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[1] Note on contributions: MB and EH developed the research design and wrote the manuscript. MB developed the theoretical framework. MB and JGB designed the data selection strategy and collected the data. MB performed the data cleaning and analysis. MB and JGB developed the figures. All authors reviewed the manuscript.

The Rise of Transnational State Capital: State-led Foreign Investment in the 21st Century

Abstract

Cross-border state-led investment is a recently rising, but understudied phenomenon of the global political economy. Existing research employs an anecdotal and case-oriented perspective that does not engage in a systematic, large-scale analysis of this rise of transnational state investment and its consequences for the transformation of state power in 21st century capitalism. We fill this research gap by offering three original contributions: Theoretically, we reconstruct cross-border state investment as occupying the agency space of transnational capitalism. Conceptually, we operationalize transnational state capital on the basis of weighted ownership ties that states create as investors in corporations around the world. Empirically, we demonstrate our approach by setting up and analyzing the largest dataset on state ownership up to date, covering over 1 million investments. We show which different outwards strategies states as owners employ and classify states according to their relative positions within the global network of transnational state capital. Our results show that the ongoing transformation of state power and sovereignty is much more nuanced than a simple absorption into transnational capitalism and that a careful and data-driven approach is able to identify different pathways and dimensions of this transformation.

Keywords: international political economy; globalization; state capitalism; state capital; foreign investment; transnational capitalism; corporations

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1. The Rise of Transnational State Capital

States are increasingly involved in massive transnational investment deals. Large-scale state-led investments like ChemChina’s $43 billion takeover of Swiss agrochemical giant Syngenta in May 2017 or Rosneft’s $13 billion takeover of India’s Essar Oil in August 2017 aroused serious concerns in politics and media, as they represent landmark events in global cross-border investment. The Syngenta takeover was the largest single Chinese outwards foreign direct investment (FDI) ever, the Rosneft investment represented the largest FDI transaction in India ever. Syngenta-CEO Erik Fyrwald was quick to play down the transformation of his corporation into a Chinese state-owned enterprise when he emphasized that '[i]t is very important to understand that this is a financial transaction'. At the same time, he acknowledged that a main strategic motive behind the state takeover is to bring Chinese agriculture up-to-date with global standards (Shields, 2017). In India, the Home Security and Intelligence Agencies raised security concerns about the geopolitical impacts of the Rosneft deal and red-flagged it (The Asian Age, 2017). These cases illustrate how state-led foreign investment is more than just a normal FDI transaction. It may and often does cause insecurity and political concerns. Especially when authoritarian regimes engage in outwards economic expansion through FDI, geopolitical implications are not far. And the mentioned cases are no exception: in the last years, we saw a rapid rise in the number and global activities of Sovereign Wealth Funds (SWFs) (Schwartz 2012), state-owned enterprises (SOEs) (Kwiatowski & Augustynowicz, 2015) and other forms of state investment in the global economy (Karolyi & Lao 2017).

As these examples illustrate, state-led foreign investments challenge traditional ideas of sovereignty and state power in 21st century capitalism (Dixon & Monk, 2011). Yet we know astoundingly little about this phenomenon. Previous work is mostly oriented towards SOEs in a domestic context, or towards firm-level practices of those SOEs (such as profitability). The little work on *transnational* state investment has been approached from an anecdotal and case-oriented perspective. While this revealed important piecemeal insights, it does not contribute to a thorough and encompassing understanding of the economic reach of states into today's global political economy: we remain almost clueless about the general patterns of state-led foreign investment; the different strategies that states employ in these matters; and the wider implications of the rise of states as global investors. Our goal is to fill this gap by providing a distinct theoretical perspective and conceptual framework that forms the basis for a theoretically informed, large-scale empirical analysis of transnational state ownership relations across the globe. For this we have created a new database that covers all information currently available on over one million state-invested enterprises across the globe. We hope to contribute to the field by making our aggregated data and metrics available to the community.

Theoretically, our perspective builds on Robinson's (2004) understanding of globalization as a qualitatively new epoch of 'transnational capitalism', where different social forces compete for capital accumulation. As we argued elsewhere (Babic et al. 2017) it is a shortcoming to see multinational corporations as the only actors exercising power within transnational capitalism. States not only regulate, enable and constrain corporate power; they are also actors in the global economy as shareholders of corporations. In this capacity they invest *state capital* into the corporate world. When this investment happens outside their own borders, states participate in global circuits of investment and are thus to be treated as actors juxtaposed to corporations in the global economy.

Conceptually, our approach is grounded in the observation that states increasingly invest in corporations throughout the global economy. Such state investment takes place on a continuum from purely return-on-investment-driven to more strategically motivated, controlling investments. Both the 'financial' and the 'political' interest are often intertwined and hard to differentiate, as it can be seen in the general concerns about the 'real' aims and agency of transnationally active SOEs in host countries (Sultan Balbuena, 2016). Our conceptualization on the basis of ownership-stakes offers a parsimonious and empirically fruitful way to analyze this on the global level. We develop an approach where ownership ties are weighted based on the ownership stake of the state in the respective corporation. Subsequently we consider the economic value of the corporations that the state is invested in, allowing us to precisely measure not only how often, but also how deep states are invested in corporations in other states around the world. Such a relational approach forms the basis to understand and analyze these transnational state capital investments as a network between states. This allows us to investigate transnational state capital both from an actor-perspective where we uncover the investment strategies of states, and from a structural perspective where we ask how states are embedded in a global network of transnational state capital.

Empirically, our approach requires an ambitious research strategy. Transnational state investment remains understudied in part because of a lack of global data on this issue, as most studies are concerned with only one or a few cases of transnational state ownership. In contrast, we develop a new very large dataset covering all information currently available pertaining corporate ownership across the globe. While this approach limits our ability to study the detailed particularities of cases, it presents the much-needed opportunity to go beyond and add to existing case-studies and anecdotal evidence. The data-driven empirical strategy, for instance, does not require us to assume beforehand which states are likely candidates in this game of transnational investment.

Together, we aim to lay the groundwork for conceptualizing, analyzing and understanding the phenomenon of transnational state capital. We offer a set of conceptual and empirical findings: *Conceptually*, we design a framework for analyzing strategies of cross-border state investment that for the first time systematizes the phenomenon of transnational state capital on the basis of ownership relations data. We furthermore establish a measure for the specific roles states find themselves in when they engage in transnational investment: they can be senders, targets or, in some rare instances, also sender-targets of transnational state capital. *Empirically*, we find that states can employ two diametral strategies of transnationalization as it is exemplified by the two largest owners of transnational state capital: while Norway seeks to receive return on investments through portfolio investment (financial strategy), China shows a clear tendency towards acquiring majority stakes in their transnationally invested firms (control strategy). The control strategy is more pronounced, with 15 out of the top 20 largest state-as-owners embracing this strategy. The network approach allows us to further differentiate and distinguish between groups of states that are either clear targets of state investments (such as the Netherlands, Germany, the US, the UK and Australia) or senders (for example Norway, China, Russia, Sweden and Canada, but also Qatar, Saudi Arabia and Kuwait) of transnational state capital. A set of mixed cases with similarly high levels of in-and outflow of state capital may represent hubs of transnational state capital in the global economy (such as Singapore and France). Our results point out that the transformation of state power within transnational capitalism is not a one-way route and that a careful and data-driven approach is able to identify different pathways and dimensions of this transformation.

We proceed by delineating the theoretical underpinnings of our approach and situating it in the relevant literatures. Second, we describe our methodological considerations and discuss our data. Third, we demonstrate empirically the transnational dimension of state ownership and its implications for the global network of state capital. Finally, we discuss the implications and the agenda of a systematic analysis of state capital for further research.

2. State capital within transnational capitalism

A transnational agency space

Understanding the role(s) of the state in capitalist economies is a key question of political economy research. Depending on the perspective, the state can, amongst others, be understood as market creator, regulator or representative of (domestic) capital (van Apeldoorn et al., 2012). The degree to which the state fulfills and also extends those roles in economic matters varies historically. According to Nölke (2014), these varying levels of state involvement in the global economy cluster in at least three major waves: in the late 19th, the mid-20th and now the early 21st century (ibid., pp. 2). Those waves mark a general rise of the state in the management of the economy on a globally significant scale. The most recent wave, beginning with the early 2000s and accelerated after the Great Recession, saw the rise of so-called emerging economies like the BRIC(S) and other, mostly East-Asian states in the global economy. Those actors embraced an economic model that has been summarized as 'state-permeated' (Otero-Iglesias and Vermeiren, 2015) market economy. Unlike earlier waves, the current one is very much shaped by state-led corporate investments through state-owned multinationals (Cuervo-Cazurra, 2018), globally active SWFs (Haberly, 2011), state-led cross-border M&As (Clò et al., 2017) and foreign takeovers (Karolyi & Liao, 2017).

This push for transnational engagement of states as investors and corporate owners is embedded in the historical structure of transnational capitalism (van Apeldoorn, 2002; Robinson, 2004). We build on Robinson's (2004) argument that transnational capitalism today represents a *qualitatively* different historical structure from the 20th century internationally interdependent world economy. According to Robinson, the global economy today is governed by globally fragmented and dispersed, but at the same time functionally integrated circuits of production and value creation (ibid., 14). While some understand this process as deterministically leading to a fully globalized world society, we consider this process open-ended and alterable. Transnational capitalism creates and requires a *transnational agency space*. The main occupants of this space are multinational corporations, (corporate) elites and inter- or transnational organizations and intermediaries that drive the process of economic globalization. This transnational space encompasses more than the global economy: it is the non-geographical space that different social forces can use in order to realize their interests. This requires a certain amount of agency, which is why we speak of a transnational *agency* space. Through the possibility to move capital or themselves easily across physical borders or to regulate and govern global production chains, those actors exert agency in a space that is less or not at all accessible for other actors (e.g. for large parts of the global labor force or the regulatory power of nation-states). A truly globalized economy necessarily requires this agency space.

