



**SOE
Global
Conference**

April 27–30, 2026
Seoul, Republic of Korea

State-Owned Enterprises (SOE) Global Conference

BEING A STRATEGIC OWNER

Session 3

The Evolving Nature of State Ownership
– From Passive Asset Holder to Strategic Steward

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SOEs Are No Longer Just Service Providers

SOEs are macro-critical and policy-critical across economies



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State-Owned Enterprises are large, strategic, and deeply embedded in economies and societies.
They are essential to deliver today—and increasingly, tomorrow’s—policy priorities.



SCALE

Major economic presence

- Represent 5–15% of GDP
- Control a large stock of assets
- Major employers and service providers



SECTORAL DOMINANCE

Present in critical sectors

- Energy, water, transport
- Infrastructure and logistics
- Finance and development banks
- Natural resources



FISCAL EXPOSURE

Significant public finance impact

- Subsidies and transfers
- Guarantees and contingent liabilities
- Capital injections
- Impact on public debt and fiscal sustainability



POLICY ROLE

Delivering national priorities

- Instrument for industrial, regional, and social policy
- Supporting resilience, security, and strategic autonomy
- Leading the green and digital transitions



Strong, accountable, and well-governed ownership is essential
to maximize their value and manage the risks they create.



OWNERSHIP IS THE TRANSMISSION MECHANISM

How the state exercises ownership determines SOE performance and outcomes

The state is not a market actor. Its role as owner shapes direction, discipline, and delivery—**through institutions, incentives, and oversight.**



When ownership is weak or unclear, risks rise:

- Soft budget constraints and fiscal losses

- Political interference and inefficiency

- Crowding out and market distortions

- Reputational and governance failures



Strong ownership turns strategy into performance—and performance into value.
It is the critical link between public purpose, SOE behavior, and national outcomes.



THE CONTEXT HAS CHANGED—OWNERSHIP MUST ADAPT

New policy demands and market realities are reshaping the role of SOEs

SOEs operate in a fundamentally different environment.
The old playbook is no longer sufficient.



1. POLICY EXPANSION

Broader mandates and higher expectations from SOEs

- Climate transition and net-zero goals
- Energy security and critical minerals
- Social inclusion and affordability
- Innovation, technology, and industrial policy



2. MARKET EVOLUTION

More capable markets and sophisticated stakeholders

- Stronger private sector and capital markets
- Heightened investor and public scrutiny
- Greater demand for transparency and ESG
- Digital disruption and new business models



3. FISCAL PRESSURE

Tighter budgets and lower risk tolerance

- Rising debt and competing priorities
- Less fiscal space for subsidies and support
- Focus on contingent liabilities and guarantees
- Value for money and performance demands



4. COMPLEXITY INCREASES

Multi-objective trade-offs across sectors and time

- Balancing commercial and policy goals
- Cross-sector dependencies and spillovers
- Long-term investments with uncertain returns
- Geopolitical and technological uncertainty



These forces increase the stakes—and the need for more capable, strategic ownership.

Ownership must evolve to set priorities, manage trade-offs, and create sustainable value.



FROM PASSIVE OWNERSHIP TO STRATEGIC STEWARDSHIP



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State ownership has evolved along a clear trajectory

The state's role as owner has evolved from simply holding assets to actively **shaping outcomes in partnership** with markets and society.

1. PASSIVE ASSET HOLDER



Substitute for markets

SOEs fill gaps where private sector is absent.

2. FINANCIAL OWNER



Extract value

SOEs expected to generate returns and dividends.

3. ACTIVE OWNER



Manage performance

SOEs hold accountable for results and efficiency.

4. STRATEGIC STEWARD



Shape outcomes

SOEs mobilized to advance national priorities sustainably.



PARALLEL SHIFT IN PRIVATE SECTOR ROLE

Reduce crowding out

State/SOEs crowd out private sector.

Create space

State sets conditions; private sector participates

Partner for impact

State and private sector co-create sustainable value.



The goal is not less state or more state—
but better state ownership for stronger, sustainable outcomes.



