**Market Reform in China: The Issue of State Ownership--A Case Study of the Banking Sector**

**Problem I am focusing on in this case:**

1. What are the reform changes and trends that have been observed across China's State-owned banks due to new political and economic ideologies?
2. How are these political and economic ideologies affecting the dominance of China's State-owned bank?

**Literature I am reviewing**

1. Song, L., Yang, J., & Zhang, Y. (2011). State-owned Enterprises' Outward Investment and the Structural Reform in China. *China & World Economy*, *19*(4), 38-53. doi: 10.1111/j.1749-124x.2011. 01249.x

(Understanding the structures of state-owned enteritises in china before and after the reform. What is the economy and politics ideologies faced by today’s china? Why?)

1. Tian, Y., & Xia, M. (2017). WTO, credible commitments, and China’s reform of state-owned enterprises. *Economic and Political Studies*, *5*(2), 158-178. doi: 10.1080/20954816.2017.1310791

(The china bank is part of SOE allowing it to diverse activities in the market. Ownership reforms consist of the formations of a legal body such as the state-owned enterprise.)

1. WATANABE, M. (2002). Holding company risk in China: a final step of state-owned enterprises reform and an emerging problem of corporate governance. *China Economic Review*, *13*(4), 373-381. doi: 10.1016/s1043-951x (02)00094-9

(The risks and challenges faced by state-owned enterprises, does the issues solved after the reform? How government and legislation work?)

**Research Question**

How has the market reforms in China impacted on the state-owned banking sector?

**Methodology**

Qualitative method is the best suited for this research. It will utilize secondary sources such as governmental reports, yearly bank disclosures, and other peer reviewed journals. The sources will be before and after the reforms to study the trends.

**Theoretical Framework.**

The financial intermediation theory of banking will be used in this research. Fractional credit theory will be also looked at. Also, the credit theory will be also fundamental at some point in analysis of some concepts.

**Recommendations**

From results and analysis, recommendations will be made on how to cope up with the reforms. Suggestions will also be made on how the reforms can be well implemented for more effectiveness.

**Research direction**

1. The existing political and economic issues being faced by the State-Owned China Bank Reform.
2. The expected threats and consequences to the State-Owned China Bank Reform if these political and economic ideologies are not addressed.