Building on this we argue that the rise of the state as active economic actor in the global economy, especially through state ownership, needs to be understood as a movement of states into the agency space of transnational capitalism. This departs from a 'hyperglobalization' notion where states increasingly become irrelevant. We agree with Robinson that the state gets superseded as 'organizing principle' of the global economy through the rise of transnational economic relations as described above. But this does not mean that states cease to exist as relevant actors within transnational capitalism. Indeed, the 'old' state apparatuses get transformed by transnational forces (Robinson, 2008, p. 34). But Robinson assumes that transnational capitalism changes the internal working logics of states and integrates them into a so-called emerging 'transnational' state that is described as a network-like, not fully consolidated structure of national and transnational institutions (Robinson 2004, pp. 99). While we agree with the transformative force of transnational capitalism, there are various ways in which this takes place. The transformation of state power is a process that does not necessarily end up in its unopposed absorbance into transnational capitalism. As argued in Babic et al. 2017, state power has the ability to penetrate the transnational agency space. States do so for example when they act as regulators, sometimes aligned with and sometimes confronting corporate power (see e.g. Mikler, 2018). But the most direct way to for states to enter the global economy is to become *economic* actors themselves. As owners of and investors in corporations, states use the transnational agency space to compete for returns on investments, thereby possibly creating (geo-)political ties. This is not to say that state power is identical with corporate and class power; but states are 'juxtaposed' to those actors (Babic et al., 2017). As states rise as owners, they integrate into, but also contest existing rules, norms and patterns of international investment. Whereas some states show a clear interest in financial returns on investment (and thus more adaptation to transnational capitalism), others seek to control the firms they invest their state capital in. SWFs for instance are feared by many governments as instruments of geopolitical interest (Cohen, 2009), while at the same time those SWFs

> 'match, mimic and approximate the management structure and governance practices of pension funds, endowments, and foundations, all of which also rely upon global financial markets for investment opportunities' (Clark, Dixon & Monk, 2013, 8).

Taken together, we argue that cross-border engagement of states as owners is best understood as being part of a broader development towards transnationalization and globalization. The space in which they act matters for questions of power and domination and should consequently be studied not only as an inter-but as a truly *transnational* agency space. Our conceptual and empirical work in this paper illustrates one crucial way of how states manage to enter this space by becoming corporate owners; and how this entry is shaped by differing strategies and outcomes in the global economy.

Previous work in IB, CPE and IPE

Understanding the rise of transnational state capital in this way actually allows us to bridge different literatures that engage with the rise of state ownership in the global economy: International Business (IB), Comparative Political Economy (CPE) and International Political Economy (IPE). All three offer a particular analytical angle on the topic: the firm-level (IB), the state-level (CPE) and the global economy (IPE).

- INSERT TABLE 1 HERE -

In the field of International Business, the research object is the state-owned enterprise (SOE) and respective questions are concerned with the forms and consequences of state ownership on the firm. Relevant questions are e.g. how far classical theories of the firm can grasp SOE internationalization (Cuervo-Cazurra et al., 2014) or what the effect is of majority- (or minority) state ownership on FDI-decisions by those firms (Cui & Jiang, 2012). Internationalization is studied from the perspective of SOEs when they 'go abroad' to compete with privately owned firms for resources on global markets (Bass & Chakrabarty, 2014) as well as from the perspective of the host countries and the role of institutional pressure for the entry of foreign SOEs into domestic markets (Meyer et al., 2018).

Comparative political economy investigates the institutional and socioeconomic settings as conditions and context of SOE internationalization and its facilitation through the state (Nölke, 2014). It thus stands close to the Varieties of Capitalism (VoC) literature, analyzing institutional complementaries at the state level. Contributions see e.g. financial globalization as a key challenge that triggers statist responses (Carney, 2015), analyze how new forms of state capitalist arrangements of economies really differ from earlier forms of rent-seeking systems (Aligica & Tarko, 2012) or study how industrial ‘catch-up’ can be realized through state-backed firm internationalization (Ozawa, 2014).

Both the IB and CPE-perspective focus on the causes, sources and forms of SOE internationalization. When discussing its consequences for the global economy, these perspectives do so from the idea that the firm or the nation state is the relevant unit for analysis. Hence, the consequences of these internationalization or transnationalization efforts *themselves* – the creation of ties beyond the nation state and their effects – are not studied as such. These questions are traditionally the subject of the IPE[2]-perspective. A central issue here is the potential of emerging economies to challenge the global economic order in the future (McNally, 2013), but also changing global class relations in the wake of statist global expansion (Robinson, 2015). Furthermore, Global Value Chains (GVCs) and the role of state ownership and state involvement within those are an important part of the IPE-dimension. This line of work takes the transnationality of state involvement seriously, for instance by analyzing state ownership and strategy in specific GVCs (Adolf et al., 2017), the role of states as regulator, producer and buyer within those chains (Horner, 2017) and the conceptual role of state agency and power within them (Mayer & Phillips, 2017). Yet, even the relatively systematized GVC approach remains, as Mayer and Phillips (2017) correctly assert, underdeveloped with regards to the role of transnational state involvement. Whereas the IB and CPE perspectives embrace distinctly contoured units of analysis, the IPE perspective focuses mainly on properties that *emerge* (as consequences) out of the interplay of different actors and institutions (such as state and firms, but also other entities like corporate elites,

[2] We understand that there are many ways to distinguish between International, Global and other forms of Political Economy. For the sake of simplicity, we dub the study of matters that concern the world economy in its broadest sense as 'IPE'-perspective.

transnational business groups, GVCs and so on). This ontological status as emerging structure opens the field for a variety of interpretations, narratives and approaches to the phenomenon under consideration. In short, the IPE-dimension of state capital remains rich in theoretical narratives but lacks a rudimentary systematic approach to study the role of states in the global political economy.

In sum, the previous work in IB and CPE does not fully engage in understanding the global and emerging ramifications when state capital crosses borders, while the IPE literature lacks systematic conceptual and empirical work that offers promising theoretical speculation based on limited case-studies. By embedding the phenomenon of transnational state capital in the framework of transnational capitalism and systematically mapping and analyzing transnational state capital we seek to fill these gaps.

3. Conceptual framework and empirical research strategy

Transnational ownership ties

We empirically study the rise of transnational state capital through the investments state make in corporations based in other countries. When a state or otherwise state-owned entity (like a SWF) invests outside its own borders, this creates a transnational ownership tie (see Figure 1). The level of ownership may vary from very little to full ownership. As with all ownership ties, the shareholder (in this case the state or a SOE) receives dividends on its investment and gains a certain control over the corporation invested in, typically (but not always) equal to the proportion of the shares the state holds.

- INSERT FIGURE 1 HERE -

State ownership relations are rarely as straightforward as in Figure 1 as corporate ownership is typically organized in longer chains of ownership (Garcia-Bernardo et al 2017; Vitali et al. 2011; UNCTAD 2016). For instance, the state can be the ultimate owner of a firm through its SWF. Or, a corporation in France is owned by a SOE in Russia, which is owned by the Russian state. Also, states often hold equity investments in firms through several distinct state entities at the same time, for instance through both a state pension fund, a department, or a state investment bank. In what follows, we do not consider the particular ways in which states organize their ownership, as we are interested in instances where a corporation is (in part) owned by a foreign state (through any of its state entities). State ownership either comes from the state directly, or from a state-owned enterprise.

The ownership arrow in Figure 1 may represent full, majority or minority ownership. By considering different levels of ownership we can distinguish between states that predominantly seek full corporate control and those states that predominantly invest through smaller portfolio investments. Portfolio investment (below the 10%-threshold) reflects a non-controlling strategy, where states are more interested in returns on investment. It consequently represents a *financial* strategy. Ownership patterns that are focused on acquiring controlling stakes – i.e. more than 50.01% or even full ownership – reflect a *control* strategy. Such controlling orientations are more likely to be associated with geo-economic and geopolitical ambitions, especially if they include strategic sectors such as oil or energy in general (Amineh & Guang, 2014). Utilizing these distinctions in ownership levels allows us to probe the strategies of states when they rise as owners within transnational capitalism.

In addition, we can give an approximation of the ‘value’ of the investment and hence the amount of transnational state capital attached to the ownership tie by taking into account the size of the firm, using for instance revenues or market capitalization. This value can be seen as the weight of the tie. By considering the weight of the ties we can construct a network of global transnational state capital and investigate how states are positioned as owners vis-à-vis others.

This conceptualization allows us to analyze the actor-side and the structural or network side of transnational state capital and the remainder of this section develops an empirical research strategy for this. But there is another pronounced advantage of our empirical approach. It allows us to determine the volume and weight of transnational state capital without relying on aggregated macroeconomic data like FDI-levels. This helps us to overcome the sizable issues related to the accuracy of macroeconomic indicators in times of globalization (Linsi & Mügge, 2017). By using fine-grained, firm-level data we focus on the actors themselves we seek to analyze, namely corporations and states.

- INSERT FIGURE 2 HERE -

Actor-perspective: Differentiation of ownership levels

Dividing the ownership tie into different slices of ownership levels reflects the idea of different degrees of control states acquire by investing in corporations outside their borders. The main distinction here is between minority and majority-stakes. We follow the literature in this general differentiation of ownership levels (see Musacchio et al. 2015)[3]. We ascribe corporate control to all stakes beyond the 50.01% threshold. As Cuervo-Cazurra et al. (2014, p. 924) argue, the 'one share one vote'-assumption needs to be handled with caution in the case of SOEs, since state control does not need to be correlating with ownership levels: control could be exercised through so-called 'golden' shares or through entirely informal channels outside formal ownership structures. Our threshold is therefore a conservative one, since it assigns control only to shares over 50,01% of the total ownership stakes. The differentiation between majority (‘de facto’ control) and full control is consequently neglected. The financial strategy is ascribed to portfolio investments not larger than 10%. Our choice of threshold corresponds to the threshold set by the United Nations Conference on Trade and Development for perceptible state influence (and thus beginning control) (He et al., 2016, p. 118). Since the ability to exert control in a company is limited for low ownership stakes, investments below the 10% threshold represent the strongest case for financial interest, not aiming at controlling the invested firm. This basic differentiation helps us to empirically understand if strategies reflect a financial or rather a strategic, controlling interest. We take the cases of portfolio investment (below 10% ownership stake) as an indicator of a financial interest and everything above 50,01% as an indicator of a controlling interest.

[3] Musacchio et al. 2015 also use a fourth main category ('strategic involvement' of the state), which we leave out since this takes place outside ownership structures.

This differentiation is in reality of course not a categorical one, but rather a continuum. A strategy that is clearly focused on controlling corporations outside a state's borders is not per se one that is entirely uninterested in receiving returns on investment. By categorizing the entire set of ownership ties a state has along the categories we get a 'fingerprint' that is as close as possible to a distinction of strategies that states employ.

Network-perspective: Weighting ownership ties

The second part of our empirical analysis looks at the structural side of transnational state capital. The set of all transnational state ownership investments together forms a global network of transnational state capital, where states are invested in corporations located in other states. The study of corporate ownership networks is a well-researched approach to understand global ties of corporate control (Garcia-Bernardo et al., 2017; Vitali et al., 2011). This approach allows us to investigate how states as owners are related to each other in the network of global state capital: who owns, who is target of state ownership and who dominates the network?

