest conflict among different groups, if state-owned enterprise reform is based on the interest groups vote system which coincidence the analysis of their preferences. But it is just abstract analysis under a certain assumption conditions, the practical condition is really not so. Therefore, we consider that the power and status of the three interest groups within interaction selection mode is not equal in practice. Thus, different level of scale, power and information of different interest groups would play important roles in the selection of state-owned enterprise reform mode under the presence of interest conflict. In China, it implements the reform of economic system which lays particular stress on efficiency, economic growth greatly depends on capital running, as a result, on one hand, the interest groups which represent capital and power is in powerful position, on the other hand, the status of workers group dropped relatively, besides, it is easier to suffer from "free-riders" in workers' collective behavior for the numerous workers. Therefore, they are easy to become weak group in the reform of state-owned enterprise.

At last, from the perspective of practice, the essay points out that, according to the change tendency of production mode including property right diversification and capital socialization , the molding of microscopic interest compatibility mechanism depends on the realization of the combination of labor and capital as well as the realization of market equilibrium between distribution according to work and distribution according to the essential factors of production under the frame of interest compatibility and coordination.

The problems of insiders control, asset lost and finance fakes in state-owned enterprise in the process of asymmetric transformation is not only theoretical description, but also exist in reality. The reform of the property rights of state-owned enterprise, on one hand, causes huge workers who have contributed to state-owned enterprise for many years lose

their jobs and surviving resources, on the other hand, lets the minority who possess privileges utilize various kinds of means to purchase, transfer and snatch enterprise assets, thus, acquire opportunity of becoming wealthy. The phenomenon forces us to consider that how to adjust enterprise ownership structure to realize interest compatibility in the process of systematic reform and to make state-owned assets managed and operated effectively, thus fit socialist harmonious society. The development of enterprise theory and the practice of modern enterprise indicate that we should transform from Fundamentalism and Supremacy of physical capital into Sharing which combines various capitalized production essential factors. Human capital in enterprises possesses more and more leading force and specialty especially in knowledge economy era. The workers who possess the experience and skill matching specific enterprise are difficult to get remuneration unless they work in there, and must undertake risk in the running and bankruptcy of enterprise. Thus, the negotiating strength about human capital should enjoy enterprise ownership become stronger and stronger. Enterprise reform of interest compatibility and equalization should make various production essential factors including labor, capital, management and knowledge participate in income distribution.

Therefore, in practice, we should set up new enterprise income distribution system and adjust enterprise ownership structure under interest compatibility. Aiming at state-owned enterprise, especially large-scale state-owned enterprise, we should think on some points in the process of enterprise system perfection as follows: (1) The perfection of modern enterprise system demands positive pursuing of employee stock ownership and establishing of employee stock ownership meeting which can improve the degree of various main body's involvement in enterprise governance, and, active exploration of common governance mode which can eliminate the problem of the "insider control".(2)Realization of interest compatibility demands the establishment of modern property right system that of definite rights and duties, protect strictly and circulate smoothly in the field of micro-enterprise.(3) Adjustment of enterprise residual claimant right demands making physical capital owner, human capital owner and other stakeholders common share enterprise income distributional power and residual claim.(4)In the process of deepening reformation of enterprise ownership structure, we should pay attention to the compatibility of efficiency and fairness.