

State-Owned Enterprises in the Context of Contemporary Transformations

Ioana-Andreea CIOLOMIC¹
Ioana Natalia BELEIU²

Abstract

The importance of decentralised entities strongly increased in the recent period of time due to a stringent need for effective, efficient and high quality public services (Papenfuss and Schmidt, 2015). The aim of the paper is to investigate the difficulties and challenging of self-regulating techniques faced by state-owned enterprises in the context of contemporary transformations.

The research presented in this article is mainly qualitative. By conducting this literature review, our work has achieved a twofold objective of contributing to the current body of knowledge from two perspectives: the debate on the difficulty of including these types of companies in the public or private sector, the governments' challenges to demonstrate their accountability in the context of state-owned enterprises appearance.

Keywords: *State-owned enterprises, public entities, public sector, accountability.*

JEL classification: M41; M48; H71

DOI: 10.24818/RMCI.2020.2.177

1. Introduction

The public sector has been affected by a series of reforms (Wise, 2006; Tagesson, 2008; Montesinos et.al., 2008; Bergmann et.al., 2008). A significant conceptual change has transformed the “old” style of public administration into the “new” approach of public management (Vigoda, 2003). Specific studies highlights the fact that public reforms have delivered many benefits, but also generated numerous administrative challenges (Howard, 2014). The contemporary transformations of public financial management are seen by international organisations such as European Union (EU), Organisation for Economic Cooperation and Development (OECD) as a method of reducing corruption and fraud, and increase efficient, accountable and responsible delivery of public services. Contrarily, there is the conviction that the externalization of public sector opened new accountability gaps, in terms of decreased transparency on the

¹ Ioana-Andreea Ciolomic Babes-Bolyai University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania, email: costea.ioanaandreea@yahoo.com, Telephone: +40 264 405 300.

² Ioana Natalia Beleiu, Babes-Bolyai University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania, email: ioana.beleiu@econ.ubbcluj.ro, Telephone: +40 264 405 300.

financial performance and position of public services, as a result of fragmentation of activities, services, responsibilities and financial statements as well as to probable misalignments between governmental and service provider's expectations (Grossi and Steccolini, 2015). Based on this conviction, an increasing number of studies support the idea that adopting the private-sector practices to the public sphere is at best controversial, if not problematic (Barton, 1999, 2002, 2005; Broadbent and Guthrie, 2008; Pallot, 1992).

In this context, the importance of decentralised entities strongly increased in the recent period of time due to a stringent need for effective, efficient and high quality public services (Papenfuss and Schmidt, 2015). Buge et al. (2013) underline the importance of decentralised entities, state-owned enterprises (SOEs), on global market by presenting statistical data that creates an overview of the state ownership among the world's 2,000 largest companies – the so-called Forbes Global 2,000 – and their 330,000 subsidiaries worldwide. Based on their research, it was found that more than 10% of the world's largest firms are state-owned (204 firms). They come from 37 different countries and their joint sales amount to \$3.6 trillion in 2011. This represents more than 10% of the combined sales of the whole Forbes Global 2,000 and is equivalent to 6% of world GDP, equalising the Germany's GDP (\$3.6 trillion), or even exceeding the GDPs of countries such as France (\$2.8 trillion) and the UK (\$2.4 trillion) (Buge et al., 2013).

Shortcomings were identified while analysing the national legislation regarding SOEs in several countries like Italy, Australia, Canada, and U.K: there are several entities that meet the SOEs characteristics, but are not recognized through the national legislation as SOEs. One answer to this problem is the growing development of privatisation and corporatisation, changes produced by the public sector reforms (Bundred, 2006; Grossi and Sroke, 2005; Osborne and Brown, 2005; Rhodes, 2000; Tagesson and Grossi, 2012; Walsh, 1995).