To derive insights from a network, the ties need to be comparable to each other. If we take a tie as representing an unweighted ownership investment, all ties are equal - independent of the ownership slice they represent or the firm they are invested in. If we are interested in the positions that states as owners take *vis-à-vis* each other, we need to assign a value or weight to the ties they form around the world. We use operating revenue (turnover) as a proxy for the size of the target firm and thus the volume of state capital operating transnationally. While other proxies such as market capitalization, assets and number of employees could also be useful, operating revenue has advantages over them. Unlike market capitalization, operating revenue is also relevant for private and unlisted public firms. Furthermore, unlike assets and employees, revenue has a higher data quality in the Orbis database we use to source our information (see also Garcia-Bernardo & Takes, 2018). Finally, revenue captures better the idea of transnational state *capital* being sent out: with employees, we would be looking at a proxy for firm size that can be decoupled from the actual value of the investment; with assets, financial firms would be disproportionately represented in the sample.

We weight the ties by the ownership stake they represent and the operating revenue of the invested firm:

$$tieweight = ownershipstake \times operatingrevenue$$

where the ownership stake is a value between 0 (0% ownership) and 1 (100% ownership) and the operating revenue is measured in US dollars. The set of weighted ownership ties together form the global network of transnational state capital. We aggregate all the ownership ties that exist between a state A and corporations in another state B, and consider this a directed tie from state A to state

B. The weight of this tie is the sum of all the underlying ownership ties. Of course, state B can also have invested in firms in state A; the ties are directed but can be reciprocated. Following our conceptual framework, the next section first shows how states can be classified as owners and introduces the concept of *strategic* or *controlling* and *financial* or *non-controlling* strategies and subsequently analyzes the network of transnational state capital. On this basis we introduce the idea of a distinction between state investment senders and targets. This allows us to illustrate how state capital integrates into the agency space of transnational capitalism.

4. Empirical results

Data cleaning and enhancement

We source our raw data from Bureau van Dijk's' Orbis database (December 2017), which contains information on over 200 million companies worldwide. A detailed description of our data selection and cleaning strategy is available in the appendix. First, we identify all firms and organizations that are state-owned. This gives us an initial list of 1,080,764 entities. As we are interested in cross-border state ownership investments, we do not consider domestic state-owned enterprises. This brings us down to a set of 114,032 transnational state investments. To further increase the probability of including globally relevant and active companies, we consider only firms with revenues higher than ten million USD. This leaves us, after several other cleaning steps described in the appendix, with a final empirical universe of 22,177 transnational state ownership relationships. With this information, we have been able to create for the first time a comprehensive network of transnational state capital. Table 2 gives some basic descriptives of our dataset.

- INSERT TABLE 2 HERE -

State strategies in transnational state capital

How and why do states invest their capital into the global economy? Figure 3 shows that the large majority of transnational state ownership *ties* represent portfolio investment below the 10% threshold (Fig. 3). Closer inspection reveals that Norwegian ownership ties make up nearly half of the cases, probably also due to a high degree of transparency of the Norwegian SWF. However, portfolio investment significantly exceeds other segments even after subtracting the Norwegian ties. This pattern resonates with what Musacchio et al. (2015) dubbed the 'New Varieties of State Capitalism', which includes a new role of the state as a minority investor. It is striking that the mean operating revenue of the firms in the portfolio segment is more than 13 times higher than the respective mean of the fully owned-segment, including high-profile target firms like Chinese oil giant CPCC, Glencore, Apple or Amazon. Turning to the amount of transnational state capital these ties represent, we find that over 56.6% of the global transnational state capital is located in majority state-owned firms. This is consistent given our approach of weighting the ownership ties by the revenue of the target firm, which increases the tie weight of majority-owned firms. The portfolio segment still represents over a third of the total amount of transnational state capital (34.3%). The strong participation of states in portfolio investment is in line with the global trends of financialization. States do participate in investment forms that are similar to other institutional investors and thus illustrate the limitations of the states vs. markets metaphor in global contemporary capitalism (see also Clark, Dixon & Monk, 2013, p. 9). States and corporations are not mutually exclusive actors, but also compete on (financial) markets for relative gains with each other. They do both exploit the agency space created by transnational capitalism.

- INSERT FIGURE 3, 4 & 5 HERE -

Looking at the states as owners themselves, we can identify different ownership patterns, reflecting different strategies of state capital transnationalization. Figure 5 shows examples of these strategies, which do indeed quite differ. Rather coordinated (and perhaps more 'statist') economies like China, Russia and France embrace a state capital transnationalization strategy that relies on majority investments, whereas more liberal economies like the USA invest portfolio. It does not come as a surprise that states which own a SWF (like Norway or Canada) invest the lion share of their capital through this vehicle and thus rather as portfolio. These differences allow us to classify how states as owners behave in the global economy and thus examine it as a distinct analytical sphere. We created seven core categories that capture variations of the two core strategies of seeking control or seeking financial returns along the ownership chain (see Table 3).

- INSERT TABLE 3 HERE -

States can invest their capital into different segments of the ownership chain - in portfolio (under 10%), between 10 and 50% and in majority stakes (more than 50.01%). Depending on how much of their total state capital they invest in each of these segments, they employ a different strategy. If 90% or more of the transnational state capital of a particular state is invested in majority or portfolio stakes, we identify a clear control (C) or financial (F) strategy. If this amount is under 90%, but still represents an absolute majority (i.e. is above 50%), we speak of a dominantly control or financial strategy (CD or FD). If there is no segment where the absolute majority of a state's transnational state capital is invested in, we identify the segment with the relative majority: if this is either the portfolio or majority segment, we identify a mixed financial or mixed control strategy (MF or MC). If we find a case where the lion share of state capital is located in the 10-50% segment, we treat this as a purely mixed case (for all levels of majority investment, see Table 3).

When we apply these differentiations to the examples in Figure 5, we can identify the following ownership profiles: the USA, Norway and Canada embrace strategy F; Singapore is a MF-case;

Qatar is a M-case; Germany, UAE, Saudi Arabia and China show a CD-strategy, while France and Russia are examples of a C-strategy. We calculated the strategic transnational ownership profile for each country in our database. These metrics are available in the appendix. Of course, while two states can have a similar strategic profile, they may have differences regarding the size and share of their investments in the different segments. For example, Germany and China have the same strategic profile (CD). While this is a relevant and novel observation, we need to take into account that China has over 87% of its transnational state capital located in the majority segment - Germany 'only' 71%. In the appendix we include this information: for China the strategy is denoted as 'CD-0.87'; for Germany 'CD-0.71'; for France 'C-0.92'; for Spain 'F-0.96'for USA 'F-1.0' etc.

Our approach and data allow us to give relatively precise indications of transnational state capital strategies. China for instance follows a rather controlling (or: CD) strategy (87.14% of its transnational state capital is located in the majority and full segment), whereas Norway employs a clearly financial (or: F) strategy (92.48% is invested in the portfolio segment). Other cases like Singapore however are less clear-cut: almost half of its investment is portfolio, but the other half is distributed along the other segments. A closer look at the case points at Singapore's two different state-owned SWFs. While GIC Private Limited acts as a typical SWF and invests *minority* stakes globally, Temasek Holdings mainly controls state-owned assets in and outside Singapore and is thus the main driver of foreign *majority* investments. Our measure of state strategies neatly captures this with Singapore embracing a MF-strategy.

In sum, the analysis of ownership profiles allows us to empirically establish the strategies of states in the transnationalization of state capital. Our examples already reveal interesting patterns, such as the role of France and Germany compared to emerging markets. These observations open up a whole range of pertinent questions: in how far are these strategies shaped by path dependency, economic rationales or in fact (geopolitical) strategic motivations? In order to develop answers to such urgent questions we can further utilize the richness of our approach and consider how states are invested in each other.

Senders and receivers in the network of transnational state capital

Concerns about private foreign corporate ownership of has been an ongoing strategic concern for states across the globe. On the one hand, foreign direct investment can enhance economic development. On the other hand, when foreign corporations reap the financial benefits of economic activity in one's country, this may hamper development. On top of this, foreign ownership in key firms and strategic industries is typically perceived as a significant risk. All these concerns become exacerbated when the foreign owner is another state. States can and do invest in (corporations in) other states. These relationships together make up the transnational state ownership network.

Figure 6 gives a graphical representation of how states are embedded in a global network of transnational state capital. The network figure already illustrates that the network stretches the globe, with some countries at a more central position than others. China and Norway stand out as key investors, while countries such as the US, the Netherlands and Singapore receive large amounts of transnational state capital. Table 4 lists the largest sender and receiving countries of transnational state capital.

Norway controls more than 21% of the total amount of transnational state capital, followed suit by China with almost 19% (Table 4). Here we find at the top of the senders two prime examples of the opposing strategies of financial interest and control interest. When we turn to the targets, we see that Germany, the UK and the US are popular destinations and each receive over 10% of total transnational state capital. Followers are Singapore and the Netherlands, of which each receives a considerable amount under 10% of global state capital inflows. It is noticeable that the vast majority of the top 20 targets of state capital can be classified as liberal economies or are at least considered to be part of the liberal world order. This is a clear distinction from the sender group, of which most of the top 20 are to be classified as not being rather statist and/or non-liberal. What is more, we see that transnational state capital integrates into the liberal world order (by high inflows into core European and Anglo-American countries, see Fichtner, 2017) while its senders are less open for receiving state investment themselves.

- INSERT FIGURE 6 HERE -

- INSERT TABLE 4 & 5 HERE -

The volume of state capital outflow gives us an idea about the status of a state as *sender*. Likewise, the inflow indicates in how far a state is to be qualified as *target* of state capital. We can classify states as either senders, targets or sender-targets of state capital, depending on the relation between the incoming and outgoing amount of state capital (Table 5). As (clear) senders or targets, states are pivots of state capital: they are either very active in investing their capital around the world or are eager to attract it. As a sender-target, states pursue both activities on approximately the same scale[4]. These different roles arguably come with different degrees of agency: As primarily a sender, agency is high as states can decide about where to move their capital throughout the network. As a target, agency is relatively low since target states can only incentivize foreign state investment, but not actively control those investment decisions. Sender-targets are theoretically an interesting case, because they on the one hand control their own investment decisions but are on the other hand

[4] We define a sender-target as having an inflow-outflow-ratio (or outflow-inflow ratio) of 2:1 or lower. In Figure 7, this is illustrated by the addition two diagonal lines below and above the 45°-diagonal.

eager to receive investment by other states. Their agency is thus rather medium, since they represent a combination of the agency spectrums of the other two types.

