



GOVERNANCE OF STATE-OWNED ENTERPRISES (SOEs)

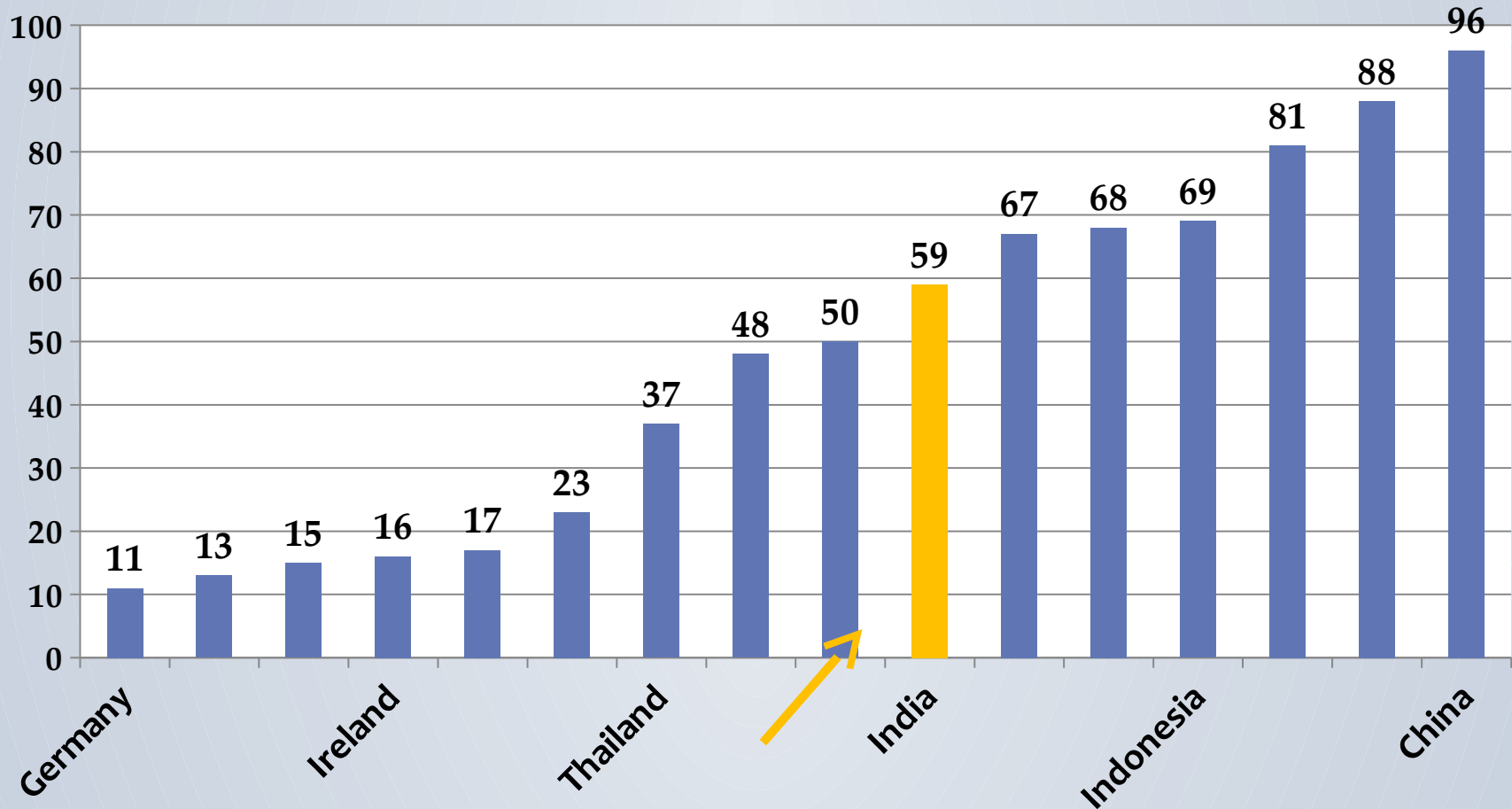
January 15, 2015

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The World Bank Group



PUBLIC ENTERPRISES ARE ECONOMICALLY IMPORTANT

Equally weighted average of shares of state-owned enterprises in sales, assets and market value of the country's top ten firms:



Source: Kowalski et al. (2013)

THEIR GOVERNANCE FACES SPECIAL CHALLENGES

Private Firms

Usually value maximizing

Single agency

Market discipline

- Products
- Ownership
- Incentives

Disclosure requirements

Clear exit mechanism

State Enterprises

Multiple objectives

Multiple agencies

Political dimension/interactions

- Muted product market
- No ownership market
- Limited/other incentives

Different disclosure requirements (can range from non-existent/low to high)

Unclear exit mechanism

AND CAN IMPACT ON ECONOMIC AND FINANCIAL PERFORMANCE

Public Enterprise

Can result in

May require

- Carries out non-commercial objectives (NCOs)
- Incurs losses (technical)
- Mispricing

- High debt levels
- Arrears (vis-à-vis tax authorities, suppliers, inter-PEs)