Taking into consideration the fact that government's endeavour is to provide an accurate overview of the whole public sector (Grossi et al. 2015; Papenfuss et al. 2015) and the complexity of the public sector entities structure, a research aiming to provide a comprehensive view on the topic of SOEs in the contemporary transformations is justified. The aim of the paper is to investigate the difficulties and challenging of self-regulating techniques faced by state-owned enterprises in the context of contemporary transformations. The research presented in this article is mainly qualitative. By conducting this literature review, our work has achieved a twofold objective of contributing to the current body of knowledge from two perspectives: the debate on the difficulty of including these types of companies in the public or private sector, the governments' challenges to demonstrate their accountability in the context of state-owned enterprises appearance.

This brings us to the outline of this article. After an introduction (first section) which describes the importance of the study, we derive for the methodology (second section) used to achieve the aim of the paper. Section 3

describes current state-of-art, followed by section 4, which comprises the research results. Conclusions to the study follow in the final section.

2. Methodology approach

Although the topic of state-owned enterprises is recognised to be of great interest, the academic literature in this field is not so extended. According the citation report provided by Thompson Reuters Web of Knowledge international database, from 1996 to 2015 (the entire available period of time), there were a number of 510 articles and proceedings papers that mention the concept of SOEs in their title. From the citation report it can be observed an increased number of publications since 2009 to present. This situation might be influenced by the international economic context, since SOEs can be used as leverages in facing economic crises (Bernier, 2011). It can also be observed an increasing trend when analysing the number of citations for the analysed publications, proving a high interest from researchers.

From an in-depth analysis of the publications, it was observed that most of the studies refer to Peoples Republic of China (53.33%), followed by USA (16.47%) and England (6.86%) (Thompson Reuters, 2015). The top five research areas where the publications are included are: business economics, operational research management science, engineering, computer science and public administration.

The data collection is based on content analysis of papers from international journals in areas related to our research field, as public administration/management, economics, and general management. The review was extended to well ranked databases, other than Thompson Reuters, searching based on title and keywords that include SOEs (or Government Business Enterprises/ Crown Entities/ Public owned companies), in order to capture different approaches from several countries.

As a final sample for the review were chosen the most representative academic articles that include SOEs definitions or approach different topics related to governance, performance, accounting and accountability.

3. Prior studies focusing on SOEs

3.1 The role of SOEs in economies

According to OECD (2005), SOEs are usually present in energy, transport and telecommunication sectors and have a significant contribution in the GDP. In general, SOEs are active in natural monopolies and infrastructure (railways and telecommunications). Also, some SOEs produce strategic goods and services (mail, weapons), manage and explore natural resources and energy. They are in politically sensitive business, broadcasting, demerit goods (alcohol), and merit goods (health care). In IPSASB view, (IPSASB, 2012): SOEs include both trading enterprises, such as utilities, and financial enterprises, such as financial institutions.

Despite a large SOEs presence in economies from Asia, Africa, Latin America and Europe (Avsar et al., 2013; Kloviene and Gimzauskiene, 2014), little analytical work was done on this topic (Ghosh and Whalley, 2008). Researchers like Kankaanpää et al. (2014); Ennsner-Jedernastik (2013); state that SOEs are and will be an important part of economies, especially in developing economies.

The existing literature addresses SOEs from several perspectives. One of the most debated points of view emphasizes the privatization reform as an improvement of SOEs' governance, as a step prior to private sector participation. The second perspective highlights the efficiency methods used when privatization was not considered the best way to improve SOEs.

Within the last two decades, the reform of SOEs on privatization has increased significantly. According to Aivazian et al. (2005), privatization has positive aspects as the generation of substantial revenues for governments. More important, it is a fast solution for solving the problem of inadequate performance of SOEs. The usefulness of privatization is a frequently analyzed topic by researchers all over the world. Some argue that privatization is necessary in order to improve significantly the performance of SOEs (Boycko et al., 1996; Shleifer, 1998). Others consider that privatization is not the sole right solution for restructuring public enterprises (Allen and Gale, 1999). Luke (2010), for example, states that services could be more efficient if there are provided by for-profit entities, rather than subject to ministerial control and government interference.