Figure 7 shows the position of states on the two axes of transnational state capital inflow and outflow. States that are classified as important targets are almost exclusively located in the Western hemisphere, especially regarding higher levels of investment (orange group in Figure 7). On the other hand, the sender group is more mixed, whereby statist economies like Russia, China (blue group) or Near Eastern actors like Qatar or Saudi Arabia dominate. The latter, plus Kuwait (green group), are extreme examples for senders insofar as the outflow surpasses the inflow by far; the reverse is true for Germany, the UK and US, which show high in-and lower outflows.

There are only two large sender-targets of state capital investment across the sample. France and Singapore have high levels of in-*and* outflows: while France is only just within the boundaries of the definition (its out-to inflow ratio is 1,9:1), Singapore is a rather clear case with an in-to outflow ratio of 1,5:1. Other, smaller countries with lower levels of in-and outflows like Chile, South Africa or Czech Republic are also sender-targets, although their overall size is rather low. In sum, the number of relevant sender-targets is thus restricted. Information on the sender/target-status of all states in our dataset is available in the appendix.

Another result from the distribution analysis is that the BRICS-group (Brazil, Russia, India, China and South Africa) is not as coherent as many analyses on the subject suggest. From this perspective, the statist economic model all five states embrace shows significant differences in the level of state investment in-and outflows as well as on the relation between both: China shows a relatively high outdegree, whereas India for example has a relatively average to low outwards state investment. South Africa appears to be a state investment sender-target (although on a comparatively low level), whereas China and Russia are not even close to this status. All of these aspects point out that at least with regard to the present analysis, the BRICS are not a homogeneous group that employ a common state-led transnationalization model.

- INSERT FIGURE 7 HERE -

Among the targets for state capital, states from the Western hemisphere prevail. And while clear sender-targets can be determined, their relevance for the entire network is rather marginal. Except for Singapore and France, there are no sender-targets that at the same time attract and send *high* levels of state capital around the world. This finding might be explained by the different roles states engage in within global capitalism (see also van Apeldoorn et al. 2012): as representatives of their specific national economies, states might be incentivized to attract foreign FDI or other types of investment; and as owners in the global economy, they might be interested in investing their capital abroad. However, in the same sense they might be suspicious of *other states* investing in their economies, especially given an activist and controlling strategy of the investing state. This means that a sender of state capital can logically be relatively defensive towards state investment in its own economy, like the examples of the United Arab Emirates, Qatar or China show. Moreover, target states can be very interested in foreign state investment without themselves being particularly strong senders. A good example is Germany, which can be classified as a target and showed an interest in patient capital investment coming from SWFs in the past (Thatcher and Vlandas 2016). It is thus the more crucial to investigate the interesting cases of France and Singapore in order to determine the role they play in global state investment as sender-targets and how this could be explained by the characteristics of these states as owners of capital.

6. Towards an integrated analysis of state capital(ism)

We explored one of the main dimensions of the transformation of statehood within 21st century transnational capitalism. This transformation encompasses, at its core, the changing relations between state power and globalization and the question whether transnational capitalism leaves room for the articulation of state power within it. Within this grand debate we developed a systematic approach towards the hotly debated, but less so systematically analyzed phenomenon of transnational state capital. This approach consisted of three core elements: a theoretical framework building on the literature on transnational capitalism; a conceptual approach based on weighted ownership ties; and an original empirical analysis of the largest dataset on transnational state capital up to date. We argued that the articulation of state power in transnational capitalism *is* possible within the emerging transnational agency space. States do enter this space where different social forces compete for the relative gains of a globalized economy and they exert agency in various ways. Our analysis of how states engage in transnational investment is a vivid empirical illustration of how states are an actor in this transnational agency space of global capitalism.

We theorized and found that some states use the transnational agency space to seek possibilities for expanding their return on investment and develop a financial strategy. Others use the possibilities to move state capital across borders to create ownership ties that grant them majority control of their invested firms by pursuing a control strategy. Our results show how rather 'statist' economies – like China and Russia – embrace a more strategic, control-strategy with regards to transnational state capital whereas more liberal, or 'Western' economies like Canada or the US employ a rather financial, non-controlling investment strategy. This confirms an intuitive understanding of transnational state capital strategies. However, our results also show that both strategies are dominantly present in transnational capitalism. While China transnationalizes its state capital in the form of majority or controlling stakes, the largest global owner (Norway) employs a financial strategy by investing over 92% of its transnational state capital in portfolio. Both can be understood as specific integration mechanisms into the global economy: the financial strategy adapts to the rules and forms of portfolio investment, while the controlling one is more interested in occupying and controlling the agency space created by transnational capitalism. There is thus a genuinely qualitative difference in state capital transnationalization that relates to the specific mode in which states seek to integrate into the global economy. Beyond these particular strategies of states, we saw that states may be senders or targets (or both) of state capital investment. As such they relate to other states in a network of dependence and control. This conceptual approach allows us to move beyond a bilateral international understanding of state-led foreign investment and study how states are embedded in a network of transnational state capital. The positions states occupy in this network reflect an important part of their power position and their strategy in the global political economy.

Although there is an ongoing debate about to which extent multinational corporations can really be regarded as ‘global’ (Nölke & May 2018), there can be little doubt that contemporary capitalism creates structures and spaces that transcend the notion of the nation-state as a ‘container’ of economic life. Transnational state capital is a prime example for this: cross-border ownership ties that are created by states are a direct permeation of another state’s borders. They are not inter-national phenomena, since they do not stop at the border of the target country. Notably, the transnational state capital network is different from the well-studied network of trade relations. Trade relations are very compatible with an international world economy that consists of countries that act as relatively closed containers and exchange goods and services with each other. Ownership, however, is a very different beast than trade is. State ownership ties permeate the borders of these ‘containers’. They not only establish durable, longer term connections between states (compared to trade) but also grant the sender of the tie control of the factors of production, employment, and possibly intellectual property rights of another state. Transnational state capital hence represents a much more thorough, deep and politically relevant tie than trade relations do.

The new spaces that are opened up by foreign (state) investment are consequently transnational, because they transcend the logic of economic activity *between* countries. At the same time, these phenomena are still territorial: our network-approach to transnational state capital illustrated how state investment is spread around the globe, how some states are connected with each other through mutual ties and others are not. These relations are not nowhere, but are formed in precisely identifiable territories. It is thus important to recognize that transnationality does not equate to non-territoriality, but that it opens up new spaces in which different social forces compete for power - a transnational agency space.

This also implies that transnational capitalism does not simply 'suck up' state power into Robinson’s (2004) ‘transnational state’. Rather, we show how patterns of contestation and adaptation shape the way states interact with transnational structures. This perspective is of course not without precedent. De Graaff (2012) describes the dynamics of state-owned oil giants as expressing a 'hybridization of the State-Capital nexus' (ibid.) and Haberly and Wójcik (2016) see the role of state capital as absorbing and managing possible negative impacts of globalization and transnationalization on states and societies, thereby being perfectly integrated into global circuits of capital. On the side of corporate elites, Robinson (2015) and Harris (2013) observe an integration of statist elites into global structures, while Musacchio and Lazzarini (2014) understand the new governance structures of 'reinvented' SOEs as being more adaptable to transnational capitalism’s governance framework than their old predecessors from the 20th century. We add to this literature an understanding and illustration of how states engage in the transnational agency space of global capitalism through investing transnational state capital. The ownership approach we developed and applied offers a parsimonious, but at the same time feasible way of investigating this phenomenon.

State capital represents a specific social force within the global economy which we tried to delineate here; but it also is part of a web of economic and political relations that make up the totality of transnational capitalism. Understanding state capital in comparison with and as an integral part of this totality is a theoretical and empirical challenge for which we sought to lay the groundwork for. This work necessarily involves conceptualizations of the state in the global economy (see Bieler & Morton, 2013); of neoliberal globalization as the historical framework for the rise of statism (see Stephen, 2014) and of the 'state-capital nexus' (van Apeldoorn et al., 2012) that shapes the different forms of statist re-emergence we witness in the global economy. All of this work needs to be complemented by solid empirical efforts to investigate the relations between state capital and the global economy in measurable dimensions. In any case, our results underscore how state ownership in the global economy is more than just a development model or by-product of statist economies. Rather, it reflects specific political economy dynamics that still need to be further explored and understood. The analyses presented here can and should thus work as groundwork for more in-depth analyses of transnationalized state capital. We hope that our encouragement for further research represents more than well-intentioned words but offers a concrete body of data and methods to facilitate practical work on the topic. Our data gathering, cleaning and application strategy is documented in the paper and the appendix; our online supplementary material including the used nationally aggregated data, an interactive map of transnational state capital relations and sender/targets distinctions as well as full ownership profiles for every state in the dataset will hopefully be practical tools for researchers interested in exploring the issue further.

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Figure	Caption
Figure 1	Transnational state ownership ties.
Figure 2	Different levels of transnational state ownership. Arrow represents ownership tie.
Figure 3	Distribution of the **number** of transnational state ownership ties by ownership segment. The x-axis entails the different ownership segments, the y-axis the respective number of ownership ties in each segment.
Figure 4	Distribution of total transnational state ownership by ownership segment. The x-axis entails the different ownership segments, the y-axis the percentage of the total transnational state ownership that is located in each segment
Figure 5	Transnational state ownership profiles for different countries. For selected countries, we report the distribution of transnational state capital among the three ownership categories. Y-axis entails the percentage of the total transnational state capital for each country
Figure 6	The global network of transnational state capital. The labels are states as owners and the ties represent the in-and outflows of state capital as defined in the paper. The label size represents the volume of state capital outflow and the colour represents the inflow volume (more outflow = larger label and more inflow = darker/ more red label). The edge thickness represents the volume of state capital that is sent from one country to another. We used a mercator projection and Gephi's GeoLayout to order the labels according to their geographical location. Nodes with a degree lower than 200 mn USD in outflow are omitted for representational reasons.
Figure 7	Distribution of states as owners with different in-and outflow of state capital, logarithmic scale. States below the solid diagonal line are targets of state investment, whereas those above the line are senders. States within the boundaries of the two dashed lines can be classified as sender-targets for state capital investment. Being in this area mean that the inflow-outflow (or vice versa) ratio of a sender or receiver state is not higher as 2:1. The graph starts at the level of USD 1 bn state capital in-and outflow (lower levels are omitted for representational reasons).