THE EVOLVING NATURE OF STATE OWNERSHIP OF SOEs

From Passive Asset Holder to Strategic Steward

EVOLUTION OF STATE OWNERSHIP ROLE



PURPOSE OF OWNERSHIP (Why the state owns)	Provide essential services in monopoly or strategic sectors; ensure availability and affordability.	Generate financial returns; contribute to fiscal revenues and economic efficiency.	Create sustainable value while delivering specific public policy mandates and outcomes.	Use SOEs as strategic instruments to advance national priorities and long-term resilience across key domains.
OWNERSHIP MODALITY (How the state exercises ownership)	Decentralized, line ministries; passive oversight; ad hoc interventions.	Focus on budgets, dividends and financial targets; limited coordination.	Professionalized ownership entity; active monitoring; clear expectations and accountable oversight.	Strategic portfolio steering; forward-looking mandate setting; active engagement and coordination across government.
GOVERNANCE SOPHISTICATION (Quality of oversight)	Administrative control; compliance-based; limited transparency.	Basic corporate governance; boards in place; financial reporting.	Advanced governance; independent boards; KPIs and performance contracts; aggregate reporting.	Integrated governance; multi-dimensional KPIs (financial & non-financial/ESG); enterprise risk & portfolio analytics; high transparency.
SCOPE OF POLICY DOMAINS (Where ownership is deployed)				
VIEW OF THE PRIVATE SECTOR / STATE-MARKET RELATIONSHIP (How private sector is viewed)	Private sector viewed as unwilling, unable, or inappropriate in core service and strategic sectors; SOEs substitute for absent market provision.	Private sector viewed as a source of capital and efficiency; engaged through PPPs, concessions, listings, and divestitures.	Private sector viewed as competitor and benchmark; emphasis on competitive neutrality, market discipline, and level playing field.	Private sector viewed as strategic partner and enabler; SOEs used to crowd in investment, de-risk projects, and catalyze innovation ecosystems.
RISK PROFILE & COMPLEXITY (What needs to be managed)	Low complexity; single objective; stable environment.	Moderate complexity; financial & operational risks.	High complexity; multi-objectives; policy trade-offs; sector risks.	Systemic complexity; cross-sector and cross-border risks; fiscal exposures and contingent liabilities; geopolitical risks.
ROLE OF THE STATE vis-à-vis SOEs (Behavioral characterization)	CUSTODIAN Holds and maintains state assets	FINANCIAL OWNER Seeks returns and fiscal discipline	ACTIVE OWNER Sets expectations and monitors performance	STRATEGIC STEWARD Deploys SOEs to achieve national impact and strengthen long-term resilience



Note: The evolution is not strictly linear; countries and sectors may be at different stages simultaneously.

THE WBG'S RESPONSE: SUPPORTING CLIENTS ALONG THREE CORE DIMENSIONS OF SOE REFORM

From stronger state ownership to better enterprises, markets, and outcomes

We partner with governments to **strengthen governance, unlock value, and mobilize private capital**—with an integrated approach and the full WBG toolkit.



HOW WE DELIVER



Integrated diagnostics and country roadmaps



Policy reform & institutional strengthening



Financing & blended solutions



Private sector & capital mobilization



One WBG approach: IBRD • IFC • MIGA



OUR GOAL.

Well-governed SOEs that deliver services, unlock markets, attract private investment, and drive sustainable, inclusive growth.



JOBS



GROWTH



FISCAL SUSTAINABILITY



SUSTAINABLE IMPACT

The Evolving Nature of State Ownership: Manifestations of the Journey in Practice

Selected examples from OECD jurisdictions showing how States are becoming more strategic, active and policy-aware owners

DIMENSIONS OF OWNERSHIP JOURNEY



1. OWNERSHIP ARCHITECTURE
Building professional, coordinated ownership capacity

Norway: Centralized ownership in the Ministry of Trade, Industry and Fisheries with a professional Ownership Unit; clear separation from regulation and standardized processes.¹

France: Agence des Participations de l'État (APE) acts as a professional shareholder across the portfolio; Bpifrance operates alongside APE as a strategic investor to strengthen national champions.²

2. OWNERSHIP PURPOSE (SOPs & RATIONALES)
Making the "why" explicit and aligned with national priorities

Norway: Ownership Policy (2022–23) sets out explicit rationales including "civil protection and emergency preparedness", "control over critical infrastructure and natural resources", and "sustainable restructuring and value creation".¹

Sweden: Ownership Policy (2025) requires SOEs to "demonstrate security awareness", "contribute to crisis and war preparedness" and "transition capacity", alongside profitability and transparency.³

3. EXERCISE OF OWNERSHIP
From passive oversight to active, performance-driven engagement

Korea: ALIO system enables continuous monitoring; annual performance evaluations of public institutions (SOEs) are publicly disclosed and linked to management incentives and accountability.⁴

Sweden: Owner expectations are set for each SOE; structured owner–company dialogue and performance targets are reported annually on financial and strategic objectives.³

4. ROLE IN STRATEGIC SECTORS & PRIORITIES
Using SOEs to advance security, resilience, industrial and climate transformation

Denmark (Ørsted): State ownership and active stewardship enabled the transformation of Ørsted from fossil fuels to a global leader in offshore wind and a cornerstone of Denmark's green transition.⁵

France: State shareholding is used to secure sovereignty and strategic capabilities in defense, space, digital, energy (including nuclear and grids) and support industrial policy and innovation.²

5. CAPITAL MODEL & MARKET ENGAGEMENT
Mobilizing private capital and market discipline while retaining strategic control

Norway (Equinor): Majority State ownership in a listed company (67%) provides access to capital markets, market discipline and transparency while maintaining strategic control.⁶

France (Bpifrance): Catalyses private investment on a large scale—around €1 of public capital mobilizes ~€21 of private capital (≈21x leverage), crowding in and sharing risk.²

THE JOURNEY IN ACTION: Across OECD countries, the State is not retreating — it is becoming a more strategic, policy-driven, and capability-intensive owner that creates long-term value for citizens, the economy and future generations.

Sources:
1. Government of Norway (2022–23), White Paper on Ownership (Meld. St. 6 (2022–2023)). 2. APE (2024), Annual Report 2024–25.
3. Government Offices of Sweden (2025), State Ownership Policy. 4. OECD (2020), Organising the State Ownership Function: The Korean Case.
5. OECD (2023), Denmark Energy Policy Review. 6. OECD (2024), Ownership and Governance of State-Owned Enterprises 2024.





Thank you