Since the nineteenth century, there can be observed an expansion of SOEs across the world (Parker, 1999). This development was determined by the nationalization of some traditional public service activities (Burnes et al., 2004). Several governments nationalized temporarily private companies (banks, manufacturers) to better face economic crisis (Bernier, 2011). In Italy, for example, SOEs appeared on the strength of financial issues. In UK, their origins are related to the problem of merging utility networks (Millward, 2011). Canada uses SOEs to exploit their natural resources and develop various industries that the private sector was not always inclined to create (Bernier, 2011).

Even if the most discussed topic related to the SOEs is the reform of privatization, studies made in different countries also focus on the role of SOEs (Papenfuss and Christian, 2015). The relative performance of public and private enterprises, the impact of incentive structures on SOEs performance (Ghosh and Whalley, 2008) or the theory of SOEs in the market economy (Lawson, 1994) are also covered topics.

3.2 SOEs taxonomy – a worldwide approach

According to OECD (2005), SOEs are usually present in energy, transport and telecommunication sectors and have a significant contribution in the GDP. In general, SOEs are active in natural monopolies and infrastructure (railways and telecommunications). Also, some SOEs produce strategic goods and services (mail, weapons), manage and explore natural resources and energy. They are in politically

sensitive business, broadcasting, demerit goods (alcohol), and merit goods (health care). In IPSASB view, (IPSASB, 2012): SOEs include both trading enterprises, such as utilities, and financial enterprises, such as financial institutions.

The first conclusion of the conducted literature review reveals the fact that depending on countries; different terms are used when referring to SOEs. The process of defining the term of “state-owned enterprises” is very laborious and exciting because these types of enterprises are found under several names and many entities are described as SOEs. Several authors approached this topic by developing studies that use single-country analysis (Chan (2003), Aivazian et al. (2005), Enderle (2001), Liang et al. (2015) - China, Antonelli et al. (2014) - Italy, Luke (2010) - New Zealand, Parker (1999) - U.K., Tonurist (2015) - Estonia), while others analysed the significant role of SOEs by conducting cross-countries studies (Papenfuss et al. (2015) – Germany, Austria and Switzerland, Sappington et al. (2003) – U.S.A. and Germany, O’Conner (2001) – U.S.A. and China, Argento et al. (2010) – Italy and Netherlands, Bilsen (1998) – Bulgaria, Hungary and Romania).

Although, the enterprises where the state has ownerships are common, the terminology often differs from countries: government-linked companies (GLC) in Malaysia (Roper and Schoenberger-Orgad, 2011), state-owned enterprise (SOEs) in New Zealand, Germany, Italy, China, government business enterprises (GBEs) in Australia, state-owned companies (SOCs) in Norway (Christensen and Laegreid, 2003), Crown corporations in Canada (Crisan and McKenzie, 2013). Research indicates also the use of: government-owned corporation, state-owned entity, state-run enterprises, state enterprise, publicly owned corporation, commercial government agency, and hybrid organization.

Considering that there is no standard definition of the terms, they can be used interchangeably. The most used terms among those listed above are state-owned enterprises (SOE) and government business enterprises (GBE).

4. State-owned enterprises within the public sector

The public sector consists of national, regional, local governments and all funded and publicly controlled agencies, enterprises, and other entities that deliver public programmes, goods, or services (IIA, 2011). The primary aim of public sector organisations is to meet social, political policy objectives and to provide services and goods to citizens.

By analysing the studies focused on state-owned enterprises, we were able to identify that SOEs are included both in public and private sectors studies. In the private sector, SOEs are recognised as similar to private organizations, aiming to make a profit, but taking into account community services obligations as providing goods and services at no or reduced charge to particular recipients. In our opinion, it prevails their community obligations to provide goods and services - it is not enough to classify a company as private or public considering only their purpose to make a profit or not – because community obligations are acting along with responsibilities and legitimacy of governments (national, local, regional).