- Capital injections
- Bail outs
- Clean ups of PEs balance sheets

State

Can be exacerbated by

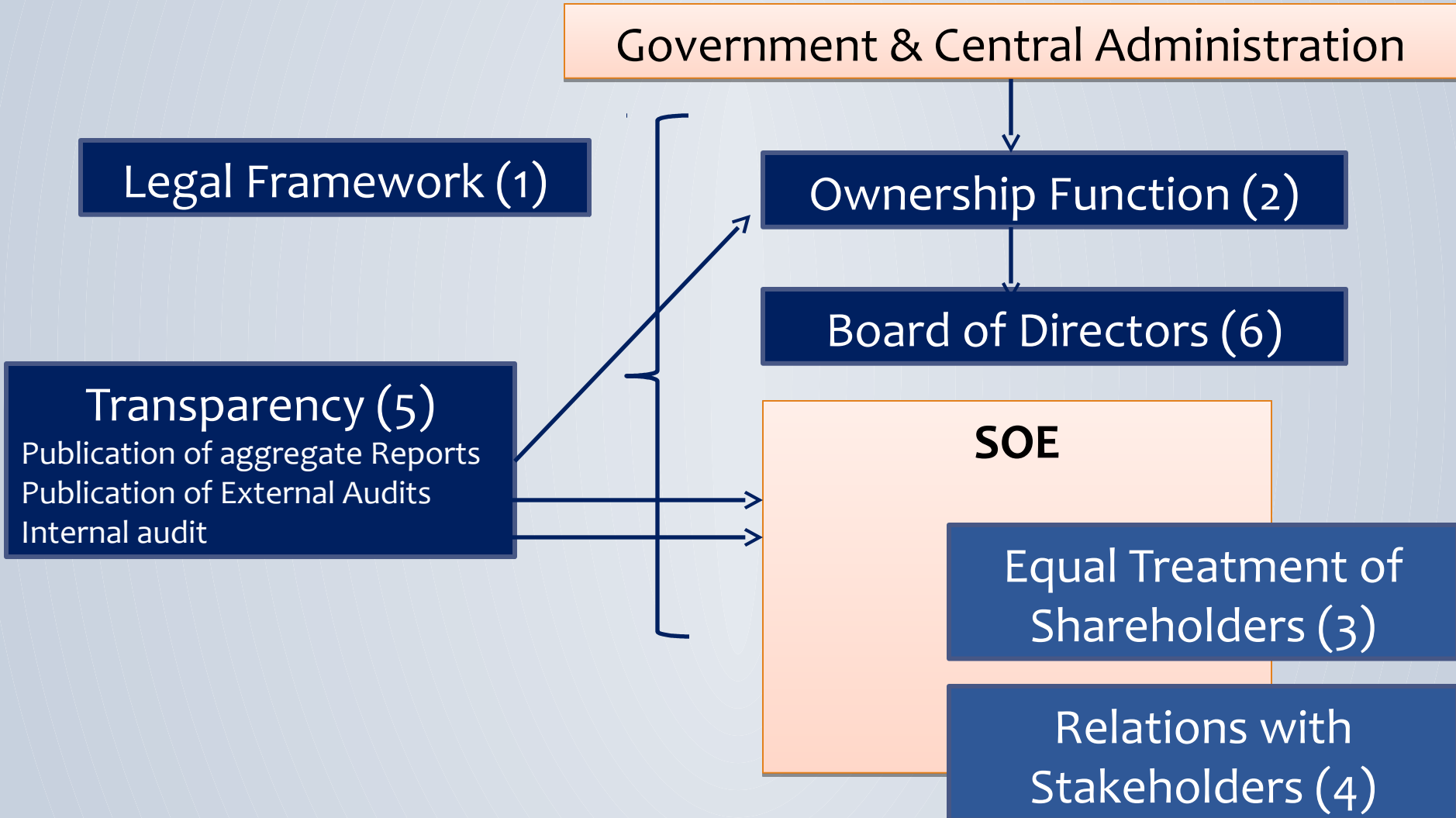
Can lead to

- Mandates PEs to carry out NCOs (sometimes unremunerated by State)

- Allows arrears to accumulate
- Subsidizes lending to PEs
- Guarantees PE debts

- Moral hazard
- Reduced fiscal space
- High borrowing costs
- Fiscal vulnerability

OECD FRAMEWORK FOR SOE CORPORATE GOVERNANCE



SOE LEGAL & REGULATORY FRAMEWORK

Clarity of mandates/responsibilities – Support to Good Corporate Governance – Harmonization with private sector

- Definition of the SOE/para-statal sector:.
- General Public Enterprise Law or regulatory requirements in various decrees and regulations.
- SOEs established by law (statutory corporation/own special statute) or under the commercial code.
- Corporatized SOEs often in the form of joint stock companies or limited liability companies (regulated by normal company legislation).
- Harmonization of the legal framework between SOEs and private sector.
- Ownership Policies/SOE Corporate Governance Codes.

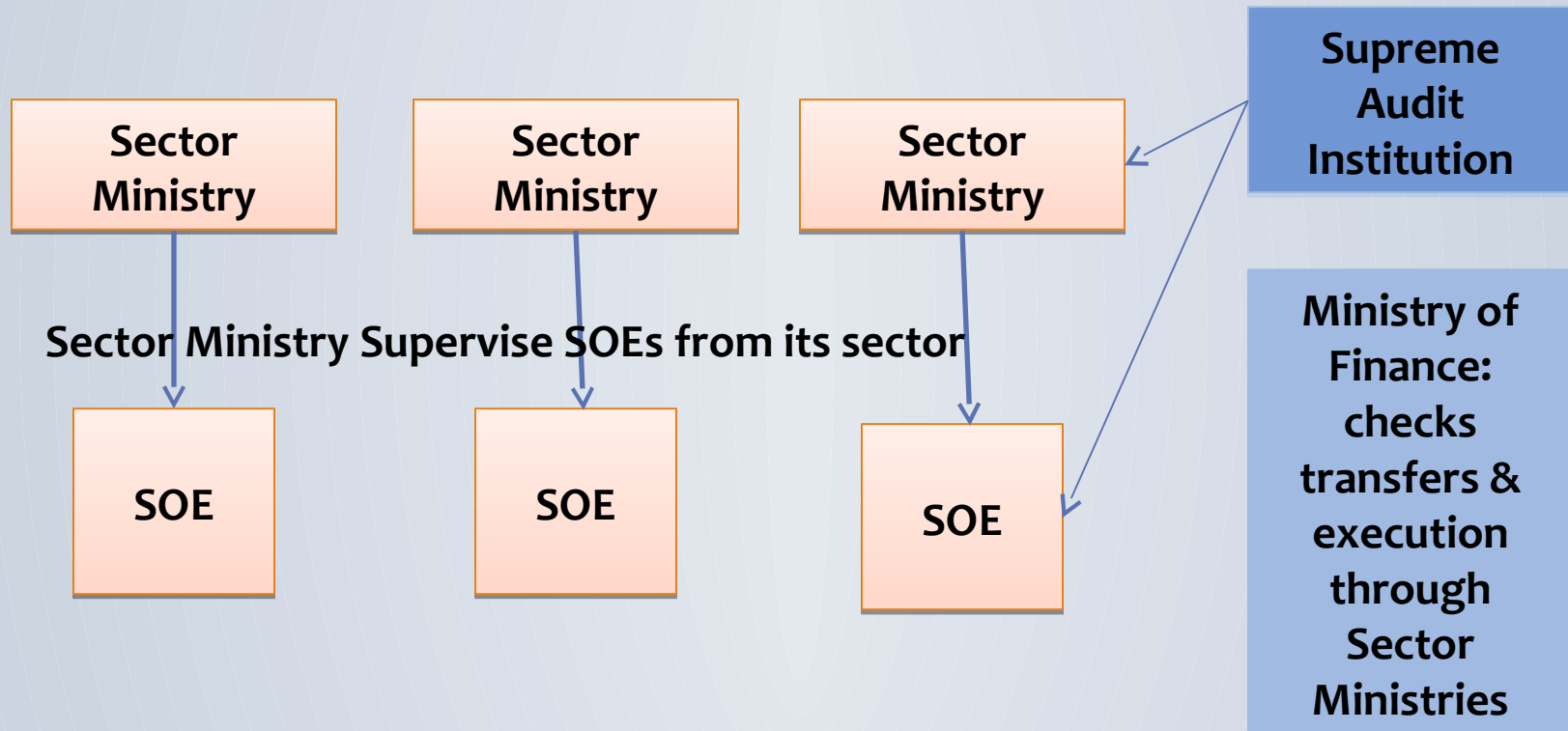
STATE OWNERSHIP FUNCTION DEFINITION & SCOPE

