

# A “Bottom-up” Approach to International Norm-making for State Enterprises

On November 25, 2024, the Centre for Chinese and Comparative Law (CCCL) at City University of Hong Kong hosted a thought-provoking lecture by Dr. Su Xueji, a female scholar from Macau University. The event was moderated by Professor Martin Lai, and featured Professor Yu Chen, also a female scholar, as a discussant, focusing on the evolving role of state enterprises in the context of international law and regulation.

Dr. Su began by addressing the challenges posed by cross-border regulation of state enterprises, particularly in today's complex global landscape marked by political and economic upheaval. She proposed a “bottom-up” approach to governing these enterprises, arguing that traditional neoliberal frameworks for regulation are no longer adequate.

The lecture emphasized that, rather than imposing an overarching international framework, the regulation of state enterprises should rely on unilateral solutions that address specific externalities. Dr. Su contended that the current focus should be on providing principled international oversight over these unilateral measures, ensuring that they align with international norms while allowing for flexibility in implementation.

Key to this discussion was the concept of competitive neutrality, which ensures that state-owned and private enterprises compete on a level playing field. Dr. Su highlighted the importance of this principle in fostering fair competition and efficient resource allocation within economies. She referenced OECD guidelines that advocate for competitive neutrality and transparency among state enterprises, underscoring the need for accountability in their operations.

Throughout the lecture, Dr. Su illustrated her points with examples from recent developments in international law and state enterprise practices, demonstrating the practical implications of her proposed approach. She outlined how unilateral measures, if appropriately framed, can effectively address issues arising from state enterprise activities without resorting to rigid international regulations.

During the interactive session, attendees, including legal scholars, practitioners, and students, engaged with Dr. Su and the discussants. They raised pertinent questions about the feasibility of implementing a bottom-up approach and the potential challenges in ensuring compliance among diverse jurisdictions. The discussion revealed a shared interest in exploring how these frameworks could evolve to better address contemporary global issues.

Professor Yu Chen provided valuable insights during the discussion, reflecting on the implications of Dr. Su's analysis for legal practice in Hong Kong and mainland China. She emphasized the necessity for ongoing dialogue among legal experts to enhance the regulation of state enterprises and promote effective international cooperation.

The event concluded with a consensus on the importance of refining international norms governing state enterprises, particularly in light of shifting global dynamics. Participants expressed gratitude for the opportunity to engage in such critical discourse, which deepened their understanding of the complexities surrounding state enterprises and international law.

Dr. Su's lecture and the ensuing discussions highlighted the CCCL's vital role in fostering dialogue on innovative legal approaches. As the international legal landscape continues to evolve, the need for adaptive, principled frameworks for state enterprise regulation becomes ever more crucial, ensuring that these entities can contribute positively to global governance and economic stability.



*Dr. Su Xueji*



*Prof. Martin Lai*



*Prof. Yu Chen*