Public sector entities are classified in the literature using the following criteria: *formal legal features* and *managerial autonomy*. Considering the listed characteristics for each type of public entity provided van Thiel (2012) and Taylor and Warrack (1998), we were able to classify the SOEs as public entities as follows:

Formal legal features: The classification that uses the formal legal features of these organizations proposed by van Thiel (2012) is probably the most cited typology. According to these there are three types of agencies. Types 1 are departmental agencies - entities without legal independence but with some managerial autonomy. Types 2 are legally independent organizations and bodies - entities mainly based on public law, with administrative autonomy. Type 3 refers to private law - based agencies. This last type are established by or on behalf of the government (a foundation or corporation, company or enterprise) in which the government owns the majority or all ownership shares (van Thiel, 2012). Based on this classification, SOEs can be agencies of type 2 or 3. The legal status of SOEs varies from being a part of the government to being a stock company with the state as a regular stockholder. SOEs can be entirely owned (controlled) or partially owned by the government.

Table 1. Public sector entities based on formal legal features criteria

Formal legal features	Legal independence		Autonomy		Created by Governments	
	Yes/No	Private/Public Law	Yes/No	Type	Yes/No	Other details
Departmental agencies	No	N/A	Yes	managerial	Yes	Not mentioned
Legally independent organisations and bodies	Yes	Public Law	Yes	administrative	Yes	Not mentioned
Private law - based agencies	Yes	Private Law	Not mentioned	Not mentioned	Yes	Created by or on behalf of the government

Managerial autonomy: Taylor and Warrack (1998) stated that public entities can be classified into one of six types of state enterprises: departmental - are strictly administrative, agency - are more autonomous than departmental corporations, special operating agency - represent the evolution of government departments into hybrid organizations, proprietary - they produce goods and/or services, operate by or on behalf of the government and are completely commercial, mixed enterprise - are the joint ventures between state and business, or investment management - they have been established to manage government employee pension, insurance and saving funds

Table 2. Public sector entities based on managerial autonomy criteria

Type	Managerial autonomy
Departmental	Strictly administrative
Agency	More autonomous than departmental corporations
Special operating agency	Represent the evolution of government departments into hybrid organisations
Proprietary	Produce goods and services by or on behalf of the government; completely commercial
Mixed enterprises	Joint ventures between state and business
Investment management	Responsible for employee pension, insurance, saving funds

Based on this classification, SOEs can be special operating agencies, proprietary, mixed enterprises and investment management. State-owned enterprises are recognised in the specific literature as hybrid organisations and joint ventures, which provide specific goods and services to the society. Their most acknowledged activity relates to employee pension, insurance and saving funds.

5. SOEs and their importance for the government's accountability

Accounting information can become a powerful tool in the hands of the government when making decisions that would be beneficial for the public economy and therefore for citizens (Cohen et al., 2015). Accountability is considered an important tool used to present the reality, loyalty, and justice, being a synonym for good governance (van Thiel 2000; Bovens, 2007). In the public sector, accounting and financial reporting are crucial to enhancing accountability (Chan, 2003).

Being controlled by governments, their activities reflected in terms of financial statements contribute to the whole picture of government activities, financial position and performance, by inclusion in the government consolidated financial statements.

The IPSASB standards have a central concept of control and entities are treated differently depending on equity interest and the government's power to govern the corporation. SOEs are excluded by IPSAS from the scope of reporting but consolidated when "controlled". The concepts of power/control condition and benefits condition introduced through IPSAS 6 are transposed from the perspective of state-owned enterprises and designed as follow (Puddu et al., 2013):

- Power conditions (the right to manage the financial and operating policies of other economic entity):

The SOE has, directly or indirectly through controlled entities, the ownership of a majority voting interest in the other entity; The SOE has the power, either granted by or exercised within existing legislation to appoint or remove the majority of the board members of the other entity; The SOE has the power to cast the majority of the votes at a general meeting of the other entity; The SOE has the power to cast the majority of the votes at a board of directors of the other entity;

- Benefit conditions (the possibility of controlling entity to achieve benefits from the activity of the controlled entity): The SOE has the power to dissolve the other

entity and obtain a significant level of the residual economic benefits or bear great obligations; The SOE has the power to extract distributions of assets from the other entity.