Decentralized Model (by sectors)	Dual Model	Advisory Model	Centralized Model
SOEs are under the responsibility of relevant sector ministries (public policies, management, oversight and regulation).	Responsibility is shared between the sector ministry and a “central” Ministry or entity.	Ownership remains dispersed but an advisory or coordinating body is created to advise ministries on ownership matters.	One main ministry (usually Ministry of Finance or Treasury) is responsible for SOE oversight.

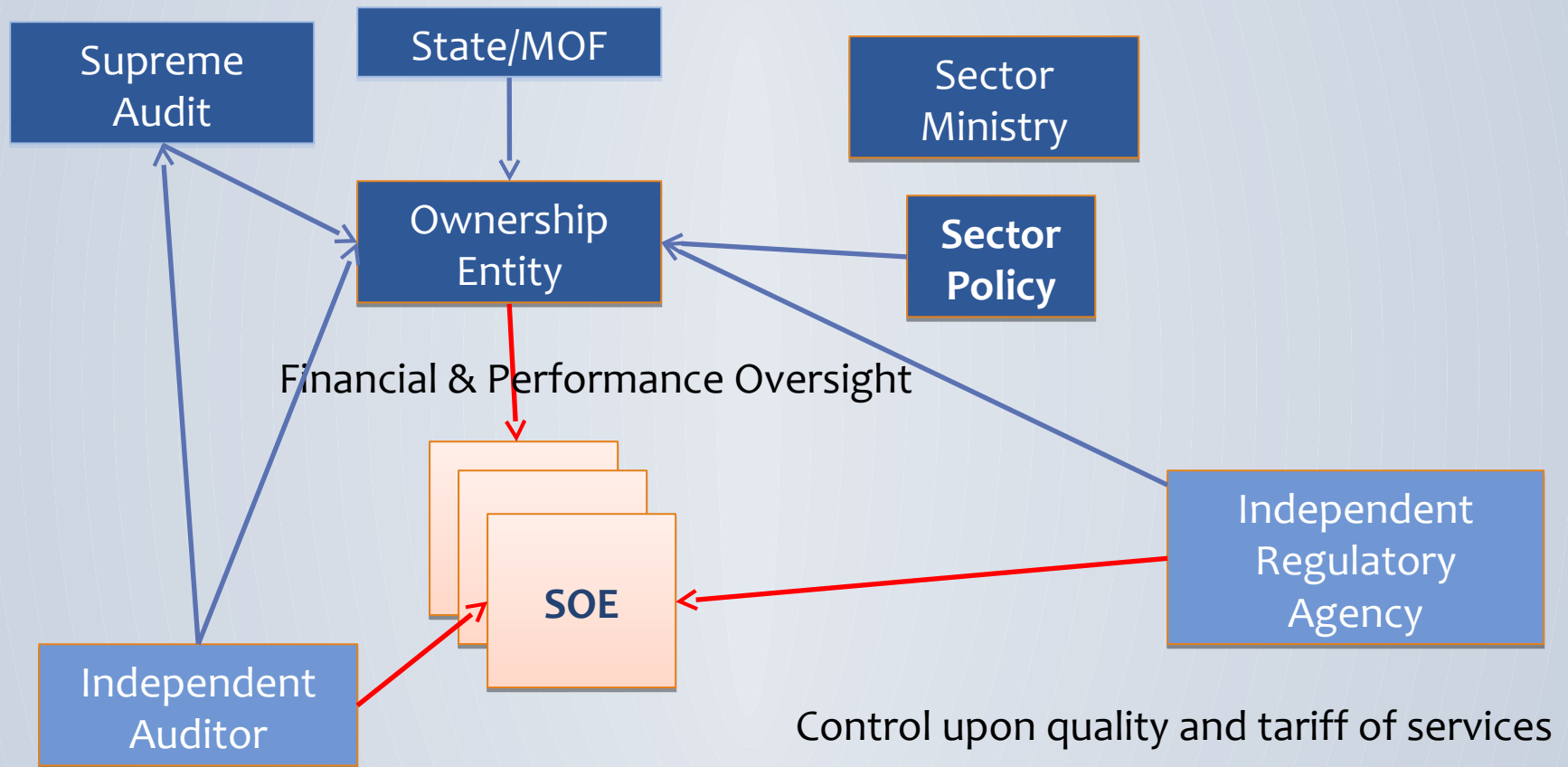
Scope of Ownership Function

- Develop ownership policies and guidelines.
- Nominate SOEs board members.
- Design and implement performance monitoring systems.
- Prepare and negotiate performance agreements for SOEs.
- Review external audit reports and monitoring reports.
- Prepare reliable and comprehensive information on SOEs for managerial purpose and regular publication.

DECENTRALIZED MODEL OF STATE OWNERSHIP FUNCTION



CENTRALIZED MODEL OF STATE OWNERSHIP FUNCTION



TYPES OF CENTRALIZED OWNERSHIP ARRANGEMENTS

Country	Name of entity	Location of entity
Ownership under government		
<i>Ownership ministries</i>		
Indonesia	Ministry of State Enterprises	Ministry of State Enterprises
<i>Ownership departments in a ministry</i>		
Finland	Ownership Steering Department	Prime Minister's Office
France	Agence des Participations de l'Etat	Ministry of Economy and Finance
Norway	Ownership Department	Ministry of Trade and Industry
Poland	Department of Ownership Supervision	Ministry of Treasury
South Africa	Department of Public Enterprises	Ministry of Treasury
United Kingdom	Shareholder Executive	Department for Business
<i>Ownership agencies</i>		
Chile	Sistema de Empresas	Ministry of Economy
China	State-Owned Assets Supervision and Administration Commission	State Council
Company-type structure		
Bhutan	Druk Holding and Investments	Ministry of Finance
Hungary	State Holding Company	Directed by the National State Holding Board
Malaysia	Khazanah Nasional	Ministry of Finance
Mozambique	Institute for the Management of State Holdings	Ministry of Finance
Peru	Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado	Ministry of Finance
	Holding company	
Singapore	Temasek Holdings	Wholly owned by Ministry of Finance
Vietnam	State Capital Investment Corporation	Wholly owned by Ministry of Finance

Source: Official websites and annual reports.

