
State-owned enterprises and the politics of innovation in a globalized value chain: The case of natural resource sector

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Résumé

The established scholarship in political economy has often viewed state ownership on the one hand, and rent-seeking and inefficiency on the other, as two sides of the same coin (Glaesser et. al. 2001; Shirley 1999). However, others have argued for a more complex relationship between state elites and their bureaucrats in SOEs, suggesting corporate reforms in public sectors – especially strategic industries considered to be part of the ‘commanding heights’ of the economy like energy, petroleum, aviation, mining and heavy industry – as politically sensitive if not impossible (Nem Singh & Chen 2018; Pearson 2015). In this debate, the paper aims to make a contribution by examining the ways SOEs are used as instruments of industrial policy and in promoting sectoral innovation. Bringing together the literature on state capitalism and global value chains, it aims to examine the role of SOEs in generating inter-firm linkages that leads to knowledge transfer and promotion of innovation. It will specifically probe into two key elements of an SOE-driven growth model: (a) the ‘institutional fit’ between regulatory frameworks and innovation policies in the context of globalization; and (b) the significance of particular reforms aimed at enhancing the power of SOEs in developing the sector. The paper demonstrates how and under what conditions SOEs can learn from other firms and the role of innovation policy in pursuing this strategy. Importantly, by focussing on the natural resource sector, the paper will examine the strengths and limitations of a state-driven industrial strategy. The empirical evidence is drawn from a comparative study of Brazil’s Petrobras (oil and gas) and Chile’s Codelco (copper mining) though some references are made to other oil and mining SOEs in the global south.

Mots-Clés: state, led development, state, owned enterprises, industrial policy, natural resources, Brazil, Chile

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