Figure 8	Ownership profiles and strategies for each state in the sample. For the editable Excel-File see http://doi.org/10.17605/OSF.IO/FM6A9.
Figure 9	Sender/target distinction and in/outflows for all states in the sample. For the editable Excel-File see http://doi.org/10.17605/OSF.IO/FM6A9.
Figure 10	The global spread of Chinese transnational state capital. Here, China is selected as an owner and the target states of its transnational state capital are coloured. The darker a state is, the more Chinese state capital it receives. Since the visualisation is interactive, we created a screenshot here and make the visualisation accessible via this link: https://bl.ocks.org/jgarciab/raw/f248418d6069f0543a8a5f4002e29601/37b9396a36c3824f171215802739569a2f1fa574/. It can be switched between in-and outflow of state capital and respectively between the different senders and targets

Perspective	Research Object	Central Research Topic	Core findings
International Political Economy (IPE)	Global Political Economy Order	Role of State Capitalism in global power relations.	State Capitalism as potential challenge for the global economic order (Stephen, 2014; Kiely, 2015) States are crucially involved in global value chains (Mayer & Phillips 2017)
Comparative Political Economy (CPE)	Varieties of (State) Capitalism	Implications of State Capitalism for VoC. Domestic causes of state-led internationalization.	State capitalist internationalization is shaped through formal and informal domestic institutional settings (Nölke, 2014)
International Business (IB)	The (majority/minority) state-owned firm	Causes of global state ownership and its consequences for performance and corporate governance.	Internationalization of state ownership is increasing (Karolyi & Liao, 2017) SOEs are (broadly speaking) internationalizing for profit *and* political reasons (Cuervo-Cazurra et al., 2014)

Table 1: *Theoretical perspectives on state capital transnationalization*

# States as owners	161
# State-owned entities	1,080,764
# Transnational state-owned investments	114,032
# Transnational state-ownership investments with revenue >= 10 mn. USD	22,177
Sum of revenues	120 trillion USD
Total number of employees	316 million
Total assets	132 trillion USD

Table 2: *Key descriptives of our dataset*

		Ownership segment		
		<10%	*10-50%*	*>=50.01%*
Total amount of transnational state ownership in this segment	*90% or more*	Financial (**F**)	Mixed (**M**)	Control (**C**)
	Below 90%, but 50% or more	Dominantly Financial (**FD**)		Dominantly Control (**CD**)
	under 50%, but relative majority of state capital	Mixed Financial (**MF**)		Mixed Control (**MC**)

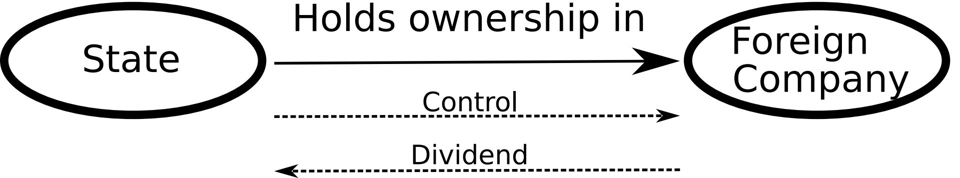
Table 3: *Classification of transnational state ownership strategies. "Ownership segment" describes the three different segments of the ownership chain (Figure 2) where transnational state capital can be located. The left axis ("Total amount…") indicates, where and how much of the total transnational state capital of a state is located in the respective segments. The table reads as follows: "If 90% or more of a state's transnational state capital is located in the segment of under 10% ownership stakes, it embraces a financial strategy".*

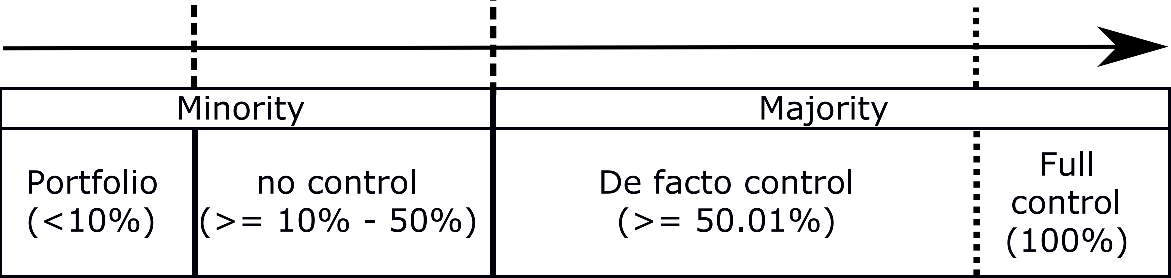
Country	State Capital Outflow (in USD)	% of total
Top Senders		
Norway	500 bn.	21.16
China	449 bn.	18.96
France	151 bn.	6.39
Singapore	143 bn.	6.05
Arab Emirates	133 bn.	5.61
Top Receivers		
Germany	325 bn.	13.72
UK	270 bn.	11.41
USA	238 bn.	10.07
Singapore	214 bn.	9.06
Netherlands	168 bn.	7.11

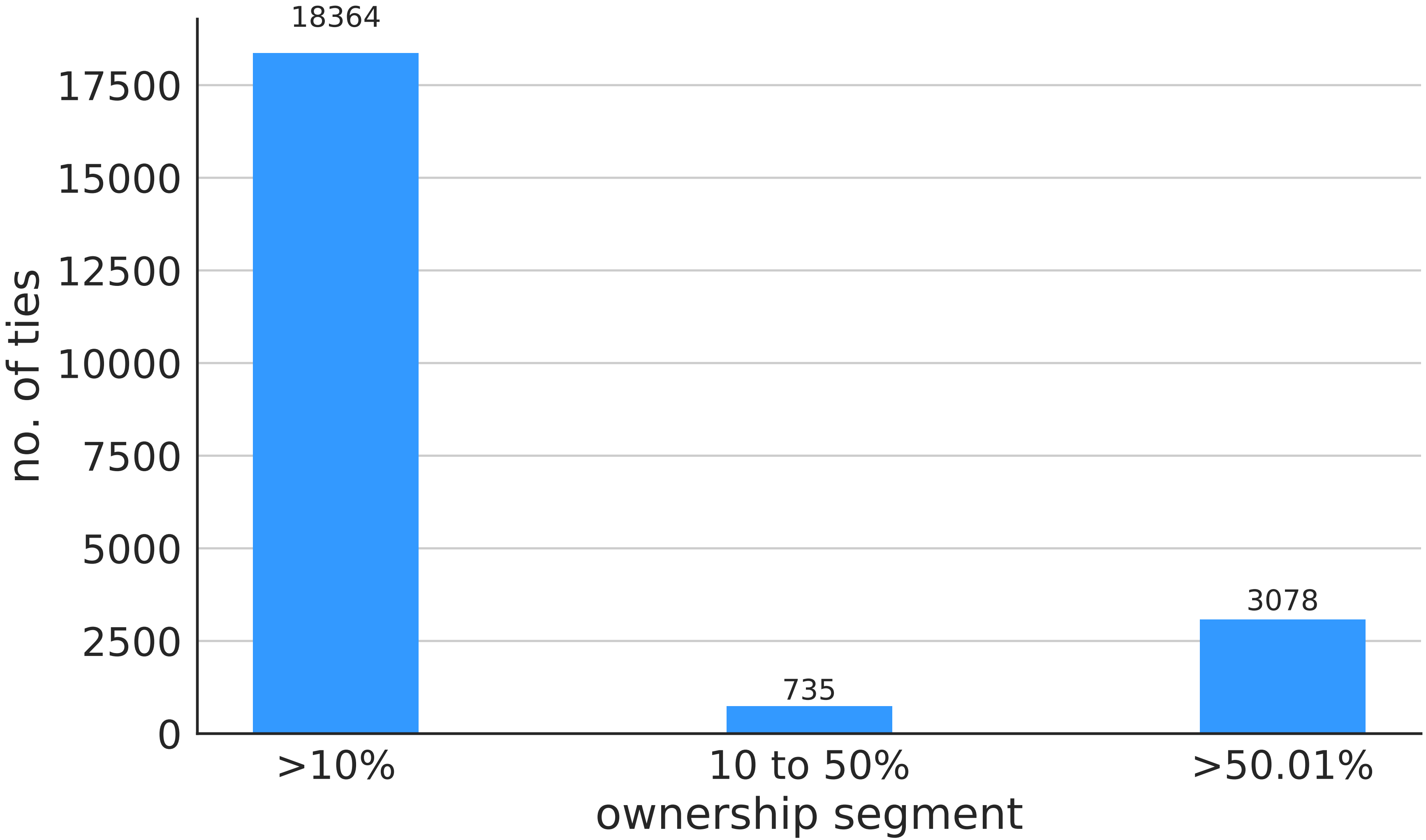
Table 4: *Top 5 senders and receivers of transnational state capital. We calculate outflow by aggregating the sum of weights of the outgoing (sending) and incoming (receiving) transnational ownership ties at the country level.*

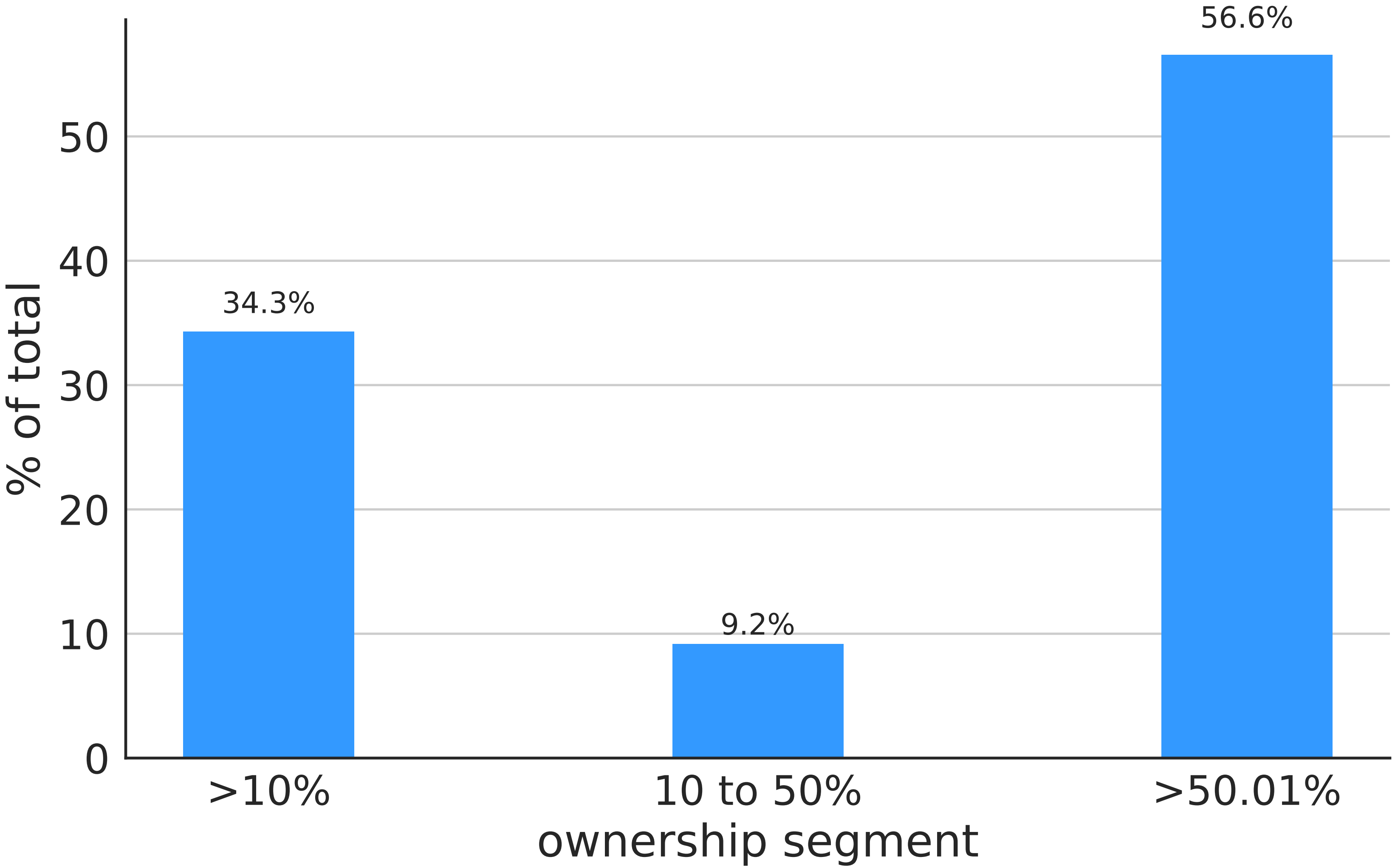
Relation between weighted Inflow and outflow (IF and OF)	OF > IF	IF > OF	OF ~ IF
Status	*Sender*	*Target*	*Sender-Target*
Agency in the global state capital network	High	Low	Medium