EXAMPLES OF SOE ADVISORY AND COORDINATING BODIES

Country	Name of entity	Location of entity
India	Department of Public Enterprises	Ministry of Heavy Industries
New Zealand	Commercial Operations	Treasury
Seychelles	Public Enterprise Monitoring Department	Ministry of Finance
Thailand	State Enterprise Policy Office (for nonfinancial SOEs) Fiscal Policy Office (for financial SOEs)	Ministry of Finance

Source: Official websites and annual reports.

CENTRALIZED MODEL NOW VIEWED AS GOOD PRACTICE

Some of the benefits of the centralized model are:

**Fewer
Conflicts of
Interest**

Separates ownership functions from policy-making and regulatory functions.

**Less Political
Interference**

Minimizes the scope for interference and brings specialized capabilities and scarce resources.

**More
Coherence**

Promotes coherence and consistency in applying corporate governance standards and exercising the state's ownership rights.

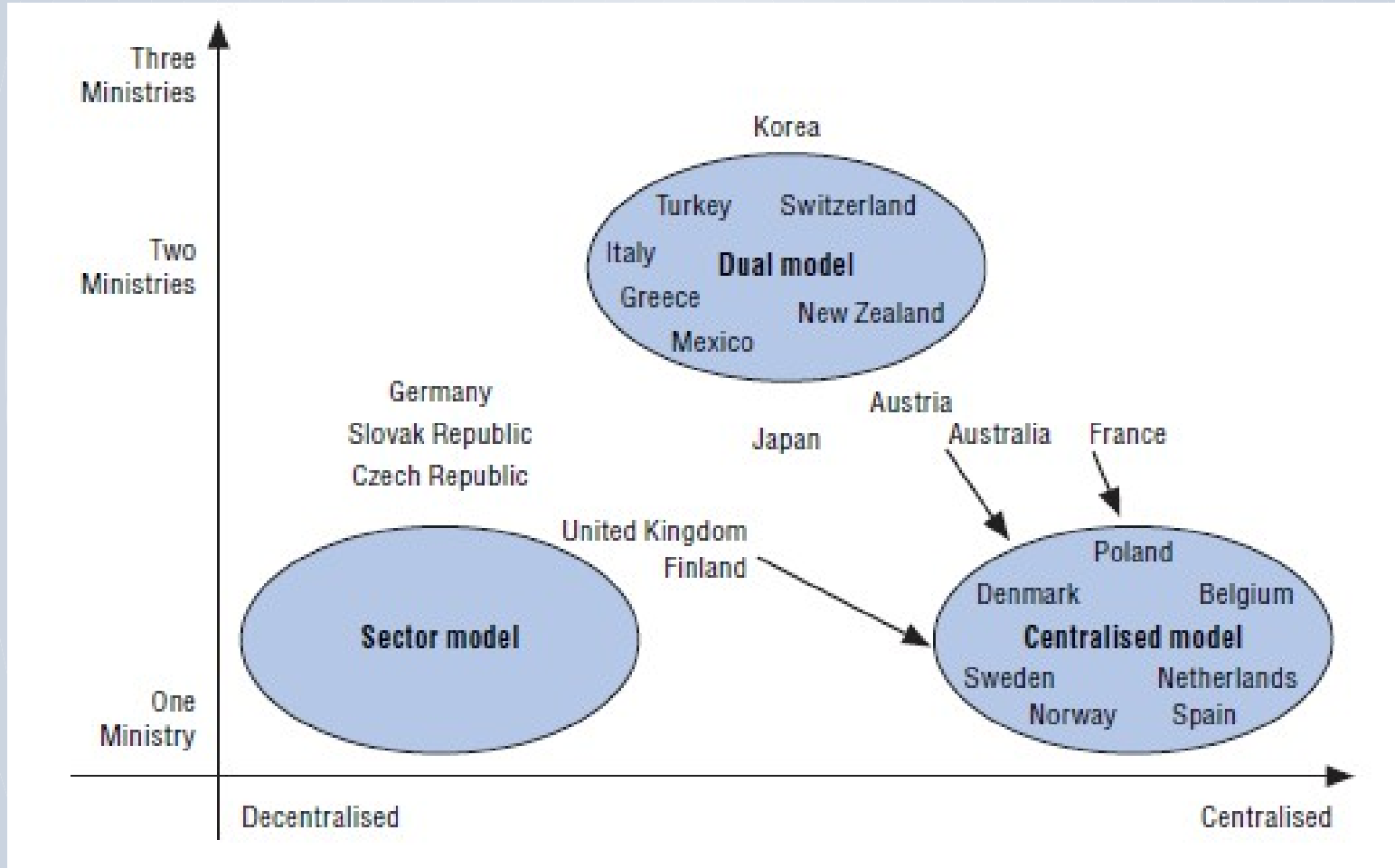
More Value

Manages state assets in a way that protects shareholder value.

**More
Transparency**

Achieves greater transparency and accountability in PE operations through strong oversight and performance monitoring.

