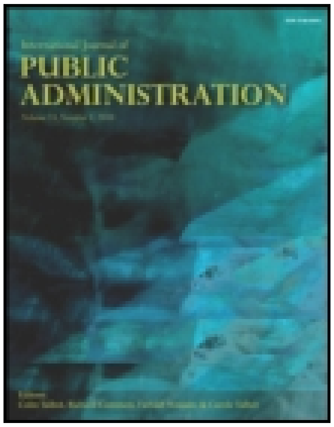


International Journal of Public Administration
Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/lpad20

# Public Enterprise Reforms and Financial Performance of Government Commercial Companies of Fiji

Jashwini Narayan[a] & Gurmeet Singh[a]

[a] School of Management and Public Administration, The University of the South Pacific, Suva, Fiji

Published online: 14 Aug 2014.

*International Journal of Public Administration*, 37: 756–772, 2014

ISSN: 0190-0692 print / 1532-4265 online
DOI: 10.1080/01900692.2014.903275



# Public Enterprise Reforms and Financial Performance of Government Commercial Companies of Fiji

Jashwini Narayan and Gurmeet Singh
*School of Management and Public Administration, The University of the South Pacific, Suva, Fiji*

Public enterprise reform is no new phenomenon. Since the late 1970s, state intervention in the market has been increasingly challenged, acquiring a more ideological form with the rise of ultra-conservative governments in the UK and USA. Like other countries across the world, Fiji has also attempted to reform its public enterprises. This article compares the performance of corporatized public enterprises that sit at different levels of financial performance. Such enterprises have experienced reforms but with mixed financial outcomes. Overall, the major finding of this research is that there is no single factor that can lead to better or poor financial performance.

Keywords: public enterprise reforms, government commercial companies, financial performance, Fiji



## INTRODUCTION

Public enterprise reform (PER) is no new phenomenon. It has been in existence for some time now. PER programs first began in the UK in the late 1970s. Since then, state intervention in the market has been increasingly challenged. Such a challenge acquired a more ideological form with the rise of the ultra-conservative governments in the UK and USA. Not limited to the developed world, PER has become the hallmark of public policy making throughout the world, including the developing as well as the underdeveloped nations (Narayan, 2005). Public enterprises are normally criticized because they are often subsidized by their governments, operate in losses ultimately borne by their governments (and tax payers), provide inferior goods and services, restrict choice of consumers, and remain static (Yaqub, Faisal, & Khan, 2011). Accordingly, the proponents of reforms recommend that public enterprises be placed on a full commercial footing independent of political directives, be fully compensated for community service obligations, and be exposed to competition with strict budget constraints and full accountability (Anere, 2009). However, over the years, PER has attracted both commendation as well as condemnation. Whereas efficiency, effectiveness, and efficacy became the catchphrases justifying reforms, over the years considerable debate emerged between the reform critics and the advocates over reform issues and effects. Individual countries have their own unique problems to deal with which affect reform results.

As countries began to implement reforms, a large part of such debate was fueled by the outcomes of reforms and, in many cases, by the evidence of failed experiments (Narayan, 2005). For instance, Sarker (2006) highlights that Bangladesh has been less successful when it implemented reforms under pressure particularly because it failed to establish sound institutional frameworks, rule of law, proper control structures, checks and balances, and accountability. He mentions that Bangladesh is also aid-dependent and thus has always felt the pressure from the international donors toward reforming its public sector. He also blames the donor agencies for failing "to make the political leadership and the public bureaucracy understand that their prescriptions will bring positive results" (p. 195). Malaysia is another example. According to Siddiquee (2008), public governance is better than what it was but Malaysia still has much to do to achieve excellence in governance and service delivery. Despite wide-ranging changes, the Malaysian public sector remains large. Citizens continuously rely on it for much of their service needs.

Correspondence should be addressed to Gurmeet Singh, School of Management and Public Administration, The University of the South Pacific, Private Mail Bag, Laucala Campus, Suva, Fiji. E-mail: singh_g@usp.ac.fj

Elsewhere political opposition has led to reform failures. Ghana's experience proved just this (Caspary, 2008). Caspary (2008) thus recommends that countries and agencies understand how the key stakeholders view reform proposals and the related incentives to minimize opposition and to maximize support. The politically volatile countries also find it hard to reform their public sector successfully. The case of Tajikistan reflects at the failure in the successful implementation of reform initiatives because of civil war, country's location in a politically volatile region, noticeable out-migration of qualified experts, and the inability of the central government in properly adapting to transition requirements (Mirzoev et al., 2007).

In other smaller less developed countries, their own developmental problems make reform initiatives such as private sector involvement difficult. For instance, the small Eastern-Caribbean countries, namely Antigua and Barbuda, Dominica, Grenada, St Kitts-Nevis, St Lucia, St Vincent, and the Grenadines, suffer from their own "developmental" problems of: small population, small land areas, a long history of dependence on export of one or a few agricultural commodities, poor living standards, and inadequate socioeconomic infrastructure (Bissessar, 2010, p. 26).

Then there are countries which are successful in some areas but remain problematic in other areas such as Mauritius. Chittoo, Ramphul, and Nowbutsing (2009) reveal that while Mauritius has done comparatively well, certain areas remain problematic such as the government remains the single largest employer, upper class is too small and middle class is largely employed by the government and are loyal to it, and the government is not that appreciative of criticisms because of which the media is selective in putting pressure on the government for changes.

Also, there are countries which have had success in PER but such successes could not be sustained overtime. For instance, in New Zealand the 14 public enterprises corporatized in 1987 proved to be successful in terms of productivity and profitability (ADB, 2011). However in the last 9 years, with an improved economy and significant successive fiscal surpluses, the reform process has slowed down because the fiscal necessity for PER as well as the political commitment has waned, leading to deteriorating public enterprise performance (ADB, 2011).

Where reforms have not led to desired outcomes, researchers have been less enthusiastic and even critical of PER initiatives. Radical critics of reforms thus argue that reforms have not resulted in what was promised. Reforms have either led to no improvement at all or have proved to be socially costly. Some radical opponents of reforms like Marobela (2008) raise their doubts on reforms resulting in efficiency and the overall good for all. He highlights that in Botswana's case, while reforms are preached as resulting in efficiency, "in practice such has not been the case" (p. 431). Quiggin (2001) mentions that the market processes such as compulsory competitive tendering have eroded state capacity and generally produced unsatisfactory outcomes. Public enterprises that have gone through the final stage of PER (those that have been privatized) have been labeled socially insensitive. Vagliasindi (2008) explains that in the absence of regulation, a private monopoly may end up providing a higher priced, poor quality goods or services. Chang (2007) mentions that if services such as post, water, and transport are left at the mercy of profit-seeking private firms, the remote area consumers may be denied essential services because private firms will not venture into unprofitable services.

Hence, by the 1990s, there came about a renewed appreciation for the public sector given the following factors: experience of the "Asian Tigers" which proved that the state could be quite effective toward economic development; the cumulative 20-year experience of structural adjustments which revealed a serious shortfall in the expected socioeconomic results; the collapse of the Soviet economies; and the failure of privatization in creating effective markets (Brinkerhoff, 2008).