The subject of consolidated financial statements from the perspective of SOEs is not a common topic in literature. However, there are studies on the consolidated financial statements in the public sector area by Walker (2011), Puddu et al. (2013), Grossi and Newberry (2009), Argento et al. (2012), Christiansen (2011). But just a few of them treat this issue strictly from the perspective of including SOEs in consolidation. Grossi and Newberry (2009) cited by Grossi and Soverchia (2011) state that the whole image of annual accounts of governments could be distorted because the financial reports and results of controlled entities remain out of the annual reports.

According to Grossi and Newberry (2009), Argento et al. (2012) growing development of decentralized entities highlights the limitations of governments' traditional annual reports, which do not necessarily comprise the financial statements of controlled entities. The financial performance of SOEs impacts government's financial performance. Accounting policies of SOEs that are different from those proposed by IPSASB make consolidation more difficult and complex, reason why IPSASB recommends "line-by-line" consolidation with the international IPSAS standard, but in some countries due to practical difficulties this is not yet possible (IPSASB, 2014).

6. Conclusions

Public sector accounting and general purpose financial reports plays an important role on one hand, in decision-making process both for the politicians and citizens and the other hand, in demonstrating accountability (Chan, 2003). Accountability is considered an important tool used to present reality, loyalty and justice (van Thiel, 2000; Bovens, 2007).

In the context of public sector reforms, researchers like Mack et al., (2008), Bolivar et al., (2007) argue the increasing number of studies on governmental financial information and the great importance awarded to accountability. Governments prepare consolidated financial statements in order to present the whole picture of government financial position and performance, the main issue being to define the area of consolidation (Funnell et al., 2012).

By conducting this literature review, our work has achieved a twofold objective of contributing to the current body of knowledge from two perspectives: the debate on the difficulty of including these types of companies in the public or private sector, the governments' challenges to demonstrate their accountability in the context of state-owned enterprises appearance.

Based on our study, we conclude that the existence of some guidelines in order to clarify sensitive aspects of SOEs are necessary. As we stated before in our studies, emerging countries need to have clearly established boundaries of their financial statements and, most of the time they do not have the necessary resources as professional bodies, qualified personnel, to fulfil their obligations as regulators.

References

1. Aivazian, V. A., Ge, Y., Qiu, J., 2005. *Can corporatization improve the performance of state-owned enterprises even without privatization?*, Journal of Corporate Finance, pp. 791– 808.
2. Allen, F., Gale, D., 1999. *Corporate Governance and Competition*, working paper, University of Pennsylvania.
3. Antonelli, C., Federico B.A., and Claudio F., 2014. *The mechanisms of knowledge governance: State owned enterprises and Italian economic growth, 1950–1994*. Structural Change and Economic Dynamics, 31, pp: 43-63.
4. Argento, D., Grossi, G., Vollenweider, P., 2012. *Explaining the consolidation of financial statements in the Swiss Federal Government* Yearbook of Swiss Administrative Sciences, pp. 11-22.
5. Avsar, V., Karayalcin, C., Ulubasoglu, M., 2013. *State-owned enterprises, inequality and political ideology* Economics and Politics Journal, Vol.25, No.3, pp. 387-410.
6. Bernier, L., 2011. *The future of public enterprises: perspectives from the Canadian experience* Annals of Public Cooperative Economics, vol. 82 issue 4, pp. 399-419.
7. Bilsen, V., Konings, J., 1998. *Job Creation, Job Destruction, and Growth of Newly Established, Privatized, and State-Owned Enterprises in Transition Economies: Survey Evidence from Bulgaria, Hungary, and Romania* Journal of comparative economics, vol. 26, issue 3, pp. 429-445
8. Bovens, M., 2007. *Analysing and assessing accountability: a conceptual framework* European Law Journal, Volume 13, Issue 4, pp. 447-468.
9. Broadbent, J. and Guthrie, J., 2008. *Public Sector to Public Services: 20 Years of "Contextual" Accounting Research* Accounting, Auditing and Accountability Journal, 21, pp: 129-169.
10. Broadbent, J. and Guthrie, J., 1992. *Changes in the Public Sector: A Review of Recent "Alternative" Accounting Research* Accounting, Auditing & Accountability Journal, vol 5, null
11. Buge, M., Egeland M., Kowalski P., Sztajerowska M., 2013. *State-owned enterprises in the global economy: Reason for concern?* Date Views 5.
12. Bundred, S., 2006. *The future of regulation in the public sector* Public Money and Management, 26.3, pp: 181-188.
13. Burnes, B., Katsouros, M., Jones, T., 2004. *Privatisation and the European Union* International Journal of Public Sector Management, vol. 17, issue 1, pp. 65-80.
14. Chan, J., 2003. *Government accounting: An assessment of theory, purposes and standards* Public Money and Management, Vol. 23, No. 1, pp. 13 - 20.
15. Christensen, T., Laegreid, P., 2003. *Coping with complex leadership roles: The problematic redefinition of government-owned enterprises* Public Administration, 81, pp. 803-831.
16. Christiansen, H., 2011. *The Size and Composition of the SOE Sector in OECD Countries* OECD Corporate Governance Working Papers, No. 5, OECD Publishing.
17. Crisan, D., McKenzie, K. 2013. *Government-owned enterprises in Canada* The School of Public Policy, SPP Research papers, University of Calgary, vol.6, issue 8, pp. 1-29, available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2240580, (accessed 21 March 2015).
18. Cohen, S., Karatzimas, S., Venieris, G. 2015. *The Informative Role of Accounting Standards in Privatizing State-Owned Property: Comparing Greek Governmental Accounting Standards and IPSAS* Global Business and Economics Review, Vol. 17, No. 1, pp. 51-62.