TREND TOWARD THE CENTRALIZED MODEL



STATE OWNERSHIP FUNCTION

EXPERIENCE OF LATIN AMERICA COUNTRIES

	Oversight	Responsibilities
B R A S I L C H I L E C O L O M B I A P A	Ministry of Finance	Rate-setting
	Department of Coordination and Control of State Enterprises (DEST) attached to the Ministry of Planning.	Budgeting, strategic planning, investment programs, SOE organization and performance oversight through the DEST.
	SOE System: 9-member governing council managed by an Executive Director	Technical advisory body, with authority to centrally oversee management of SOEs.
	Decentralized Sector ministries or agencies	Executing ownership rights. Other relevant public sector entities intervene in stages of budgeting and oversight processes.
	Governing Council of SOEs (CNEP): representatives of Ministries of: Finance, Public Works and Communication	Administer, coordinate and execute the plans, ¹⁴ programs and modernization strategies of SOEs

STATE OWNERSHIP FUNCTION EXPERIENCE OF LATIN AMERICA COUNTRIES

	Oversight	Selected Responsibilities
P E R U	<p>National Fund for Financing State Business Activity (FONAFE): Minister of Economy and Finance, who presides; President of the Council of Ministers; and 3 sectoral Ministers.</p>	<ul style="list-style-type: none"> •Regulating and supervising the state’s business activity; •Exercising ownership of the shares of SOEs; •Approve the consolidated budget of SOEs; •Establishing corporate governance regulations for all SOEs; •Managing resources generated by the exercise of the ownership function; •Designating members for SOEs shareholders meeting and board.
U R U G U	<p>Department of Public Enterprises of the Office of Budgeting and Planning (DEP/OPP): a director and a technical staff</p>	<ul style="list-style-type: none"> •Generating budgetary and policy guidelines; •Examining and approving the budgets; •Collaborating in preparation and monitoring of management agreements; •Examining SOEs balance sheets; •Assessing selected investment projects; •Collaborating in the preparation and monitoring of financial programs.
A Y	<p>Ministry of Finance, through the Macroeconomic Advising Unit (MAU): a</p>	<ul style="list-style-type: none"> •Setting the macroeconomic guidelines; •Monitoring the financial position of SOEs on a monthly¹⁵ basis

MONITORING OF SOE FINANCIAL PERFORMANCE

Country	What is monitored	Profitability/efficiency	Solvency	Budgetary appropriations
Brazil	<ul style="list-style-type: none"> Shareholder returns 	<ul style="list-style-type: none"> Return on capital Operational margin 	<ul style="list-style-type: none"> Liquidity Assets/liabilities (including debt) Net worth Change in net borrowing 	<ul style="list-style-type: none"> Deficits/surpluses (institutional differences)
Canada	—	—	<ul style="list-style-type: none"> Changes in net borrowing from private/public Assets/liabilities 	<ul style="list-style-type: none"> New government investments Government credit injections
India	<ul style="list-style-type: none"> Sales to capital Net profit/net worth Return on capital 	<ul style="list-style-type: none"> Value added (at market prices) Production/sales cost Cost of sales/sales Inventory/sales 	<ul style="list-style-type: none"> Investments (equity/loans) Net worth Debt/equity 	—
Indonesia	<ul style="list-style-type: none"> Returns on equity 	<ul style="list-style-type: none"> Returns on assets Expense/income ratio Net interest income 	<ul style="list-style-type: none"> Nonperforming loans Capital adequacy ratio Assets/liabilities Loans/deposit ratio 	—
New Zealand	<ul style="list-style-type: none"> Dividend yield Dividend payout Equity return 	<ul style="list-style-type: none"> Return on capital Operating margins Efficiency ratios 	<ul style="list-style-type: none"> Gearing ratio Interests covered by earnings Assets/liabilities 	—

Source: World Bank staff.

Note: — = not available.

MONITORING OF SOE NON-FINANCIAL PERFORMANCE

Customer service

- Customer satisfaction
- Delivery performance, customer service
- Product or process quality
- Service quality

Market performance

- Marketing effectiveness
- Market growth
- Market share

Goal achievement

- Productivity
- Environmental compliance
- Strategic achievement

Innovation

- New product development
- Manufacturing flexibility
- Technological capability
- Research and development productivity
- Innovation

Employee involvement

- Employee satisfaction
- Employee turnover
- Education, training
- Core competencies
- Internal recognition
- Morale

Source: Stivers et al. 1998.

INSTRUMENTS FOR STATE MONITORING OF SOE

- **Performance Agreements:** Mandate and scope of activities of company; Description of company vision and strategy; Description of company's non commercial objectives and explicit financial cost estimate; Financial and non-financial performance indicators and targets; Frequency and procedure for reporting; Statement describing dividend policy.
- **Developing Effective Performance Indicators:** Indicators linked to company strategy and objectives; SMART: Specific, Measurable, Achievable, Result-oriented, and Time-based; Tentatively not distorting incentive structure; Targets challenging but achievable, based on historical performance; Indicators facilitating benchmarking; Indicators and targets tracked by appropriate information systems; Indicators linked to management performance; Audited results; Financial and non-financial indicators.
- **Elements Of SOE Fiscal Risk Monitoring:**
 - Monitoring performance of individual SOEs:** audited financial statements; regular follow-up of financial statements; financial ratios; assets & investment; debt levels; operational activities; and cash management.
 - Cost of quasi-fiscal activities.**
 - SOE portfolio:** aggregated data; consolidated reports; contingent liabilities.

STATE MONITORING OF SOE PERFORMANCE EXPERIENCE OF LATIN AMERICAN COUNTRIES

	Performance agreements	Scope	Span	Relevant indicators	Regular monitoring and disclosure	Incentives to perform
B R A Z I L	Pilot performance contracts between DEST and 4 SOEs cases concluded during the last decade.	No current contracts	NA	NA	NA	NA
C H I L E	"Performance Agreements" concluded between the SEP and the SOEs.	All SOEs supervised by the SEP	1 year	Yes	Yes	salary supplements
C O L O M B	No performance contracts are used. However, SOE boards should define performance objectives aligned with the National	NA	NA	NA	NA	NA

STATE MONITORING OF SOE PERFORMANCE EXPERIENCE OF LATIN AMERICAN COUNTRIES

	Performance agreements	Scope	Span	Relevant indicators	Regular monitoring and disclosure	Incentives to perform
P A R A G U A Y	"Management contracts" between SOEs and the CNEP.	5 SOEs (out of 9 monitored by the CNEP), including the largest in the country.	3 years	Yes	Yes, by the UMEP	No
P E R U	"Strategic Plans" between SOEs and the FONAFE	All SOEs supervised by the FONAFE.	5 years	Yes	Yes, periodic monitoring by the FONAFE	No
U R U	"Performance contracts" between the	Only SOEs requiring Treasury	Not		Yes,	Yes, including improvements

TRANSPARENCY, DISCLOSURE AND AUDIT

Disclosure of Information at SOE Level:

- Financial and operating results and external audits.
- Company objectives.
- Major share ownership and voting rights.
- Remuneration policy for members of board and key executives.
- Related party transactions.
- Foreseeable risk factors.
- Issues regarding employees and other stakeholders.

