

## **Response from Institute of Public Enterprise on SOE Guidelines - Public Consultation**

I thank profusely the Corporate Governance and Corporate Finance Division, OECD for the '**Public Consultation on Draft Revisions to the OECD Guidelines on Corporate Governance of State-Owned Enterprises**'. My first comment is that the draft guidelines are comprehensive and touch upon all facets of SOEs. My second comment is that the guidelines are universally relevant. The third comment is about their timeliness. This too has been largely achieved by focusing on Sustainability.

I have some suggestions to make:

While the draft revised SOE Guidelines are very comprehensive, they could be further strengthened by bringing in the issue of enacting a Public Enterprise Act to facilitate their adoption by each Country as per the admissibility paving the way for operationalization.

For coordination, control, enforcing transparency, an effective functioning of Boards, building up sound government-SOEs interface, achieving public-policy objectives, establishing level-playing field, SASAC type body should be put in place.

The guidelines should go beyond the procurement dimension to check corruption and highlight the role of values, sound SOE culture and anti-corruption measures to nip the evil in the bud. The guidelines should make a reference to Whistleblowing.

The guidelines make a cryptic mention of control systems of SOEs having subsidiaries. This needs further elaboration.

The guidelines perfunctorily make a reference to sub-national enterprises. These constitute a substantial chunk of the public sector economy functioning as SOEs mostly in the dominant segments such as utilities and transport. Further, the guidelines do not refer to municipal enterprises.

The guidelines should touch upon the privatization/divestment of SOEs especially related to valuation and functioning of such privatized SOEs.

The guidelines should adequately deal with the need for digital governance, digital governance architecture, cyber security and untouched aspects of ESG.

I will be grateful to receive more details in due course and looking forward to a brief call from Dr. Chung-A. PARK for further enlightenment.

Best regards,

Mishra

--

**Dr. R K Mishra**  
**former Director, Senior Professor &**  
**ONGC Subir Raha Chair**  
**Institute of Public Enterprise**  
**OU Campus**  
**President,**  
**Management and Social Science Research Center**  
Hyderabad - 500007  
Telangana; INDIA