Those in favor of the state created enterprises defend the state. For example, Kumar (2010) argues that, while the key arguments of inefficiency, corruption, and liability of public enterprises are true to some extent, such ills also plague the private sector. There are also arguments against reforming public enterprises completely through privatization as well as strong sentiments of retaining certain public enterprises under state control. Hughes (2012) clarifies that privatization has been successful at least in the narrow sense of less government-owned enterprises in current times. He mentions that consumers are unlikely to reap major benefits if privatization fails to bring about greater competition and that many countries have some sort of competition policy or antitrust legislation to enforce private sector competition to restrain possible collusion and monopoly among private companies.

At the other end, the supporters of PER criticize state capitalism. For example, Schuman (2011) highlights the case of Russia which he says is a state capitalist and one that is strangling its economy. In his most recent book, Hughes (2012) claims that public enterprises may not have a long-term future in large scale delivery of goods and services. He goes onto say that, it is likely that such enterprises will eventually disappear except for small scale activities. The debate thus continues between the proponents and opponents on the success and failure of PER.

Overall, literature on PER points out that, encouraged and financed by the donor agencies, the developing countries have undertaken reforms of their public enterprises to improve their performance. As indicated above, literature also provides clear evidence that reforms have not corrected the ills of all public enterprises the world across, giving rise to the question: why is it that reforms fare well in certain public enterprises while others remain plagued. This research has been undertaken against this backdrop.

This research is exemplified by a country case study of Fiji. Fiji, an island nation located in the heart of the Pacific Ocean, is a developing country. It is endowed with forest, mineral, and fish resources with a large subsistence sector. Its major sources of foreign exchange are sugar exports, remittances from Fijians working abroad, and a growing tourist industry. However, Fiji has a coup-ridden economy. It currently operates under the military rule of the self-appointed Prime Minister, Commodore Josaia Voreqe (Frank) Bainimarama, since the 2006 coup. Apart from the 2006 coup, Fiji has experienced earlier military coups in 1987 and 2000. Nevertheless, like other countries across the world, Fiji has also tried to reform its public enterprises.

Governments of Fiji, except the Fiji Labour Party-led Government (May 1999–May 2000), have been pro-reform.

The PER process in Fiji was initiated by the Rabuka-led Soqosoqo Vakavulewa ni Taukei (SVT) Government after the 1987 coups. The process of reforms commenced mid-1980s but was delayed due to the uncertainty created in the economy following the two 1987 military coups. Since then, Fiji experienced economic recession and structural adjustment policies. Fiji has carried out reforms of its public enterprises for some time now.

Drawing from the existing literature on the success and failure of reforms throughout the world, this research will show how reforms have led to better financial performance in some public enterprises while others remain the same or have worsened—a fact that remains under-researched in Fiji. Thus far, quite a few studies have been carried out on PER in Fiji. Few comparative studies and even fewer multiple PER related cases have been investigated. Thus far, past research reveals that the following public enterprises have been investigated: Airports Fiji Limited (AFL; McMaster, 2001; Singh, 2002; Snell, 2000), Customs and Excise Department (Chand, 1999), Fiji Pine Limited (Reddy, 1997, 1998), Fiji Post and Telecommunications Limited (Reddy, 1997, 1998), Fiji Sugar Corporation (Kumari, 2007; Lal & Rita, 2005; Reddy, 2003; Reddy & Kumari, 2007), Government Shipyard and Public Slipways (McMaster, 2001; Narayan, 2005, 2008), Housing Authority (Nath, 2000; Sharma & Hoque, 2002), Inland Revenue Department (Chand, 1999), National Bank of Fiji (Chandra, Jayaraman, & Waqabaka, 2004; Lodhia & Burritt, 2004; Reddy, 1998), Ports Authority of Fiji (PAF; Singh, 2002), and Public Rental Board.

Most of these studies have focused on reform implementation and its aftermath in public enterprises except for the research by Chand (1999—on Inland Revenue Department and Customs and Excise Department) and Nath (2000—on Housing Authority). These two authors have focused on performance management systems (PMS) in the public sector. Most studies have been broad based and have reviewed reforms on Fiji as a whole such as the work of Appana (2003). As Sharma and Lawrence (2002) claim, little attention has been paid to empirically support or condemn rationales for public sector reform in a particular setting, especially in a developing country context such as that of Fiji. As per Ferlie, Hartley, and Martin (2003), past research have particularly been UK-centric. This research is an attempt to fill these gaps as well as to answer calls for future multi-site studies, as suggested by Sharma and Hoque (2002).

In this article, public enterprises that sit at different levels of financial performance are examined. The Fiji Government, in its quest to improve the financial performance of government commercial companies (GCCs), instituted structural changes of commercialization and corporatization. This study provides evidence that such reform efforts have not resulted in better financial performance across all GCCs.

The GCCs have experienced reforms but their financial outcomes have been mixed. With seven GCC case studies, this research is more extensive than past studies and can thus lead to more concrete generalizations. In addition, given the reform related transformations currently underway in Fiji's public enterprises, studies such as these are not only timely but can also have policy/managerial implications. This is particularly important since, while progress on restructuring of public enterprises has been limited in recent years, Fiji is preparing several of these enterprises for greater private sector involvement and is also looking into corporatization of some government functions (ADB, 2011). This article can hence, provide practitioners—public managers, policy makers, as well as the donors with insights on what affects financial performance of public enterprises and areas that need improvement. In this regard, this article lists some recommendations in concluding remarks.

The performance of GCCs as assessed by the Fiji Government and the ADB particularly centers on economic and/or financial indicators without elaborate explanations on what causes differences in financial performance between individual public enterprises. This leaves the following question unanswered—why is it that some public enterprises fare well while others continue to underperform. To answer this very question, this study describes the over-time developments in the GCCs to identify the possible causal factors that can explain the difference in financial performance. To the best of the researcher's knowledge, this research is the first scholarly larger-scale, multiple-case study research on PERs in Fiji.

This research compares the financial performance of Fiji's corporatized public enterprises—the GCCs. A GCC is a wholly government-owned corporatized enterprise. It is generally financed through government equity and/or debt. The seven GCCs selected for this research are (1) AFL, (2) Post Fiji Limited (PFL), (3) Fiji Ports Corporation Limited (FPCL), (4) Unit Trust of Fiji (Management) Limited (UTOF), (5) Food Processors (Fiji) Limited (FPFL), (6) Fiji Hardwood Corporation Limited (FHCL), and

(7) Rewa Rice Limited (RRL). Using profits generated by individual GCCs and dividends paid by each GCC, these GCCs were separated into better and poor financial performers.