Disclosure of Information at Ownership Function Level:

- Ownership code, policies, legal framework.
- Regular aggregate Portfolio Report.

Audits:

- Control mechanisms in some cases more demanding than in the private sector: Annual external audit by independent auditor + audit by Auditor General.
- Importance of the external and independent validation of the financial statements.
- Audit and Accounting Standards.
- Within the SOE: Internal Control framework (in particular in the case of ‘major’ SOEs).

TRANSPARENCY, DISCLOSURE AND AUDIT EXPERIENCE OF LATIN-AMERICAN COUNTRIES

	Accounting Standards	Financial Reports	Reports on fiscal risk and contingent liabilities	Independent External Audits
B R A Z I L	Application of IFRS in internal and complementary	Yes , annual and public access	Annex on fiscal risk of Law budget directives	Yes (Controller General and external audit firms)
C H I L E	Similar to private sector standards, mostly IFRS	Yes , quarterly and annual public. Consolidated Annual Report (SEP)	Report published annually on contingent liabilities by DIPRES	Yes (international audit firms)
C O L O M B	Process of harmonization between domestic standards and IFRS	Yes , annual and public access	Estimates of contingent liabilities in the medium-term fiscal framework of the Budget Law	Yes (private audit firms)

TRANSPARENCY, DISCLOSURE AND AUDIT EXPERIENCE OF LATIN-AMERICAN COUNTRIES

	Accounting Standards	Financial Reports	Reports on fiscal risk and contingent liabilities	Independent External Audits
P A R A G U A Y	Internal accounting standards	Yes , annual and public access	No	Yes (private audit firms)
P E R U	Internal accounting and auditing standards. Application of IFRS in the process.	Yes , annual and public access. Consolidated Annual Report (FONAFE)	Estimate of contingent liabilities required by the Fiscal Responsibility Law	Yes (private audit firms)
U R U G	Similar accounting standards to the private sector	Yes , annual and public access	No	Yes (Supreme Audit Institution and international audit firms)

Source: Authors, based on information provided to-country cases.

BOARDS OF DIRECTORS

Roles & Objectives

- Guiding Strategy & Decision-making
- Segregating decision-making power and managing conflicts of interest.
- Overseeing the management and choosing the CEO (often done directly by executive).
- Ultimate responsibility for SOE performance.
- Intermediary between State and SOE.

Related Questions

- Committees: Audit, Nomination, Remuneration.
- Board empowerment for decision making & Equilibrium SOE Management/Board/Ownership.
- Clarity of Board duties and responsibilities.
- Need for Professional Boards.
- Compliance versus performance & thinking strategically.
- Board composition – Nomination of Board members.
- Remuneration.
- Dividends

BOARDS OF DIRECTORS

EXPERIENCE OF LATIN-AMERICAN COUNTRIES

- **Measures aimed at granting greater financial autonomy and decision making power to the board and management of SOEs:**
 - **Separation between board and management:** Brazil, Chile, Colombia, Peru and Uruguay.
 - **Selection of SOE management:** Brazil, Chile, Colombia and Peru
 - **Selection of management based on merit & qualification:** Chile and Peru.

IMPLEMENTING SOE REFORM

- **Factoring classical Reform Challenges:** Phasing & sequencing; Political & institutional feasibility; Consensus building; and Regular Monitoring.
- **Contextualizing SOE reform:** environments with strong overall governance/capacity vs. environments with limited governance and capacity; different political traditions and expectations of role of SOEs.
- **Developing a strong and professional ownership function.**
- **Gathering and publishing SOE performance data:** can help provide objective data on the cost and benefits for the economy and inform the debate.
- **Supporting company-level improvements:** e.g., focus on specific companies/sectors to build momentum and show positive results.



Thank you for your attention!

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National Treasury of Brazil

**General Coordination Staff of
Corporate Participations**

**Brazilian Federal State Owned Enterprises' (SOEs)
Governance Structure and the Use of Participation
in Profits and Results (PLR) to Increase Performance**

Brazilian State Owned Enterprises' History

- Origins
 - The creation of SOEs dates back to the colonial period
 - Postal Service (1662), Money Factory (1694) Bank (1808)
 - From Independence (1822) to Second World War
 - Possession by accident
 - ✓ Usually bankrupted private companies
 - Post War and Military Regime
 - Difficulty of importing goods and raw materials
 - Import Substitution Policy
 - Creation of Big Sectorial Companies
 - ✓ Petroleum, Mining, Development Banks etc.
 - ✓ Peak at the Military Regime

Brazilian State Owned Enterprises' History

- Post War and Military Regime
 - 302 SOEs created by the Military Regime
 - Compared to 33 by previous governments
- Privatization
 - Oil crises of the 70s
 - High foreign debt by SOEs
 - Use of SOEs to flatten public prices
- Nowadays
 - 10 SOEs created since the year 2000
 - Subprime crises
 - Use of SOEs to increase Investments and Growth

Direct and Indirect Federal Government Control of the Brazilian SOEs

- 145 Corporate (Enterprise) Participations
 - 49 Direct Federal Government Control
 - 6 Companies Listed at the Brazilian Stock Market
 - ✓ 3 Companies Listed at the US Stock Market
 - 50 Indirect Federal Government Control
 - 1 Company Listed at the Brazilian and US Stock Market
 - 46 Minority Federal Government Participation
 - State (Province) and Private Companies

Brazilian Federal SOEs' Major Fields of Operation

- Presence in almost all economic fields, mainly in:
 - Banking
 - 5 Financial Institutions
 - ✓ 1 National Development Bank, 2 Regional Development Banks and 2 Commercial Banks
 - ✓ 46,69% of Total Assets, 53,55% of Total Loans and 49,67% of Total Deposits (September, 2014)
 - Petroleum
 - Biggest Company in Brazil and Latin America in Market Value
 - Electricity
 - Production and Distribution

Brazilian Federal SOEs' Major Fields of Operation

- Presence in various strategic fields such as:
 - Food Supply
 - Companies to help the commercialization of small farmer's production
 - Company responsible for the research and implementation of new farming production techniques
 - Blood Products
 - Health
 - Company to administrate all federal university's hospitals
 - Presence in Important Projects:
 - Satellite Launching

Governance of the Brazilian SOEs

- Tripartite Governance Structure

Obs: SOEs Structure and Regulatory System are same of Private Sector

- 1) Ministry of Finance (National Treasury)

