

An abstract of

RELATIONAL OWNERSHIP, INSTITUTIONAL CONTEXT AND

INTERNATIONALIZATION

OF STATE-OWNED ENTERPRISES.

WHEN AND HOW ARE MULTINATIONAL CO-OWNERS A PLUS?

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Abstract

We investigate when and how a foreign multinational enterprise by acting as a relational co-owner helps the internationalization of hybrid state-owned enterprises. We merge the ‘liability of stateness’ and the ‘government as strategist’ perspectives with an institutional context-based approach. We claim that the effect of multinational enterprise co-ownership is contingent on the countries’ institutional settings. It is positive at lower levels of both institutional coordination (as a measure of variety of capitalism) and government effectiveness. This effect is mitigated as coordination and government effectiveness increase. Further, a comparison between hybrid state-owned and private-owned enterprises shows that the magnitude of the contribution by foreign co-owners to internationalization is also moderated by institutional variables. Our paper contributes to the literature on the hybridization of state capitalism and the theory of multinational enterprises.

KEYWORDS

Internationalization; State-owned enterprises; Mixed ownership; Multinational enterprises; Institutional theory.