The earlier four (1, 2, 3, and 4) are better performers in that they are able to generate profits and pay dividends to the government. However, they have experienced fluctuations and/or declines in revenue, profits, and dividends over the years, which is why they are not labeled the best or excellent performers. Even then, these four are comparatively better in financial performance when compared to the latter three poor performers. The latter three (5, 6, and 7) are riddled with numerous problems, operate in losses or generate insignificant profits and have never been able to pay dividends to the government. The focus of this article is on the causal factors that can explain better and poor financial performance. Financial data alone is just hard quantitative data and cannot capture the reasons behind financial results (Lusthaus, Adrien, Anderson, Carden, & Montalvan, 2002); the more the reason to explore the factors that can explain the difference in the financial performance of GCCs. This article does acknowledge that an organization can be assessed on other types of performance. However, it is only interested in the causes of better and poor financial performance. Discussion on other types of performance is beyond the scope of this article.

## RESEARCH METHODOLOGY

This research used qualitative research methods to collect data which were gathered through in-depth face-to-face interviews and relevant primary and secondary data. Since this research is qualitative in nature, it used the nonprobability sampling of purposive sampling. "Qualitative researchers tend to use nonprobability or nonrandom samples" (Neuman, 2006, p. 220). This sampling began with a purpose in mind with specific predefined groups, the GCC styled public enterprises. In addition, this research used a subcategory of purposive sampling—the snowball sampling. Snowball sampling begins with identifying someone who can be included in the study and who can recommend the sample that may not be as readily accessible by the researchers on their own (Trochim, 2006). "It begins with one or a few people or cases and spreads out on the basis of links to the initial cases" (Neuman, 2006, p. 223). The researcher first interviewed a key senior official at the Ministry of Public Enterprises, Tourism and Communications (MPETC) who recommended names of key contact personnel at the selected GCCs.

Altogether, 30 in-depth interviews were conducted. To better understand the actual developments that had occurred and are occurring at the selected case studies, there was a need to: (1) go back to the seven selected GCCs where the reform related changes were conceived and instituted and (2) talk to individuals such as the senior managers, human resource managers, finance managers, long-serving lower-level employees, and where possible staff associations/unions. The rationale behind the selection of these interviewees is with respect to the amount of relevant data (given the interviewees positions' and experiences) that could be gathered on and around the research question. Because the CEOs were not long enough in their current jobs in these GCCs, they directed the interviews to their long-serving staff that were in a better position to provide the information sought. This combination of interviewees helped to extract factual information as perceived by those who are on the implementing side and those on the receiving end of the reform process.

A detailed description of the interviewees is withheld given political reasons and job security concerns. Fiji is currently under military rule and individuals particularly government employees are wary of information they release to any member of the public. During interviews, some interviewees even requested that they not be quoted directly. Assurance of anonymity encouraged the interviewees to agree to interviews and to speak more openly, without having the fear of being questioned later on their responses. For this reason, any information such as names and job positions that could have identified the interviewees was withheld. Before the actual interviews, it was made known to all interviewees that the purpose of the interview was for academic research and that their names will not be disclosed. For this reason, this article does not disclose names of interviewees and of individuals who were/are somehow involved in the reform process of the case studies for ethical reasons, to ensure anonymity and for employment security. This non-disclosure encouraged some interviewees to give out substantial information without having the fear of being questioned later on their responses. When interviewees know they will not be identified, they are more willing to reveal all sorts of information (McNeil & Chapman, 2005).

The GCC annual reports; corporate plans; and union, GCC and ministerial correspondences, memorandums, brochures, and magazines that were available were examined to formulate certain GCC-specific questions for interviews and to cross-check on interviewee responses. Cabinet decisions, ministerial speeches, legislation, and parliamentary reports were also sought. The secondary sources used were journal articles, textbooks, conference proceedings, theses and dissertations, newspapers, and the internet. Both the published as well as the unpublished sources were referred to.

For comparison across cases, the research used analytic comparison—a logic of comparison developed by a British philosopher and theorist John Stuart Mill (1806–1873), still widely used today (Neuman, 2006). Neuman (2006) gives details as follows. Using this qualitative data analysis, a researcher uses the method of agreement and method of differences to find out the causal factors that affect an outcome among a small set of cases discussed intensively. In the method of agreement, focus is on the common factors across cases. The method of differences identifies factors that are similar but differ in few crucial ways. It then pinpoints the set of cases which are similar in outcome as well as the causal features, and another set where cases have different outcome and causal features.

For validity, this research used the criteria for validity of qualitative research which involves credibility, transferability, dependability, and confirmability (Guba and Lincoln quoted in Trochim, 2006). The researcher assured credibility of this research by verifying interviewee responses. All statements were cross-referenced between interviewees' responses' and with documents such as previous research articles, company and ministry documents, published interviews in reputable magazines and newspaper articles. In terms of transferability, the results of this research were tested in other settings of public enterprises. Dependability emphasizes that the researcher account for the changes in the research context. This article is detailed in its description of the changes that have taken place in the case studies from the outset. Confirmability relates to the extent to which results can be confirmed by others. To enhance confirmability, the researcher checked and rechecked data obtained from the interviewees throughout the research.

The following section compares across the seven GCCs.

## PERFORMANCE BEFORE AND AFTER REFORMS

There is a need to compare the performance of the GCCs before reforms were implemented and after the implementation to note what effects reforms have brought about in such GCCs. This research showed that reforms in GCCs have not brought about improvements in all GCCs. There are GCCs that remain plagued or have even worsened in financial performance such as FPFL, FHCL, and RRL.

Even the better performers have faced fluctuations and/or declines in revenue, profits, and dividends in some years. AFL, FPCL, and UTOF are the better financial performers.

TABLE 1
Financial Ratios

| | *Asset utilization* | *Liabilities/total assets* | *Cash ratio* | *Average ROA FY2002–2009* |
|---|---|---|---|---|
| AFL | 27% | 28% | 1.23 | 1.20% |
| PFL | 94% | 57% | 0.43 | 2.10% |
| FPCL | 26% | 44% | 1.70 | 2.00% |
| UTOF | 128% | 40% | 0.26 | 3.60% |
| FPFL | 69% | 40% | 0 | 1.00% |
| FHCL | 9% | 15% | 0.20 | −1.30% |
| RRL | 29% | 365% | 1.50 | −12.60% |

Source: ADB (2011).

While they have seen fluctuations in their financial performance, they are currently doing well financially. PFL was a better financial performer since its inception, except in 2006. However, in recent years from 2009, PFL's performance has been disappointing.

The following section compares across the seven case study GCCs (see Table 1 and Figure 1).

Asset utilization ratio measures management effectiveness in using company's assets in daily operations. The higher the ratio, the better. FHCL's asset utilization ratio is the lowest at 9%. This means it earned just 9 cents for each dollar of asset held. The asset utilization ratio for FPFL, AFL, and RRL is also on the lower side at 26%, 27%, and 29%, respectively, while this ratio for FPFL is 69%. This means FPFL earned 69 cents for each dollar of asset held. PFL's and UTOF's asset utilization ratio is better than the rest at 94% and 128%. Out of all the GCCs mentioned, UTOF's asset utilization ratio is the best at 128%. This means it earned 1.28 cents for each dollar of asset held.

