

Accountability, anti-corruption and transparency policies in Public owned enterprises (POEs)

Proposal for the operational steps of the research programme

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Foreword

In the last three decades, corporatized public enterprises turned out to be a distinctive institutional feature of many European Countries, within a more general changed organizational structure of the public sector. Corporatization denotes the creation of State or municipally owned (controlled) organizational units/companies which are given a legal status/personality separate from State/Regional/Municipal administration and are endowed with, at least to some extent, operational and financial autonomy. We use this term as a synonymous of Public owned enterprises (POEs).

This trend has been driven by an evolving economic, political, ideological and theoretical background, aimed to shape the public sector in a more business-like fashion by introducing principles and tools of private management into public administrations in order to improve their performance. Within this framework, an increasing share of decisions and resources, while being kept within the public sphere initiative, are finally allocated to entities converted into private-law companies (joint-stock companies or limited liability companies), so that their efficiency, efficacy, but also their sustainability, accountability and transparency become key concerns of both public policy makers and theoretical analysis.

The aim of the research project is not to consider the controversial and widely investigated ownership effects on the overall performance of enterprises. We want to focus on a specific issue concerning the management of Public owned and steered enterprises-POEs. A recent challenge they have to deal with is in fact the internalisation of effective corruption prevention mechanisms to grant transparency and accountability in organizations characterized by a hybrid nature.

Despite the awareness of how the effectiveness of both anticorruption and compliance mechanisms depends greatly on the way in which they are introduced and implemented, there are few contributions exploring “if” and “how” they work in practice. In addition, most of the cases already studied concern private enterprises, with results that can be partially applied to different organizational contexts such as the POEs, where the practices related to corruption are having a rapid development after the regulatory intervention and where there is still an important need for knowledge and theoretical development. In our knowledge, few or none multi-countries comparative studies on this subject exist.

The project proposal aims at filling this gap by understanding the state of implementation of different anti-corruption and compliance measures in POEs in several European, or even extra-European countries; a relatively new subject and one lacking in-depth theoretical and research exploration.

Implementation steps

Two main implementation steps are proposed, as described below (to be discussed with partners):

1. Country reports on main topics

This first step consists of country specific reports on (mainly) four connected pillars.

1.a. National approach to POEs (5 pages).

- Historical development of the role public owned/controlled enterprises in the provision of public services
- Diffusion of POEs and main sectors of activities
- Main legal organisation forms of POEs
- Main governance and contractual arrangements adopted in the relationship with the competent public authorities (mainly regional, municipal and local governments).

1.b. Impact on transparency and integrity of public intervention (3/5 pages)

- Main problems and pitfalls associated with the diffusion of POEs, eg.: mission drifts, complicated ownership policy, centrifugal powers and isolationism, budget transparency and accountability, more complex principal-agent chain, increased risk of corruption, undue political influence and conflict of interest, etc.

1.c. Assessment of national legislation and regulation on corruption prevention mechanisms (3/5 pages)

- Dimension, characteristics and effects of the phenomenon in single countries
- Main legislative acts and practices adopted to face corruption and increase accountability in the public and private sphere
- State of implementation and overall evaluation

1.d. Anti-corruption practices in POEs (5/7 pages)

- Adoption of anticorruption and compliance measures or forms of control and accountability in organizations (corporatized enterprises) characterized by a hybrid nature: transparency, data disclosure, risk assessment, code of conducts, etc.
- Prevalence of public oriented vs. private oriented organizational arrangements and procedures to prevent corruption and foster accountability.

- Consequences both at the organizational and individual level of the anticorruption mechanisms and policies during their adoption also assuming a longitudinal analysis
- Evaluation of the effectiveness of measures implemented within POEs to identify and prevent corruption and other forms of corporate misconduct.

2. In field analysis and questionnaire to selected POEs

This second step aims at focusing and deepening the main findings and research question emerged in step 1.

A sample of POEs will be selected for each country, gathering information from different sources: publications, factsheets, sectoral reports, website, financial and social reporting, etc. A common grid of key elements will be investigated through this kind of data analysis. More specific issues will be explored through a questionnaire. It could be focused on different topics, such as: company demographics, assessment of compliance to legislation on corruption, impact analysis in terms of organisational efficiency, transaction and compliance costs.

Structure, questions, sample, method of investigation, etc. will be shared and settled by the research group.

Outcomes and timetable

Step 1

Several single country reports and a general working paper are expected at the end of the first step.

Each member of the working group is deemed to produce one country report (at present, States involved are: Italy, Netherland, Spain). If researches from other countries join the project, the territorial coverage will be wider.

We can expect to agree on the overall research outline during the autumn 2019 and to have country reports by February 2020.

Step 2

Definition of the common grid of questions and the in field questionnaire: March 2020

Data gathering and survey: August 2020

Data analysis and new country reports: January 2021

General report and other publications by April 2021