- ① Ownership of Stocks/Shares (Possession)
 - ✓ ① Votes in all Shareholder's Meeting

- 2) Ministry of Planning (DEST)

- ① Guides and Consolidates all Investment Budgets of SOEs

- 3) Supervisory (parental) Ministry

- ① Management Guidance

- ① Concerns:

- ① Vote of the Finance Ministry must consider the technical analyses of the National Treasury and DEST
- ① Possibility of Contradictory Opinions

Governance of the Brazilian SOEs

- SOEs' Project and Investment Priority Setting
 - Budget Process
 - The Constitutional 03 Budgets: Fiscal, Social Security and Investment
 - ✓ Investment Budget: Composed by SOEs Investments
 - SOEs Investment Budget Annual Planning Priorities
 - ✓ Negotiation between SOEs and it's Supervisory Ministry and the Ministry of Planning
 - Consolidation and Dispatch to Congress
 - ✓ Discussion and Approval (may be altered)
 - ✓ Democratic and Transparent Instrument

Governance of the Brazilian SOEs

- SOEs' Project and Investment Performance Monitoring
 - OBs: All SOEs must update monthly the Investment System (SIEST)*
 - Performance Monitoring of Investments Included in the Growth Acceleration Program (PAC)
 - 1) Executed with Resources to be Transferred by the Government
 - ① Monetary Transfer Depends on Accomplishment of Requirements
 - ✓ ① Investment Situation Room (Meetings)
 - ❖ ① Company's Directors, Supervisory Ministry, National Treasury, Planning Ministry and Presidential Officer
 - 2) Executed with SOE's Own Resources
 - ✓ ① Investment Situation Room (Meetings)

Governance of the Brazilian SOEs

- SOEs' Project and Investment Performance Monitoring
 - Performance Monitoring of non PAC Investments
 - 1) Executed with Resources to be Transferred by the Government
 - ① Monitoring by guidance of the MP and Supervisory (parental) Ministry to the Board of Directors
 - ✓ ② May be object of Monetary Contingency by the National Treasury
 - 2) Executed with SOE's Own Resources
 - ✓ ① Monitoring by Guidance of the MP and Supervisory (parental) Ministry to the Board of Directors

Governance of the Brazilian SOEs

- Issues of Project and Investment Performance Monitoring
 - Only Identify the Delay of Projects
 - Lack of Formal Penalties for non Executed Investments
- Attempt to Use Performance Contracts
 - ✓ Poor Acceptance
 - ✓ Law does not Permit Remuneratory Linkage
 - ✓ Remuneratory must be Linked to Profit
 - ✓ Few SOEs are Profitable

Governance of the Brazilian SOEs

- Use of Participation in Profit and Results to Improve SOEs Performance
 - Performance Contracts Associated with Remuneratory Incentives
 - Balanced Scored Card
 - Quantitative and Qualitative goals
 - Rate of Executed Investments
 - Increases Level of Commitment
 - Problems
 - Only for Profitable SOEs
 - Tripartite Model of Control
 - ✓ Contradictory Guidance
 - ✓ Coordination

Contacts

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Brazilian's Federal SOEs Governance

- SOEs Corporate Structure
 - Assembly of Shareholders
 - ✓ Finance Ministry and Other Shareholders (private)
 - Board of Directors
 - ✓ Nominee by the Supervisory Ministry
 - ❖ At least one member from the MP
 - Fiscal Council
 - ✓ Oversee the administrator's acts (including the Board of Directors)
 - ✓ Nominee by the Supervisory Ministry
 - ❖ At least one member from the National Treasury

Global Models of Governance of SOEs

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Workshop on “Performance Evaluation and Management of SOEs”
Organized by DPE, MHI, Govt. of India, with World Bank and UNDP

New Delhi, January 14, 2015

SOE—the ideal hybrid

**Combining best of public and private
sectors**

“A corporation clothed with the power of government but possessed of the flexibility and initiative of private enterprise.”

--President FD Roosevelt

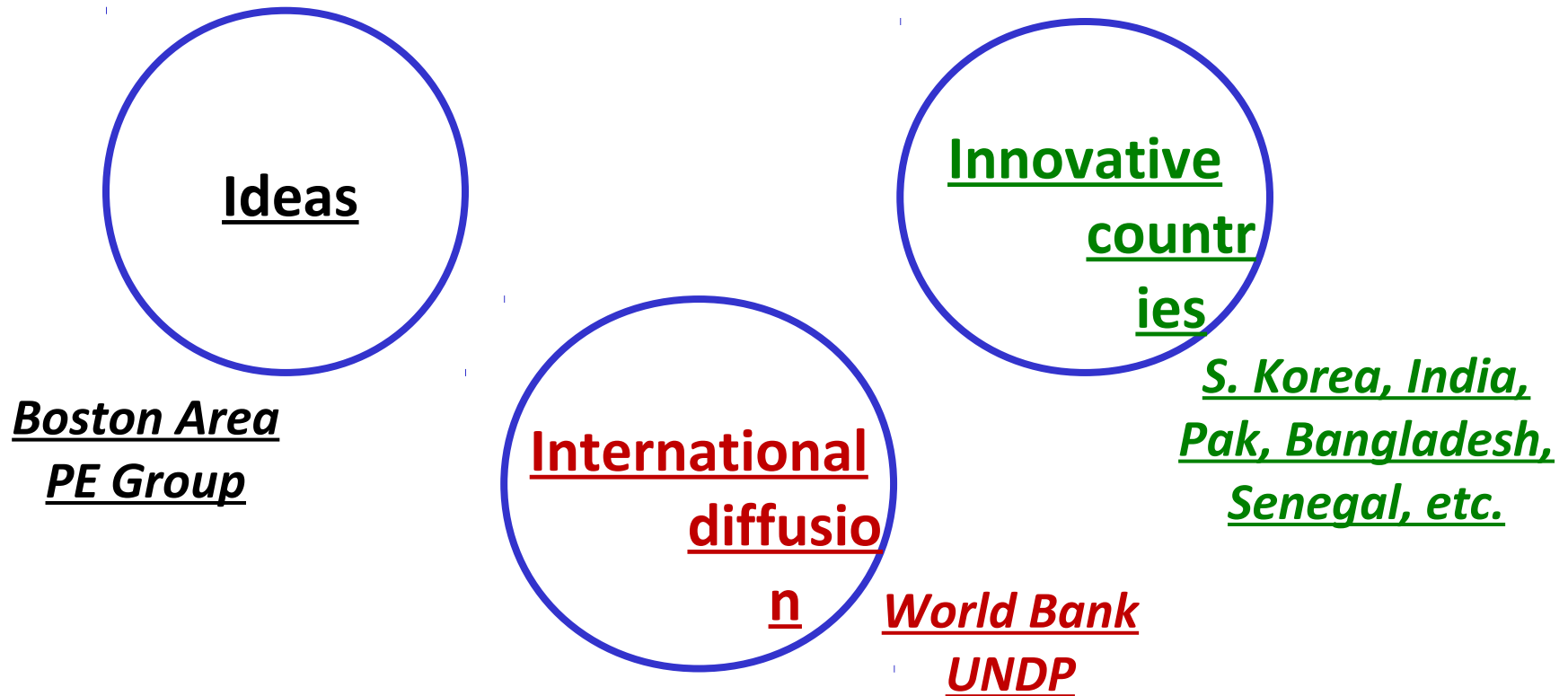
As a public enterprise, it would
do the right things
and
like private enterprises it would
do things right