Liabilities/total assets ratio reflects at the proportion of a company's assets financed through debt. The higher the ratio, the higher the risk. AFL's liabilities/total assets ratio indicates that 28% of its assets is financed through debt, thus its risk is lower. FHCL's liabilities/total assets ratio is the lowest at 15%. This is because most of FHCL's borrowings are sourced from government or government-owned

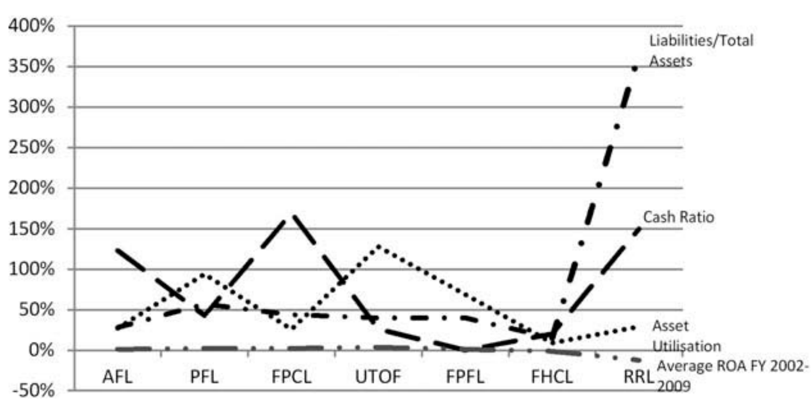


FIGURE 1 Financial ratios.

enterprises. UTOF's and FPFL's liabilities/total assets ratio is 40% which means that their assets are 40% funded by debts and 60% from own sources. FPCL's liabilities/total assets ratio is 44%, meaning FPCL's assets are 44% funded by debts. PFL's liabilities/total assets ratio indicates that 57% of its assets is financed through debt. A lower liabilities/total assets ratio reflects at a safer company but such companies miss out on investments and growth by being too safe. RRL's situation is very risky with the highest ratio among the GCCs, at 365%.

The cash ratio is a measure of company liquidity. The cash ratio of FPFL, FHCL, UTOF, and PFL is at the lower side below 1. While a cash ratio below 1 is not necessarily bad, holding large amounts of cash reflects poorly at asset utilization. RRL's, FPCL's, and AFL's cash ratio is above 1. FPCL's cash ratio is the highest at 1.70. It may be holding larger amounts of cash, reflecting poorly on asset utilization. While holding smaller amounts of cash may reflect at effective asset utilization, in FHCL's case its asset utilization is also poor.

Return on assets (ROA) indicates the efficiency of the management in using its company's assets in generating earnings. The higher the ROA, the better. RRL's ROA is the lowest at -12.6%. This means RRL lost 12.6 cents for each dollar invested in assets. Similarly, FHCL lost 1.3 cents for each dollar invested in assets while FPFL just earned 1 cent for each dollar it invested in assets. For FPFL, ROA is zero. AFL earned just 1.2 cents for each dollar it invested in its assets while PFL earned just 2.1 cents for each dollar invested in assets. FPCL earned 2 cents for each dollar invested in assets. UTOF's ROA is 3.6%. This means UTOF earned 3.6 cents for each dollar invested in assets, which is the highest among the case study GCCs.

According to Table 2 and Figure 2, the GCCs that continue to report profits are AFL (except in 2002), FPCL, UTOF (except in 2009), and PFL (except in 2006 and 2010). While FPFL is able to generate profits (except in 2001, 2002, and 2008), its profits are low and fluctuates. The GCCs that continue to report losses are RRL (except in 2008) and FHCL (except in 2008 and 2010).

TABLE 2
Net Profit After Tax (,000)

| *Year* | *AFL* | *PFL* | *FPCL* | *UTOF* | *FPFL* | *FHCL* | *RRL* |
|---|---|---|---|---|---|---|---|
| 1999 | 497 | 1281 | | 42 | 148 | −3982 | *na* |
| 2000 | 1989 | 936 | | 10 | 84 | −2938 | *na* |
| 2001 | 1851 | 1109 | | 139 | −37 | −2972 | *na* |
| 2002 | −641 | 1030 | | 156 | −23 | −1842 | *na* |
| 2003 | 548 | 1054 | | 74 | 46 | −3669 | −332 |
| 2004 | 2956 | 1270 | | 42 | 60 | −2354 | −576 |
| 2005 | 2562 | 914 | 1604 | 139 | 47 | −2065 | −69 |
| 2006 | 632 | −1749 | 4021 | 140 | 41 | −6792 | −56 |
| 2007 | 711 | 744 | 4042 | 230 | 112 | −25,860 | −106 |
| 2008 | 4585 | 368 | 1446 | 300 | −96 | 1171 | 1 |
| 2009 | 5762 | 870 | 9862 | −280 | 64 | −3001 | −53 |
| 2010 | 8759 | −795 | 5283 | 115 | 88 | 1634 | −90 |
| 2011 | 8750 | | | 149 | 40 | −164 | |

*FPCL was incorporated in mid-2004 and began operations in 2005.*
*The gray areas indicate that audits are underway. MPETC does not release unaudited figures.*
*na—not available at the time of research.*
Source: MPETC (2012).

Table 3 and Figure 3 show that revenue earned by AFL has fluctuated but increased from 2007. For PFL, revenue increased between 1999 and 2005 then continued to decline. For FPCL, revenue has fluctuated. UTOF shows increases in revenue between 1999 and 2007, declines till 2009 but an improvement in 2010. FPFL reports fluctuations between 1999 and 2003, increases between 2002 and 2006, then decreases till 2008 and increases thereafter. For FHCL, there are fluctuations with periods of improvement between 2002 and 2005. RRL has shown declines from 2003 to 2006 then reported an increase in 2007.

Sectoral performance can shed light on how the industry, within which the GCCs operate, performed in recent years. Ministry of Finance (2011) highlights the following on sectoral performance in terms of sectoral contribution toward gross domestic product (GDP). For FPFL and RRL, their sectoral performance (agriculture) declined between 2008 and 2010. For FHCL, its sectoral performance (forestry) declined in 2009 but improved in 2010. For AFL,

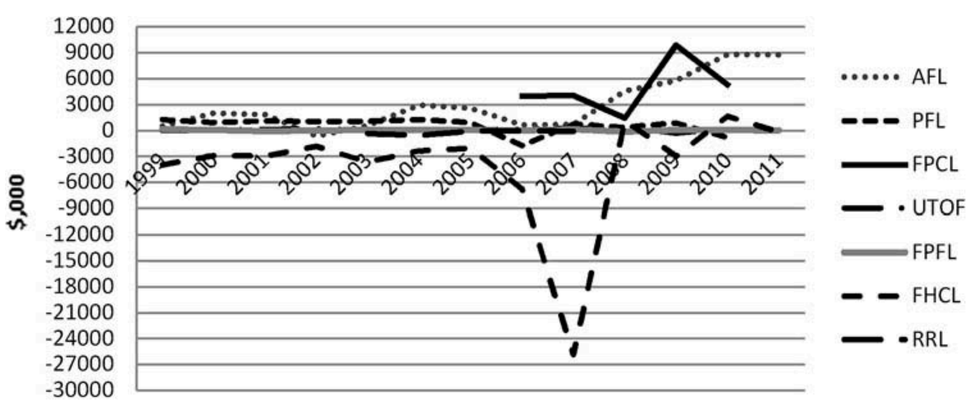


FIGURE 2 Net profit after tax (,000).

