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Partial State Ownership, Political Connection,  
and Financing: Evidence from Chinese  
Publicly Listed Private Sector Enterprises

*Emerging Markets Finance and Trade*

The government of China plays an important role in the external environment of private sector enterprises (PSEs), having significant impact on their survival and development. Therefore, managing their relationship with the government becomes a key aspect of strategic decision making and operating actions of PSEs. We extend the evidence of this by introducing a new dimension of political connection: partial state ownership of PSEs. Using a dataset of 262 publically listed PSEs in China, this paper empirically investigates the effects of partial state ownership of PSEs on the access to bank loans.