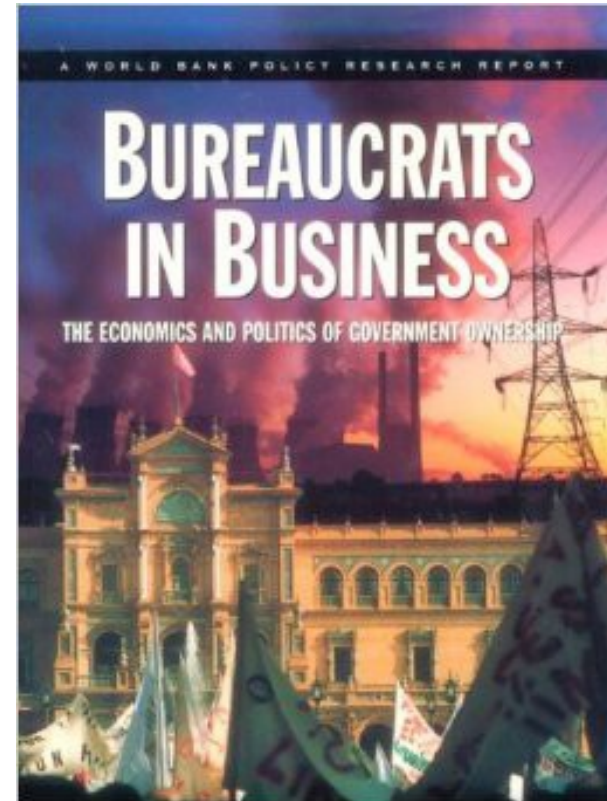
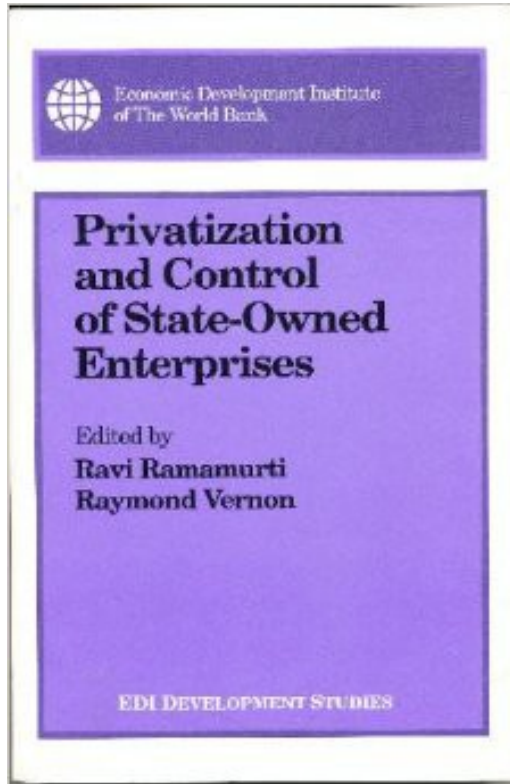
SOE—The Elusive Hybrid

· **Legal** and **structural** approaches proved insufficient

· Countries had to experiment with new management processes/institutions

Experimentation—1980s onwards







Pergamon

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Why Haven't Developing Countries Privatized Deeper and Faster?

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Summary. — Despite a decade of privatization in the developing world, the vast majority of state-owned enterprise (SOE) assets continue to be in government hands. *Bureaucrats in Business* (World Bank, 1995) correctly identifies politics as one reason for the slow pace of privatization but it underestimates the role of institutional and economic constraints. Success stories of privatization are rare in low-income countries, and the long-term promise of privatization in sectors posing regulatory complications remains to be established. Countries in crisis may reform SOEs quickly and deeply despite these uncertainties, but others may opt for gradual reform, which need not be altogether bad. If speedy privatization results in poorly conceived schemes, the cure can be worse than the illness. Finally, bureaucrats are likely to stay in business for years to come, and therefore it is important to improve their effectiveness in the roles they are unlikely to shed in the future. A market-friendly approach to SOE reform need not be government-unfriendly. © 1998 Elsevier Science Ltd. All rights reserved.

SOE Perf Evaluation Models

- Systematic or ad hoc
- Focuses on strategy and operations, or only operations
- Tracks *economic* profit, not *financial* profits
- Adjusts for key “uncontrollable” factors, e.g. prices
- Linking results to incentives

25 years later.....

**Has MOU System helped create the
ideal hybrid in India?**

Achievements

Institutionalized, as a system, not ad hoc

Made government control/evaluation more objective

Augmented government expertise

Linked results to incentives

System periodically revisited and improved

Questions

- Has it led to creative strategies for SOEs?
- Has it improved long-run SOE performance, benchmarked against private/foreign firms?
- Has it disciplined government—i.e. ministers and civil servants—as much as it has managers?
- Has it adapted to 3 key changes since 1984?
 - Partial privatization
 - Increased domestic competition
 - Increased global openness

Questions (contd.)

Has it brought better talent to SOEs, including the C-suite?

Has it clarified rationale for state ownership of SOEs?

Continuing the Experiment....

- Probe the strategies of 5-10 “Maharatna” companies
- Debate their aspirations and non-commercial goals for next 5-10 years, in a global context
- Discuss with Ministers/Cabinet/PM and let resulting decisions guide MOU process
- Appoint good CEOs and leave them alone