TABLE 3
Revenue (,000)

| Year | AFL | PFL | FPCL | UTOF | FPFL | FHCL | RRL |
|---|---|---|---|---|---|---|---|
| 1999 | 25,756 | 21,719 | | 249 | 1299 | 5 | na |
| 2000 | 33,887 | 22,567 | | 326 | 909 | 57 | na |
| 2001 | 34,698 | 26,691 | | 790 | 1182 | 13 | na |
| 2002 | 32,245 | 30,793 | | 794 | 1181 | 361 | na |
| 2003 | 35,945 | 31,772 | | 944 | 1355 | 3371 | 1623 |
| 2004 | 41,931 | 37,588 | | 1112 | 1806 | 6017 | 1099 |
| 2005 | 45,467 | 40,112 | Na | 1231 | 2426 | 14,445 | 751 |
| 2006 | 40,959 | 35,744 | 34,713 | 1398 | 2898 | 14,284 | 106 |
| 2007 | 39,658 | 33,219 | 37,640 | 1571 | 2468 | 13,433 | 748 |
| 2008 | 43,777 | 29,123 | 37,192 | 1546 | 2408 | 19,658 | na |
| 2009 | 45,604 | 29,055 | 48,665 | 1464 | 2681 | 15,903 | na |
| 2010 | 54,851 | 26,174 | 44,692 | 1638 | 4054 | 25,300 | na |
| 2011 | 60,100 | | | na | 4140 | na | |

*FPCL was incorporated in mid-2004 and began operations in 2005.*

*The gray areas indicate that audits are underway. MPETC does not release unaudited figures.*

*na—not available at the time of research.*

Source: MPETC (2012).

its sectoral performance (air transport) declined in 2009 but improved in 2010. For FPCL, its sectoral performance (supporting and auxiliary activities) increased in 2009 but declined in 2010. For PFL, its sectoral performance (post and telecommunications) increased in 2009 but declined in 2010. Sectoral performance of all these GCCs has fluctuated except for RRL and FPFL whose sectoral performance has declined in terms of GDP.

Table 4 and Figure 4 show that except for RRL, FHCL, and FPFL, the other GCCs—AFL, PFL, UTOF, and FPCL have paid some dividends to the government. AFL, FPCL, PFL, and UTOF are quite regular in their dividend payments. RRL and FHCL, given their negative profits in most years, have not been able to pay dividends while FPFL with its small profits sought waiver on dividend payments.

In terms of their profits after-tax and dividends paid to the government, the case study GCCs can be grouped into two categories. The better performing GCCs are those that are able to generate profits and pay dividends to the government. However, fluctuations and/or declines in revenue, profits, and dividends have been evident over the years, which is why these GCCs are not labeled the best or excellent performers. Even then, these GCCs are better in financial performance when compared with the poor performers. AFL, FPCL, and UTOF remain better financial performers. PFL was a better financial performer since its inception, except in 2006. However, in recent years from 2009, PFL's performance has been disappointing. The poor performing GCCs of FPFL, FHCL, and RRL are riddled with numerous problems. They

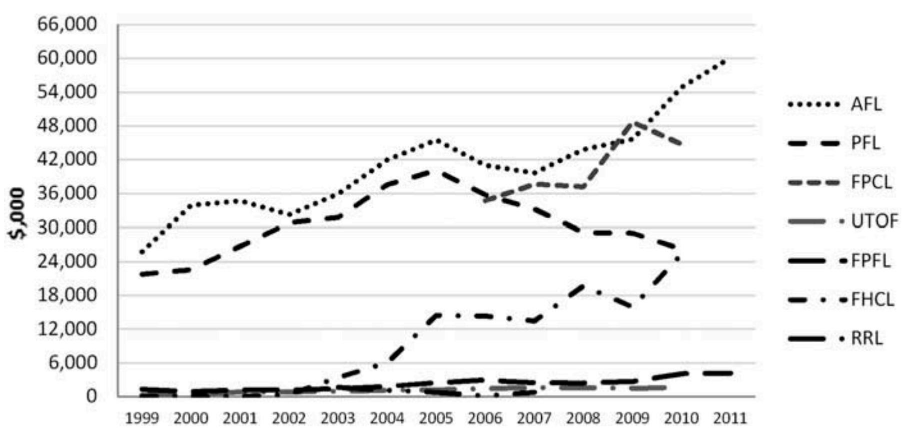


FIGURE 3 Revenue (,000).

TABLE 4
Dividends

| GCCs | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| AFL | $1,281,189 | $315,780 | $1,000,000 | $2,292,707 | $3,000,000 | $1,000,000 |
| PFL | $457,148 | na | $371,722 | $184,126 | $434,820 | na |
| RRL | | | | | | |
| UTOF | $65,500 | $69,800 | $114,827 | $118,189 | na | na |
| FHCL | | | | | | |
| FPCL | $1,609,352 | $2,010,746 | $2,021,041 | $875,983 | $1,758,465 | na |
| FPFL | | | | | | |

*na—not available at the time of research.*

Source: MPETC (2012).

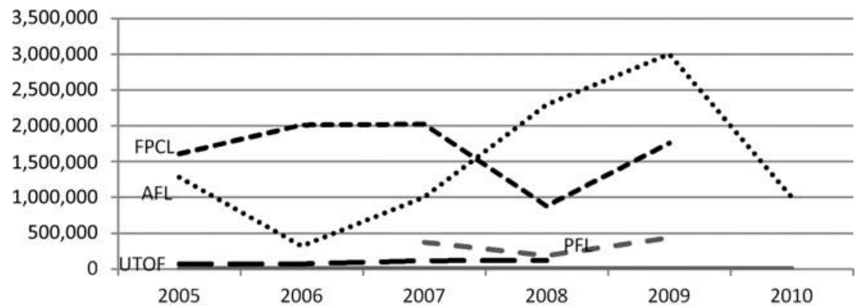


FIGURE 4 Dividends.



particularly operate in losses or generate insignificant profits and are not in a position to pay any dividends to the government.

## Airports Fiji Limited

### *Pre-reform performance*

AFL was declared a GCC on June 3, 1998. It was established as a result of the reorganization of the Civil Aviation Authority of Fiji (CAAF). As per Snell (2000), CAAF was generally seen as one of the most profitable public enterprise between 1979 and 1999. However, even when CAAF was operating profitably, there were anomalies such as the laidback, lax work habits where drinking of "grog" (national traditional drink made of powdered kava roots mixed in water) was a key regular event. In addition, there were no proper controls and no accountability. CAAF was not run like a business but was able to generate profits because of its monopoly status. This explains why, its ROA was just 5% against the expected 10% even when CAAF generated a profit (after interest and tax) of $5.8 million at that time.