Table 5: *Classification of states as owners in the global network of transnational state capital*

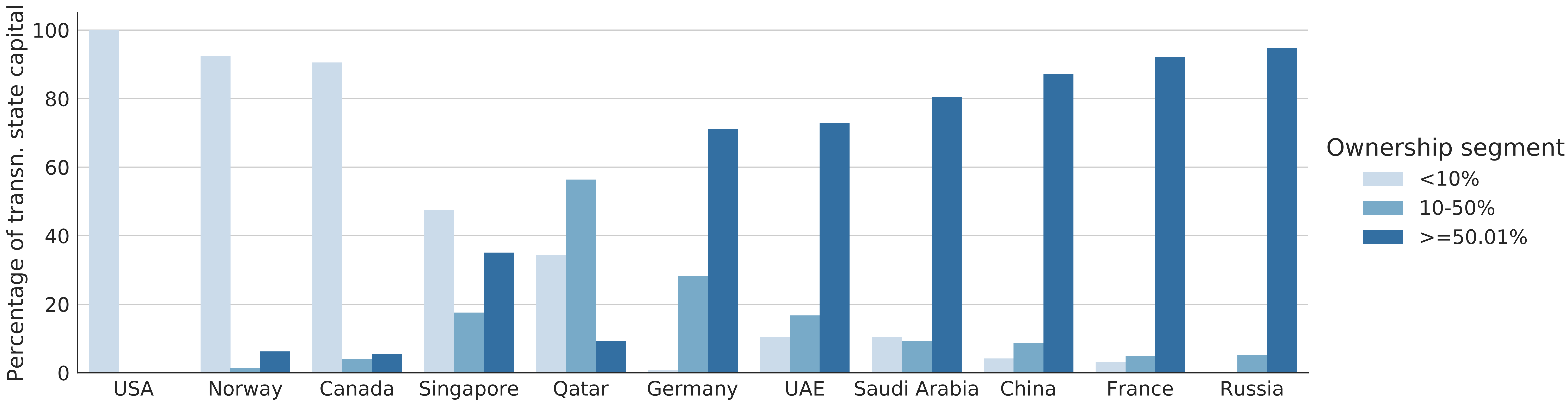

Holds ownership in
State
Foreign
Company
Control
Dividend


Minority
Majority
Portfolio (<10%)
no control (>= 10% - 50%)
De facto control (>= 50.01%)
Full control (100%)


18364
735
3078
0
2500
5000
7500
10000
12500
15000
17500
no. of ties
>10%
10 to 50%
>50.01%
ownership segment



% of total
0
10
20
30
40
50
34.3%
9.2%
56.6%
>10%
10 to 50%
>50.01%
ownership segment


Percentage of transn. state capital
0
20
40
60
80
100
USA
Norway
Canada
Singapore
Qatar
Germany
UAE
Saudi Arabia
China
France
Russia
Ownership segment
<10%
10-50%
>=50.01%

FI
NO
SE
EE
RU
CA
LV
GB
DK
LT
BY
IE
IM
NL
DE
PL
BE
CZ
SK
UA
JE
LU
AT
KZ
FR
CH
SI
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MK
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AZ
US
MT
GR
CY
CN
KR
JP
TN
IQ
BM
MA
IL
JO
KW
IR
BH
PK
DZ
LY
EG
SA
QA
AE
BD
MX
IN
MO
TW
KY
JM
VG
ML
OM
SV
TH
VN
PH
CW
PA
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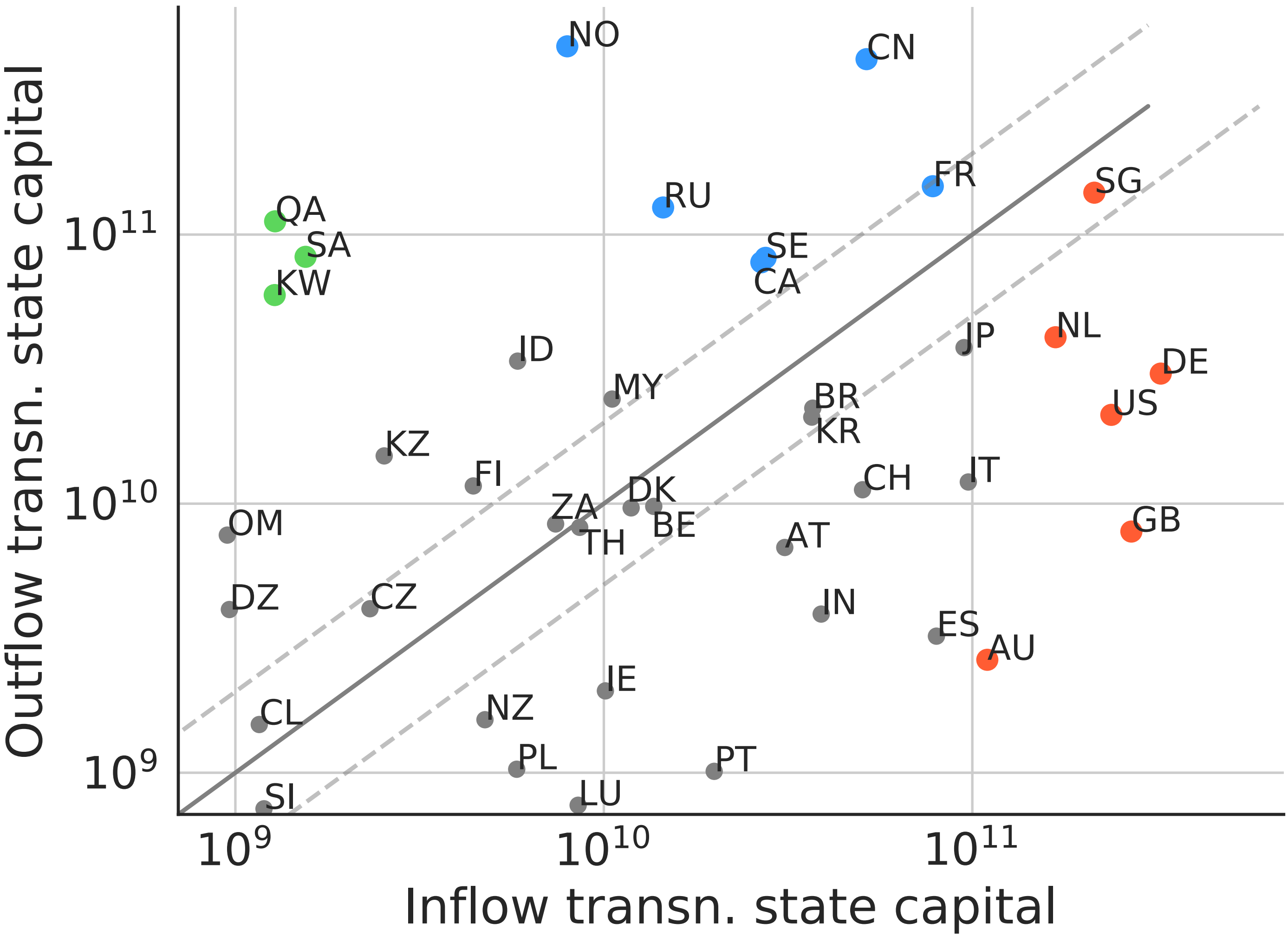
AR



Outflow transn. state capital
Inflow transn. state capital
10^{9}
10^{10}
10^{11}
NO
CN
FR
SG
RU
QA
SA
KW
SE
CA
NL
JP
ID
DE
MY
BR
US
KR
KZ
FI
CH
IT
DK
ZA
BE
GB
OM
TH
AT
DZ
CZ
IN
ES
AU
IE
CL
NZ
PL
PT
SI
LU

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Afghanistan	100	0	0	portfolio stakes	F - 1.0
Albania	100	0	0	portfolio stakes	F - 1.0
Algeria	58.78	14.93	26.3	portfolio stakes	FD - 0.59
Angola	0.08	99.29	0.62	10-50% stakes	M - 0.99
Argentina	0	75.78	24.22	10-50% stakes	M - 0.76
Australia	45.2	0.95	53.85	majority stakes	CD - 0.54
Austria	1.33	6.84	91.83	majority stakes	C - 0.92
Azerbaijan	1	0.03	98.97	majority stakes	C - 0.99
Bahamas	100	0	0	portfolio stakes	F - 1.0
Bahrein	0.91	25.96	73.13	majority stakes	CD - 0.73
Bangladesh	37.45	0	62.55	majority stakes	CD - 0.63
Barbados	100	0	0	portfolio stakes	F - 1.0
Belarus	0	41.63	58.37	majority stakes	CD - 0.58
Belgium	39	1.14	59.86	majority stakes	CD - 0.6
Belize	100	0	0	portfolio stakes	F - 1.0
Benin	100	0	0	portfolio stakes	F - 1.0
Bolivia	100	0	0	portfolio stakes	F - 1.0
Bosnia and Herzegovina	0	14.99	85.01	majority stakes	CD - 0.85
Botswana	100	0	0	portfolio stakes	F - 1.0
Brazil	0.02	1.64	98.34	majority stakes	C - 0.98