19. Enderle, G. 2001. *Integrating the ethical dimension into the analytical framework for the reform of state-owned enterprises in China's socialist market economy: A proposal*. Journal of Business Ethics 30.3, pp. 261-276.
20. Ennsner-Jedenastik, L. 2013. *Political control and managerial survival in state-owned enterprises* Governance: An International Journal of Policy, Administration and Institutions, available at: <http://onlinelibrary.wiley.com/doi/10.1111/gove.12023/pdf> (accessed 14 March 2015).
21. Ghosh, M., Whalley, J 2008. *State owned enterprises, shirking and trade liberalization* Economic Modelling, Vol. 25, pp. 1206-1215.
22. Grossi ,G., Steccolini, I., 2015. *Pursuing private or public accountability in the public sector? Applying IPSASs to define the reporting entity in municipal consolidation* International Journal of Public Administration, Vol.38 (4), pp. 325-334.
23. Grossi, G. and Thomasson, A., *Bridging the accountability gap in hybrid organizations: the case of Copenhagen Malmö Port*. International Review of Administrative Sciences, pp:1-17.
24. Grossi, G. and Srocke, I., 2005. *Critical analysis of the concept of control according to IPSAS referring to German and Italian local governments* Accounting and Performance Management Perspectives in Business and Public Sector Organisations, pp. 226-237.
25. Grossi, G. and Soverchia, M., 2011. *European Commission Adoption of IPSAS to Reform Financial Reporting ABACUS*, Vol. 47(4), pp. 525-552.
26. Grossi, G., Newberry, S., 2009. *Theme: Whole-of-Government Accounting International Trends* Public Money and Management, 29(4), pp. 209-215.
27. Institute of Internal Auditors. 2011. *Supplemental Guidance: Public Sector Definition*, Altamonte Springs, Fla.: USA.
28. IPSASB, 2012. *Handbook of International Public Sector Accounting Pronouncements-Vol I,II*, New York, available at: <http://www2.ifac.org/publications-resources/2011-handbook-international-public-sector-accounting-pronouncements> (accessed 10 February 2015).
29. Kankaanpää, J., Oulasvirtaa, L., Wackera, J., 2014. *Steering and Monitoring Model of State-Owned Enterprises* International Journal of Public Administration, 37:7, pp. 409-423.
30. Kloviene, R., Gimzauskiene, E., 2014. *Performance measurement model formation in state-owned enterprises* Procedia Social and Behavioral Sciences, 156, pp. 954-598.
31. Lawson, C., 1994. *The theory of state-owned enterprises in market economies* Journal of economic surveys, vol.8, no.3, pp. 283-309.
32. Liang, H., Bing R., and Sunny L.S., 2015. *An anatomy of state control in the globalization of State-owned enterprises* Journal of International Business Studies, 46.2, pp: 223-240.
33. Luke, B., 2010. *Examining accountability dimensions in state-owned enterprises* Financial Accountability & Management, vol. 26(2), pp. 134-162.
34. Millward, R., 2011. *Public enterprise in the modern western world: an historical analysis* Annals of Public and Cooperative Economics, 82:4, pp. 375-398.
35. O'Connor, Neale G., Yadong Luo, and Danny KY Lee., 2001. *Self-selection, socialization and budget control in the PRC: a study of a US-Sino joint venture and Chinese state-owned enterprise* Journal of Business Research, 52.2, pp: 135-148.
36. OECD, 2005. *Corporate governance of state-owned enterprises: A survey of OECD countries*, Paris, OECD.
37. Osborne, S.P., and Brown, K., 2005. *Managing Change and Innovation in Public Service Organisations*. Routledge: London.