### *Post-reform performance*

Since 1999 after corporatization, AFL continued to report profits except for the year 2002 given the higher salary expenses when redundant workers were brought back into the company. See Tables 2–4. Its revenue fluctuated until 2006 but has increased since. It has also regularly paid dividends to the government except for years 2000, 2002, and 2003. AFL loses some $3.3 million annually because of its loss-making domestic operations (Loanakadavu, 2003). In analyzing the ADB (2011) figures, AFL's asset utilization ratio and ROA is on the lower side indicating that management is not so effective in utilizing assets in daily operations. See Table 1. However, its liabilities/total assets ratio indicates lower risk. In this respect, it is the second safest GCC among the seven GCCs. Its cash ratio is slightly above 1. This may mean that it is holding larger amounts of cash that in turn affects asset utilization adversely. In the later years between 2008 and 2010, AFL has improved much in terms of revenue, profits, and dividends despite market pressures and difficult global economic conditions because of its careful planning, financial discipline, and improved utilization of existing assets. AFL has also been financially independent. For all its investments, it either ploughs back its profits and/or seeks funds from commercial banks on its own accord.

Factors that are conducive to AFL's better financial performance are: financial independence; qualified and experienced board members and top management; continuous focus on renovations, upgrades, and purchase of new equipment and technology; projects undertaken to further enhance efficiency and effectiveness; ongoing training to up-skill staff; and the implementation of redundancy schemes to control workforce size. AFL's monopoly status is also a key attribute.

Factors impeding AFL's financial performance are: political interference, ongoing tussle between the board, top management, and union/employees; hard to change work culture; loss-making domestic airstrips toward which the government only contributes by way of capital grants; and external factors such as global crisis, negative reporting on Fiji's political situation by overseas media, and unfavorable travel advise by Fiji's major trading partners. Such factors have adversely affected AFL's operations.

## Fiji Ports Corporation Limited

### *Pre-reform performance*

FPCL was formally known as PAF. According to *The Review* (1993a, p. 39), PAF was "a self-financing outfit since 1985." PAF was quite profitable since its inception until 1992. After this period, it started to struggle to make changes to meet its debt financing requirements following government's refusal to increase tariff (*The Review*, 1993b). Between 1992 and 1994, PAF began reporting losses. Between 1994 and 1997, it generated moderate operating profits. FPCL was established upon dual reforms in the port industry. During the first phase of reforms, PAF was split into two enterprises, Maritime and Ports Authority of Fiji (MPAF) and Ports Terminal Limited (PTL). However, even after this first phase of reform, there were irregularities that needed addressing as the port sector had continued with weak technical and financial performance even after this initial reform.

### *Post-reform performance*

The second reform saw the amalgamation of PTL and MPAF into one GCC, FPCL. While 2008 reported an increase in total foreign vessel calls, cargo carrying vessels, vessel numbers, and vessel tonnage, it also saw increases in operating expenses and exchange losses. Revenue and profits were highest in 2009 while dividend paid was highest in 2007. See Tables 2 and 3. In the past 2–3 years, FPCL made failed attempts for tariff increases. In 2009, however, an increase of 7.5% was accepted against the request of 15% increase. Revenue and profits have fluctuated since its inception. In analyzing the ADB (2011) figures, FPFL's asset utilization ratio is 69% but it is the third best among the seven GCCs in this ratio. ROA is on the lower side indicating that management is not so effective in utilizing assets in daily operations but it is again the third best among the GCCs in ROA. Its liabilities/total assets ratio indicates a lower risk at 44%. Its cash ratio is the highest amongst the seven GCCs which means it may be holding larger amounts of cash, affecting its asset utilization. Overall, FPCL has always managed to generate profits and is also financially independent. It only receives grants from the government for the social obligations met. A continuous focus on improving internal performance with strict controls on expenditure has led to considerable reduction in expenses. From the outset, FPCL has generated revenue and profits but these have fluctuated. However, it regularly pays dividends to government.

Factors conducive to FPCL's better financial performance are: financial independence since the days of PAF; qualified and experienced board members and top management; continuous focus on renovations, upgrades, and purchase of new equipment and machinery; projects undertaken to further enhance efficiency and effectiveness; ongoing training to up-skill staff; involving staff in company sports days and annual functions which strengthens worker–management relationship to some extent; including customers as well as ministries in company functions; implementation of redundancy schemes to control workforce size; and creating and maintaining relationships with relevant associations such as the Pacific Countries Ports Association, International Association of Ports and Harbours, International Cargo Handling Co-ordination Association, Association of Australian Ports and Marine Authorities, Fiji Business Councils, Fiji Employers Federation, and the Cruise Liner Task Force. PTL's monopoly status is also a key attribute.

Factors impeding FPCL's financial performance are: corruption at the highest level, political interference, ongoing tussle between the board and top management, global crisis, devaluation of Fiji dollar affecting exchange rates which in turn increase the overseas loan repayments. This GCC is able to generate profits and pay dividends to the government. However, if the mentioned impeding factors are addressed it will be able to perform even better.

## Post Fiji Limited

### *Pre-reform performance*

In its early days, Fiji's postal operation was a division of a government department—the Department of Posts and Telecommunications. Later in January 1990, this department was corporatized as Fiji Posts and Telecommunications Limited (FPTL). While the superior performance of Telecom was undenied as it was the better performing partner, contributing 92% to overall profits (Chaudhari, 1996), the independent profit making status of Post Fiji could also not be ignored. Post Fiji earned $680,000 profit in 1993, $691,000 in 1994, and $1.37 million in 1995 (Fiji Business, 1996, p. 23). Despite being paid little attention during the days of FPTL, Post Fiji was able to generate profits annually. It earned almost $1.2 million in profits before its split from Telecom in 1996 (*The Review*, 1997, p. 32).

### *Post-reform performance*

With diversification after the split from Telecom, PFL's profits jumped to approximately $2 million. Around 1999, PFL was one of the six profitable postal operations in the world (Chaudhari, 1999). From its inception, PFL was able to generate profits until 2009 except in 2006 and 2010. See Tables 2 and 3. Prior to 2006, PFL was able to perform particularly well given little competition but in the later years, competition affected its performance. PFL has reported increases in revenue until 2005 since its inception but has seen declines since then. In analyzing the ADB (2011) figures, PFL's asset utilization ratio and ROA is the second best among the seven GCCs. However, its liabilities/total assets ratio indicates higher risk at 57%. It has the second highest liabilities/total assets ratio among the seven GCCs. PFL's cash ratio is below 1. Holding smaller amounts of cash reflects at effective asset utilization. PFL has continued to report profits except in years 2006 (given the redundancy payout) and 2010. It has also regularly paid dividends to government except for the years it generated losses. Overall, the later years has seen declines in revenue and fluctuations in profits as well as dividends, raising concerns on PFL's financial performance. In recent years from 2009, its performance has been disappointing but it has been financially independent. It only receives grants for the social obligations met.