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Brunei Darussalam	100	0	0	portfolio stakes	F - 1.0
Bulgaria	39.61	60.39	0	10-50% stakes	M - 0.6
Burkina Faso	100	0	0	portfolio stakes	F - 1.0
Burundi	100	0	0	portfolio stakes	F - 1.0
Cameroon	100	0	0	portfolio stakes	F - 1.0
Canada	90.54	4.06	5.4	portfolio stakes	F - 0.91
Cape Verde	100	0	0	portfolio stakes	F - 1.0
Central African Rep.	100	0	0	portfolio stakes	F - 1.0
Chad	100	0	0	portfolio stakes	F - 1.0
Chile	6.28	0.17	93.56	majority stakes	C - 0.94
China	4.14	8.71	87.15	majority stakes	CD - 0.87
Colombia	3.17	2.03	94.8	majority stakes	C - 0.95
Comoros	100	0	0	portfolio stakes	F - 1.0
Congo	100	0	0	portfolio stakes	F - 1.0
Costa Rica	22.08	0	77.92	majority stakes	CD - 0.78
Côte d'Ivoire	100	0	0	portfolio stakes	F - 1.0
Croatia	22.5	20.52	56.98	majority stakes	CD - 0.57
Cuba	100	0	0	portfolio stakes	F - 1.0
Cyprus	0.87	30.26	68.87	majority stakes	CD - 0.69
Czech Rep.	22.34	3.89	73.78	majority stakes	CD - 0.74

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Denmark	2.1	31.26	66.64	majority stakes	CD - 0.67
Djibouti	100	0	0	portfolio stakes	F - 1.0
Dominican Rep.	100	0	0	portfolio stakes	F - 1.0
DR Congo	100	0	0	portfolio stakes	F - 1.0
Ecuador	100	0	0	portfolio stakes	F - 1.0
Egypt	22.39	9.21	68.4	majority stakes	CD - 0.68
El Salvador	100	0	0	portfolio stakes	F - 1.0
Equatorial Guinea	100	0	0	portfolio stakes	F - 1.0
Estonia	0	0	100	majority stakes	C - 1.0
Ethiopia	100	0	0	portfolio stakes	F - 1.0
Finland	5.04	13.85	81.11	majority stakes	CD - 0.81
France	3.12	4.78	92.1	majority stakes	C - 0.92
Gabon	100	0	0	portfolio stakes	F - 1.0
Gambia	100	0	0	portfolio stakes	F - 1.0
Germany	0.72	28.28	71	majority stakes	CD - 0.71
Ghana	0.24	9.6	90.16	majority stakes	C - 0.9
Greece	0	0	100	majority stakes	C - 1.0
Guatemala	100	0	0	portfolio stakes	F - 1.0
Guinea	100	0	0	portfolio stakes	F - 1.0
Guinea-Bissau	100	0	0	portfolio stakes	F - 1.0

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Guyana	100	0	0	portfolio stakes	F - 1.0
Haiti	100	0	0	portfolio stakes	F - 1.0
Honduras	100	0	0	portfolio stakes	F - 1.0
Hungary	2.16	0.86	96.98	majority stakes	C - 0.97
Iceland					
India	1.45	36.22	62.33	majority stakes	CD - 0.62
Indonesia	0.04	0.15	99.81	majority stakes	C - 1.0
Iran	0.86	30.06	69.08	majority stakes	CD - 0.69
Iraq	100	0	0	portfolio stakes	F - 1.0
Ireland	0.14	23.41	76.45	majority stakes	CD - 0.76
Israel	8.2	0	91.8	majority stakes	C - 0.92
Italy	8.27	3.42	88.31	majority stakes	CD - 0.88
Jamaica	100	0	0	portfolio stakes	F - 1.0
Japan	7.3	0.09	92.61	majority stakes	C - 0.93
Jordan	23.27	76.73	0	10-50% stakes	M - 0.77
Kazakhstan	0.16	9.77	90.08	majority stakes	C - 0.9
Kenya					
Korea	86.08	1.86	12.05	portfolio stakes	FD - 0.86
Kuwait	34.83	2.12	63.05	majority stakes	CD - 0.63
Kyrgyzstan	100	0	0	portfolio stakes	F - 1.0

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Latvia	0	0	100	majority stakes	C - 1.0
Lebanon	100	0	0	portfolio stakes	F - 1.0
Lesotho	100	0	0	portfolio stakes	F - 1.0
Liberia	100	0	0	portfolio stakes	F - 1.0
Libya	3.79	1.52	94.69	majority stakes	C - 0.95
Liechtenstein	9.02	0.14	90.84	majority stakes	C - 0.91
Luxembourg	98.13	0	1.87	portfolio stakes	F - 0.98
Macao	100	0	0	portfolio stakes	F - 1.0
Macedonia (FYR)	100	0	0	portfolio stakes	F - 1.0
Madagascar	100	0	0	portfolio stakes	F - 1.0
Malawi	100	0	0	portfolio stakes	F - 1.0
Malaysia	1.1	3.89	95	majority stakes	C - 0.95
Maldives	100	0	0	portfolio stakes	F - 1.0
Mali	100	0	0	portfolio stakes	F - 1.0
Malta	34.63	65.37	0	10-50% stakes	M - 0.65
Mauritania	100	0	0	portfolio stakes	F - 1.0
Mauritius	100	0	0	portfolio stakes	F - 1.0
Mexico	36.18	0	63.82	majority stakes	CD - 0.64
Monaco	100	0	0	portfolio stakes	F - 1.0
Mongolia	100	0	0	portfolio stakes	F - 1.0

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Montenegro	0	0	100	majority stakes	C - 1.0
Morocco	100	0	0	portfolio stakes	F - 1.0
Mozambique	100	0	0	portfolio stakes	F - 1.0
Netherlands	4.35	1.94	93.71	majority stakes	C - 0.94
New Zealand	9.74	0	90.26	majority stakes	C - 0.9
Nicaragua	100	0	0	portfolio stakes	F - 1.0
Niger	100	0	0	portfolio stakes	F - 1.0
Nigeria	0	100	0	10-50% stakes	M - 1.0
Norway	92.48	1.31	6.21	portfolio stakes	F - 0.92
Oman	12.24	8.18	79.58	majority stakes	CD - 0.8
Pakistan	58.28	15.95	25.77	portfolio stakes	FD - 0.58
Palestinian Autonomous Areas	100	0	0	portfolio stakes	F - 1.0
Panama	100	0	0	portfolio stakes	F - 1.0
Paraguay	76.72	23.28	0	portfolio stakes	FD - 0.77
Peru	100	0	0	portfolio stakes	F - 1.0
Philippines	100	0	0	portfolio stakes	F - 1.0
Poland	2.37	0	97.63	majority stakes	C - 0.98
Portugal	2.39	1.9	95.7	majority stakes	C - 0.96
Qatar	34.4	56.36	9.23	10-50% stakes	M - 0.56
Romania	100	0	0	portfolio stakes	F - 1.0

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Russia	0.12	5.11	94.77	majority stakes	C - 0.95
Rwanda	100	0	0	portfolio stakes	F - 1.0
São Tomé and Príncipe	100	0	0	portfolio stakes	F - 1.0
Saudi Arabia	10.45	9.15	80.4	majority stakes	CD - 0.8
Senegal	100	0	0	portfolio stakes	F - 1.0
Serbia	2.77	2	95.22	majority stakes	C - 0.95
Seychelles	100	0	0	portfolio stakes	F - 1.0
Sierra Leone	100	0	0	portfolio stakes	F - 1.0
Singapore	47.41	17.56	35.04	portfolio stakes	MF - 0.47
Slovak Rep.	1.46	2.23	96.31	majority stakes	C - 0.96
Slovenia	3.55	1.81	94.63	majority stakes	C - 0.95
Somalia	100	0	0	portfolio stakes	F - 1.0
South Africa	37.34	62.09	0.57	10-50% stakes	M - 0.62
Spain	96.06	1.14	2.8	portfolio stakes	F - 0.96
Sri Lanka	100	0	0	portfolio stakes	F - 1.0
Sudan	100	0	0	portfolio stakes	F - 1.0
Suriname	100	0	0	portfolio stakes	F - 1.0
Swaziland	100	0	0	portfolio stakes	F - 1.0
Sweden	37.82	1.32	60.86	majority stakes	CD - 0.61
Switzerland	29.28	6.01	64.71	majority stakes	CD - 0.65

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Syria	29	0	71	majority stakes	CD - 0.71
Tajikistan	100	0	0	portfolio stakes	F - 1.0
Tanzania	100	0	0	portfolio stakes	F - 1.0
Thailand	0.03	0.48	99.48	majority stakes	C - 0.99
Togo	100	0	0	portfolio stakes	F - 1.0
Trinidad and Tobago	100	0	0	portfolio stakes	F - 1.0
Tunisia	0.25	27.06	72.69	majority stakes	CD - 0.73
Turkey	100	0	0	portfolio stakes	F - 1.0
Turkmenistan	100	0	0	portfolio stakes	F - 1.0
Uganda	15.6	84.4	0	10-50% stakes	M - 0.84
Ukraine	0	100	0	10-50% stakes	M - 1.0
United Arab Emirates	10.45	16.71	72.84	majority stakes	CD - 0.73
United Kingdom	46.26	7.3	46.44	majority stakes	MC - 0.46
United States	100	0	0	portfolio stakes	F - 1.0
Uruguay	48.08	4.87	47.05	portfolio stakes	MF - 0.48
Uzbekistan	100	0	0	portfolio stakes	F - 1.0
Venezulea	4.19	0	95.81	majority stakes	C - 0.96
Vietnam	0.12	0	99.88	majority stakes	C - 1.0
Yemen	100	0	0	portfolio stakes	F - 1.0
Zambia	100	0	0	portfolio stakes	F - 1.0

State	% in Portfolio Stakes	% in 10-50% Stakes	% in Majority Stakes	Largest Segment	Strategy
Zimbabwe	100	0	0	portfolio stakes	F - 1.0

Explanation:

Each category (“% in...”) indicates the percentage of the total transnational state capital of a state is located in the respective ownership segment.

Based on the respective distribution, we assign each state a strategy (Column “Strategy”). See below for the description of those strategies.