38. Papenfuss, U., 2014, *How (should) public authorities report on state-owned enterprises for financial sustainability and cutback management-a new quality model* Public Money & Management, vol. 34, issue 2, pp. 115-122.
39. Papenfuss, U., Schmidt, C., 2015. *Determinants of manager pay in German state-owned enterprises and international public policy implications: 3-years study for sectors, performance and gender*, working paper, University of Leipzig, available at: <http://hdl.handle.net/10419/107708>, (accessed 10 April 2015).
40. Parker, D., 1999. *Regulation of privatised public utilities in the UK: performance and governance* International Journal of Public Sector Management, Vol. 12, Issue 3, pp. 213-236.
41. Puddu, L. et al., 2013. *The consolidated financial statement: are IPSAS and national accounting standards comparable? The Turin City Council Case* International Journal of Business and Social Science, 4(13), pp. 47-62.
42. Rhodes, R.A.W., 2000, *Governance and public administration* in Pierre J., 2000. *Debating Governance: Authority, Steering and Democracy* Oxford University Press, New York: 2000.
43. Roper, J., Schoenberger-Orgad, M., 2011. *State-owned enterprises: issues of accountability and legitimacy*, Management Communication Quarterly, vol. 25 issue 4, pp. 693-709.
44. Sappington, D. EM, and Sidak, J.G. 2003. *Competition law for state-owned enterprises* Antitrust Law Journal, 71(2), pp. 479-523.
45. Tagesson, T., and Grossi, G., 2012. *The materiality of consolidated financial reporting – an alternative approach to IPSASB*. International Journal of Public Sector Performance Management 2.1 (2012): 81-95.
46. Taylor, D. W., Warrack, A. A., 1998. *Privatization of state enterprise: policy drivers and lessons learned* International Journal of Public Sector Management, Vol. 11, Issue 7, pp. 524 – 535.
47. Tonurist, P., 2015. *Framework for analysing the role of state owned enterprises in innovation policy management: The case of energy technologies and Eesti Energia* Technovation Journal, vol. 38, pp. 1–14
48. Van Thiel, S., 2012. *Comparing Agencies across Countries* in Verhoest, K., Van Thiel, S., Bouckaert, G., Lægreid, P. (Ed.), *Government Agencies. Practices and Lessons from 30 Countries*, Houndmills: Palgrave Macmillan.
49. Walker, R.G., 2011. *Issues in the preparation of public sector consolidated financial statements* ABACUS, 47 (4), pp. 477-500.
50. Walsh, K. 1995. *Public services and Market Mechanism. Competition, Contracting and the New Public Management*. Henry Tam: London.
51. Wise, V., 2006. *Cross-Sector Transfer of Consolidated Financial Reporting – Conceptual Concerns* Astralian Journal of Public Administration, 65. (3), pp. 62-73.