Factors conducive to PFL's better financial performance are: foresight and a proactive approach in the earlier days of corporatization, diversification of products and services, counter queue management, marketing, enhancement of the corporate look by making changes to the interior as well as the exterior of post offices, sponsorships, financial independence, seeking compensation on social obligations met, training and encouraging further education to up-skill staff, allowing employee teams to engage in competitions and implementing their suggested recommendations, building and maintaining external alliances with organizations such as the Universal Postal Union, and continuous investments in relevant technology. The final attribute needs to be further strengthened. The above-mentioned attributes had placed PFL amongst the better performing GCCs for some time. At one time, PFL was noted as one of the six successful postal operations in the world (Chaudhari, 1999).

Factors impeding PFL's financial performance are: corrupt activities of the former top management and board chairman, increased competition given the rapidly changing technological environment, hard to change work culture, and a powerful board which the top management might find restrictive. These factors have led to declining profits and dividends, and the inability to remodel business in line with the current technological changes. Changes are being made but lack speed.

## Unit Trust of Fiji (Management) Limited

### *Pre-reform performance*

According to a UTOF interviewee, in the earlier years, UTOF was not doing too well until 2000 which led the government to decide on the closure or privatization of it. He explains as follows. At that time, UTOF was a small company. The size of its portfolio, amount of dividends, and the number of unit holders were considered too low for operations, deemed unviable for the government. It was then when the former GM came in and turned UTOF around from a $15 million portfolio to about $90 million by 2008. With respect to the government's earlier surprise announcement of selling off UTOF, government later decided against it. The former GM held parliamentary discussions and made ministerial presentations. He advised the ministers that there will be a turnaround and requested that the company not be divested.

### *Post-reform performance*

Unlike AFL, PFL, and FPCL, reforms at UTOF have not been carried out in defined stages or steps. Instead, reforms have been implemented as a number of changes over the years for the better. Such positive changes are in the areas of staff training, new investments, increased investments, marketing, nationwide accessibility, and computerization. UTOF's total funds grew from an initial government investment of 500,000 to $72.2 million in 2010 (UTOF, 2011). Over the years, UTOF liquidated and paid up this financial involvement of government, reducing government's investment to an even smaller $50,000. UTOF's total fund was highest in 2006 at $94.4 million. Overall, its total managed funds increased between 1987 and 1998, declined in 1999, increased between 2000 and 2006, and then declined in 2007 (UTOF, 1996, 1997, 2000, 2001, 2002, 2004, 2008, 2011). Number of unit holders grew between 1987 and 1991, declined in 1992, and then increased between 1993 and 2007. In analyzing the ADB (2011) figures, UTOF's asset utilization ratio and ROA are the best among the seven GCCs. Its liabilities/total assets ratio also indicates lower risk at 40%. Its cash ratio is below 1 and holding smaller amounts of cash has a positive effect on asset utilization. UTOF's profit was only negative in 2009 and highest in 2008. See Table 2. Profits have improved in 2010 and 2011. Revenue has been the highest in 2010. See Table 3. UTOF is also a financially independent GCC. It is able to generate profits and pay dividends. Given its small non-unionized qualified and experienced workforce, culture change is not that big an issue when compared to AFL, PFL, and FPCL.

Factors conducive to UTOF's better financial performance are: strong leadership; qualified and experienced top management; meaningful training and up-skilling of staff; portfolio diversification; consideration of competition; effective marketing which appeals to target market; continued growth; effective strategies; strong cost management; risk management; computerization; quick and easy methods of purchase and redemption for customers; and Fiji-wide investment made possible through Post Office and Fiji Development Bank (FDB) branches.

While UTOF is a better performer, its Momi Bay project disaster cannot be ignored. In this project, UTOF, FDB, and Fiji National Provident Fund (FNPF) were cheated by the developer Matapo Limited, a Bridgecorp-related company. At the end of this fiasco, UTOF faces a $12 million debt, topped up by interest costs. It is claimed that proper due diligence was not done and that there were early warning signals of the project going under but these were ignored. However, UTOF is working toward minimizing the loss incurred from this project. It is holding talks with FNPF, asking it to take over its $13.5 million (NZ$10.14 million) interest in this project. Its liability is lower than the other investors since UTOF is never the leading partner in any project. The future will be more telling on whether UTOF was able to minimize this loss and by how much.

## Food Processors (Fiji) Limited

### *Pre-reform performance*

Since 1984, FPFL operated under a joint venture partnership between Burns Philp (South Sea) Company Limited and National Marketing Authority (NMA) (Keith-Reid, 1984). FPFL began operations after Burns Philp decided to enter into food processing. NMA was later renamed National Trading Corporation (NATCO). By 1986, FPFL was the biggest canned foods operation in Fiji. However, ever since the takeover of the defunct assets of Castle Trading Limited, FPFL was plagued with high costs. In 1992, FPFL was made a subsidiary of NATCO (Appana, 2003). FPFL survived as the only subsidiary of NATCO. In July 2003, FPFL was declared a GCC when NATCO was liquidated. It was reformed because its parent company could no longer sustain itself as its debts increased. Without a change in direction, NATCO could have taken down all its subsidiaries with it.

### *Post-reform performance*

FPFL's financial performance has seen much fluctuation in revenue and profits over the years. See Table 3. Total revenue fluctuated between 1998 and 2003, increased between 2003 and 2006, then decreased in 2007 and 2008 but increased much between 2009 and 2011. FPFL has also been focusing a lot more on its major products that contribute to high profits. As for profits, FPFL reported losses in 2001, 2002, and 2008. See Table 2. Profits fluctuated between 1998 and 2000, and then turned negative and fluctuated thereafter. Profit was at its highest in 1999 followed by 2007 and lowest in 2008. In analyzing the ADB (2011) figures, FPFL's asset utilization ratio is low but it is third best among the seven GCCs. Its liabilities/total assets ratio indicates lower risk at 40%. Its ROA is low but better than the two other poor performers, FHCL and RRL. FPFL is, however, able to generate small profits but it is in no position to pay dividends to the government. It has requested and has been granted a waiver on dividend payment for a few years.

Factors impeding FPFL's financial performance are: changing the mindset of all its employees toward commercial operations, financial dependence on the government, no compensation for social obligations met, raw material dependence on rural farmers, supply shortages, high unmet customer demand, farmers dishonoring contracts, the inability to take to task farmers who ignore contractual agreements, high cost of produce if sourced from outer islands, the inability to purchase from whoever can supply, lack of proper equipment and machinery, old buildings, limited processing space, lack of effective marketing, lack of skilled and experienced personnel given financial constraints, and the rising cost of other raw materials such as cans.

FPFL's key strength lies in some of its products that are high in demand. For instance, Pacific Crown Tomato Sauce is a market leader. The high demand of some of its products in overseas markets also shows much potential in export earnings but supply related problems makes it difficult to meet demand. There are little improvements such as small profits generated in some years but the mentioned persistent problems overshadow such small "wins."