Legend for “Strategy”:

Code	Strategy	Threshold	Indicator (no. after code)
F	financial	>=90% in portfolio segment	how much is located in portfolio segment
FD	dominantly financial	<90% and >=50% in portfolio segment	how much is located in portfolio segment
MF	mixed financial	no absolute majority, but relative majority in portfolio Segment	how much is located in portfolio segment
M	mixed control	relative or absolute majority in 10-50,01%-segment	how much is located in 10-50.01%-segment
MC	mixed control	no absolute majority, but relative majority in control Segment	how much is located in control Segment
CD	dominantly control	<90% and >=50% in majority segment	how much is located in control Segment
C	control	>=90% in majority segment	how much is located in control segment

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Afghanistan	0	<=0.01	-inf	sender
Albania	0.03	<=0.01	8.36	target
Algeria	0.94	4.02	-2.09	sender
Angola	0.2	3.79	-4.27	sender
Antigua and Barbuda	<=0.01	0	inf	target
Armenia	0.04	0	inf	target
Argentina	1.42	0.46	1.61	target
Australia	109.79	2.61	5.4	target
Austria	30.95	6.85	2.18	target
Azerbaijan	0.02	28.88	-10.51	sender
Bahamas	0	<=0.01	-inf	sender
Bahrein	2.89	0.63	2.2	target
Bangladesh	0.88	0.02	5.76	target
Barbados	0	<=0.01	-inf	sender
Belarus	3.52	0.08	5.49	target
Belgium	13.64	9.75	0.48	sender-target
Belize	0	<=0.01	-inf	sender
Benin	0	<=0.01	-inf	sender
Bermuda	49.74	0	inf	target
Bhutan	<=0.01	0	inf	target

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Bolivia	0.15	0.03	2.43	target
Bosnia and Herzegovina	0.5	0.02	4.46	target
Botswana	<=0.01	<=0.01	4.87	target
Brazil	36.88	22.62	0.7	sender-target
British Virgin Islands	21.97	0	inf	target
Brunei Darussalam	0	<=0.01	-inf	sender
Bulgaria	2.43	<=0.01	8.53	target
Burkina Faso	0.13	<=0.01	3.43	target
Burundi	<=0.01	<=0.01	1.6	target
Cambodia	0.04	0	inf	target
Cameroon	0.02	<=0.01	2.92	target
Canada	26.74	78.87	-1.56	sender
Cape Verde	0.06	<=0.01	13.6	target
Cayman Islands	9.14	0	inf	target
Central African Rep.	0	<=0.01	-inf	sender
Chad	0	<=0.01	-inf	sender
Chile	1.14	1.49	-0.39	sender-target
China	51.61	448.66	-3.12	sender
Colombia	0.62	5.48	-3.14	sender
Comoros	0	<=0.01	-inf	sender

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Congo	<=0.01	<=0.01	4.61	target
Costa Rica	<=0.01	0.06	-3.85	sender
Côte d'Ivoire	<=0.01	<=0.01	1.95	target
Croatia	1.23	0.17	2.87	target
Cuba	0	<=0.01	-inf	sender
Curacao	0.56	0	inf	target
Cyprus	15.49	0.08	7.58	target
Czech Rep.	2.3	4.05	-0.82	sender-target
Denmark	11.84	9.63	0.3	sender-target
Djibouti	0	<=0.01	-inf	sender
Dominican Rep.	0	0.02	-inf	sender
DR Congo	<=0.01	<=0.01	1.08	target
Ecuador	1.15	0.02	5.97	target
Egypt	1.37	0.21	2.71	target
El Salvador	0.2	<=0.01	3.91	target
Equatorial Guinea	0	<=0.01	-inf	sender
Estonia	0.71	0.07	3.24	target
Ethiopia	0	<=0.01	-inf	sender
Finland	4.4	11.62	-1.4	sender
France	78.09	151.25	-0.95	sender-target

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Gabon	0	<=0.01	-inf	sender
Gambia	<=0.01	<=0.01	-6.76	sender
Georgia	0.03	0	inf	target
Germany	324.62	30.41	3.42	target
Ghana	0.05	0.02	1.53	target
Gibraltar	0.07	0	inf	target
Greece	1.31	0.07	4.3	target
Guatemala	0	0.02	-inf	sender
Guernsey	0.14	0	inf	target
Guinea	0	<=0.01	-inf	sender
Guinea-Bissau	0	<=0.01	-inf	sender
Guyana	0	<=0.01	-inf	sender
Haiti	0	<=0.01	-inf	sender
Honduras	0	<=0.01	-inf	sender
Hungary	3.37	0.44	2.95	target
Iceland	0.03	0	inf	target
India	38.87	3.87	3.33	target
Indonesia	5.82	33.84	-2.54	sender
Iran	0	2.62	-inf	sender
Iraq	0.38	0.03	3.5	target

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Ireland	10.08	1.99	2.34	target
Isle of Man	0.26	0	inf	target
Israel	1.37	0.06	4.55	target
Italy	97.5	12.02	3.02	target
Jamaica	0.29	0.02	4.05	target
Japan	94.94	38	1.32	target
Jersey	24.44	0	inf	target
Jordan	0.52	<=0.01	5.28	target
Kazakhstan	2.51	15.03	-2.58	sender
Kenya	0.38	0	inf	target
Korea	36.65	20.95	0.81	sender-target
Kuwait	1.26	59.58	-5.56	sender
Kyrgyzstan	<=0.01	<=0.01	3.71	target
Laos	0.03	0	inf	target
Latvia	0.75	0.13	2.58	target
Lebanon	0.19	<=0.01	7.56	target
Lesotho	0	<=0.01	-inf	sender
Liberia	0	<=0.01	-inf	sender
Libya	0.06	32.01	-9.12	sender
Liechtenstein	0.04	1.08	-4.93	sender

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Lithuania	0.41	0	inf	target
Luxembourg	8.5	0.74	3.53	target
Macedonia (FYR)	0.5	<=0.01	9.66	target
Macao	0.68	<=0.01	7.17	target
Madagascar	0	<=0.01	-inf	sender
Malaysia	10.51	24.45	-1.22	sender
Maldives	0	<=0.01	-inf	sender
Mali	3.91	<=0.01	9.13	target
Malta	24.28	<=0.01	11.2	target
Marshall Islands	0.04	0	inf	target
Mauritania	0	<=0.01	-inf	sender
Mauritius	0.16	<=0.01	7.99	target
Mexico	1.59	0.61	1.39	target
Moldova	0.2	0	inf	target
Monaco	0.13	0.02	2.44	target
Mongolia	0	<=0.01	-inf	sender
Montenegro	0.17	0.25	-0.53	sender-target
Morocco	2.94	<=0.01	9.94	target
Mozambique	0.13	<=0.01	8.99	target
Nepal	0.03	0	inf	target

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Netherlands	168.17	41.52	2.02	target
New Zealand	4.74	1.55	1.61	target
Nicaragua	0	<=0.01	-inf	sender
Niger	0	<=0.01	-inf	sender
Nigeria	0.13	0.03	2.3	target
Norway	7.94	500.73	-5.98	sender
Oman	0.93	7.62	-3.03	sender
Pakistan	1	0.09	3.48	target
Palestinian Autonomous Areas	0.08	<=0.01	8.16	target
Panama	0.5	<=0.01	5.22	target
Papua New Guinea	1	0	inf	target
Paraguay	0	0.02	-inf	sender
Peru	3.09	0.05	6.08	target
Philippines	3.24	<=0.01	7.95	target
Poland	5.78	1.01	2.52	target
Portugal	19.91	0.99	4.33	target
Qatar	1.26	111.98	-6.47	sender
Romania	6.32	<=0.01	11.74	target
Russia	14.46	126.09	-3.12	sender
Rwanda	0	<=0.01	-inf	sender

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
São Tomé and Príncipe	0	<=0.01	-inf	sender
Saudi Arabia	1.53	82.65	-5.75	sender
Senegal	0.1	<=0.01	4	target
Serbia	2.88	0.27	3.41	target
Seychelles	0.05	<=0.01	9.39	target
Sierra Leone	0	<=0.01	-inf	sender
Singapore	214.32	143.09	0.58	sender-target
Slovak Rep.	1.08	0.15	2.87	target
Slovenia	1.18	0.71	0.72	sender-target
Somalia	0	<=0.01	-inf	sender
South Africa	7.38	8.39	-0.18	sender-target
Spain	79.88	3.2	4.64	target
Sri Lanka	0.55	<=0.01	13.27	target
Sudan	<=0.01	0.02	-3.56	sender
Suriname	0	<=0.01	-inf	sender
Swaziland	0.02	<=0.01	8.62	target
Sweden	27.46	81.94	-1.58	sender
Switzerland	50.33	11.24	2.16	target
Syria	0.14	<=0.01	3.27	target
Taiwan	27.58	0	inf	target

State	Inflow State Capital (USD bn.)	Outflow State Capital (USD bn.)	Ratio in-to Outflow (log2)	Type
Tajikistan	0	<=0.01	-inf	sender
Tanzania	0.05	<=0.01	4.39	target
Thailand	8.58	8.15	0.07	sender-target
Togo	0.55	<=0.01	6.92	target
Trinidad and Tobago	0	<=0.01	-inf	sender
Tunisia	0.05	0.29	-2.68	sender
Turkey	6.18	0.03	7.58	target
Turkmenistan	0	<=0.01	-inf	sender
Uganda	0.06	<=0.01	3.89	target
Ukraine	1.98	0.02	6.99	target
United Arab Emirates	0.31	132.79	-8.73	sender
United Kingdom	270.14	7.86	5.1	target
United States	238.34	21.36	3.48	target
Uruguay	2.32	0.08	4.78	target
Uzbekistan	0.03	<=0.01	7.45	target
Venezuela	0	2.61	-inf	sender
Vietnam	0.83	0.3	1.47	target
Yemen	0	<=0.01	-inf	sender
Zambia	1.14	<=0.01	7.44	target
Zimbabwe	0.05	<=0.01	4.63	target

Explanation:

A state is a sender if the outflow of state capital is significantly higher than its inflow. It is a target if the opposite is true and a sender-target, if both in- and outflow are on a similar level

We took the binary logarithm of the ratio to better represent the differences between the different types. The further away a ratio from 0 is, the larger the difference between their in-and outflow: if it is a positive number, the inflow is higher than the outflow. If it is negative, the outflow is higher. If the ratio is between -1 and 0 it means that the outflow is less than double the inflow. If it is between 0 and 1, it means that the inflow is less than double the outflow. Here we speak of sender-targets.

“inf” and “-inf” indicate that either the outflow (first case) or the inflow (second case) was zero and the ratio (i.e. division of in-and ouflow) is mathematically an infinitive number.

Sender: Ratio is < -1

Target: Ratio is >1

Sender-Target: Ratio is between -1 and 1

Investment from country

SELECTED COUNTRY: China