## Fiji Hardwood Corporation Limited

### *Pre-reform performance*

The Ministry of Forests was responsible for the development and maintenance of the mahogany plantations between the 1960s and 1997 (MPETC, 2012). In the 1980s and 1990s, government realized that it was not good in commercial business. It then decided to reform its public enterprises.

Accordingly in 1996, a study was carried out to ascertain the viability of establishing a hardwood plantation corporation based on the successful transition of the softwood plantations into Fiji Pine Limited. The study recommended corporatization (Food and Agriculture Organisation, 2002).

### *Post-reform performance*

In March 1998, FHCL was established as a GCC to administer the commercialization of the mahogany resource. From its inception until 2003, FHCL remained dependent on government funding. It has been a disappointing performer as it has not shown any progress since its inception in 1998 until 2007 (MPETC, 2009). The year 2003 history repeated itself in 2006. In 2006, FHCL was again technically insolvent. Returns did not flow in as expected. FHCL has reported fluctuating losses, losses being the highest in 2007. See Table 2. It only reported profits twice in the years 2008 and 2010. The year 2008 marked the first year of profits for FHCL. Credit for these positive changes goes to the Administrator and the then appointed Sri Lankan Financial Manager. The two worked closely to identify loopholes and put in place financial controls. They introduced internal restructure and identified targets. As on January 31, 2011, debts of FHCL totaled about $26 million. Out of this, about $16.8 million is guaranteed by government (Nasiko, 2011). FHCL is also behind in its repayments to FNPF.

Because FHCL is about 80–90% export based even when it is yet to fully develop its export market, global crisis also has a significant adverse impact on it. In analyzing the ADB (2011) figures, FHCL's asset utilization ratio is extremely poor at 9%. It is the lowest among the seven GCCs. Its ROA also runs negative and is the second lowest among the seven GCCs.

Its liabilities/total assets ratio is lowest among the seven GCCs since most of its borrowings are sourced from government or government-owned enterprises. Its cash ratio is below 1 and is the second lowest among the seven GCCs. While holding smaller amounts of cash may reflect at effective asset utilization, in FHCL's case its asset utilization is also poor. FHCL is also the most controversial of all GCCs. Marred with landowner and political interference and the 2000 coup after-effects; FHCL was never entirely left on its own to function commercially from the outset. It was never really given a commercial environment to work in. This explains the departure of a number of CEOs who left out of frustration because the enterprise does not have sufficient control over its activities. Every now and then, management has had to consult and seek approvals from the key stakeholder—the landowners and this has never been easy. So far, the government has not received any dividend from FHCL. FHCL remains dependent on government funding and/or guarantees.

Factors impeding FHCL's financial performance include: the tussle between the mahogany landowners and the government and their interferences in FHCL's operations, the politicization of the industry with frequent changes in the government and the resulting changes in policies which have not helped the enterprise to progress, financial dependence on the government; resource dependence on landowners; issues of pests, diseases, and land insecurity; sensitivity to political and economical situation which gives investors a negative image of the industry; changing the mindset of FHCL employees toward commercial operations; and lack of adequate skills, experience, and resource for value-adding processes.

Factors conducive to FHCL's financial performance are: the lucrative resource of mahogany and the latest proposed set up which appears hopeful and may address some of the problems. Under the new set up, the role of FHCL will be confined to a forest manager—it will only be engaged in the planting and maintenance of plantations until maturity. The planting and maintenance functions will be contracted out to the landowners. The industry will operate under a new licensing regime whereby the processing and marketing aspects of the industry will be handled by new licensers who would be forestry experts in plantations. A number of stakeholders, including FHCL have expressed their reluctance toward the new set up, however, the future will be more telling on the effectiveness of this new direction and policy change.

## Rewa Rice Limited

### *Pre-reform performance*

RRL was established when the Colonial Sugar Refinery (CSR) Company Limited ceased its operations in Nausori. In its early days between the 1970s and early 1980s, the rice industry had people, power, and money to invest into infrastructure. A RRL Interviewee explains as follows. For instance in 1975, Fiji's first retail packing machine was put in place when RRL installed a new rice processing machinery. Subsequently in 1980, RRL made further progress. To expand its operations in the northern division (Vanua Levu), RRL set up a modern rice drying and processing mill in Dreketi. Through the establishment of the mill, RRL offered the much needed assistance to farmers of the rice growing belt. Farmers could use the facilities of RRL and in return sell their paddy to it to sustain themselves. RRL continued with a comprehensive expansion and modernization program a decade later. This involved the construction of a new building, the installation of a fully computerized receiving and weighing machinery with 16 tempering dryers, installation of two new dust extractors, construction of storage silos with a capacity of handling 4000 tonnes of rice (RRL Background Notes), installation of conveyor belts, and the replacement of oil-fired driers (*The Review*, 2002, p. 27). Such changes not only created a cleaner and better work environment but also allowed for speed and efficiency. The 1993 deregulation of the industry brought with it problems of competition. The end result of deregulation was dismal. According to the chairperson, "there [was] hardly any local rice to be milled" (Singh, 1998, p. 26).

### *Post-reform performance*

As the status of RRL changed to that of a GCC, it changed directions for its survival. In 1997, RRL decided to do what the bigger companies did. It began offering other products but to different target markets. RRL has seen more downs than ups in the past three decades (*The Review*, 2002). It is one of the "least productive entities" of the government (*The Review*, 2004a, p. 2). *The Review* (2002, p. 27) reports that from after the 1980s era, RRL has been plagued with declining rice production, almost forcing it into stagnation. *The Review* (2004b) highlights that from 1999 until 2003, RRL only reported profits of \$2.41 million and \$121,399 in 1999 and 2001, respectively. The high profit of 1999 is attributed to the rice quota system introduced by the then reigning regime, the People's Coalition Government. In July 2008, RRL requested government to write off its \$6 million debt. Because of this \$6 million debt, RRL is unable to secure loans from lending institutions. \$4.6 million of the said amount was converted to a grant with a tax levy of \$500,000 but RRL is in no position to pay this levy. It has to pay the tax liability of \$500,000. To this end, it has been requested to submit a schedule for payment installments to the Inland Revenue Department. RRL's revenue declined between 2003 and 2006 but improved in 2007. See Tables 2 and 3. Between 2003 and 2010, it continuously reported losses except for the small profit generated in 2008. In analyzing the ADB (2011) figures, RRL's asset utilization ratio, while poor at 29% is the fourth best among the seven GCCs. Its ROA runs negative and is the lowest among the seven GCCs. Its liabilities/total assets ratio is the highest among the seven GCCs, reflecting at high risk. Its cash ratio is above 1 and is the second highest. The overall performance of RRL has seen some improvements in the areas of liquidity position, asset management, and profitability. However, return on shareholders' funds remains negative as RRL awaits a restructure to its balance sheet by the government.

Factors conducive to RRL's financial performance are: RRL's brown rice product which is a healthier and more nutritious alternative than the tastier, popular, and cheaper competing product of imported white rice. RRL can tap into the health conscious market. The support and interest of the current government and the RRL board is also worth noting.

Factors impeding RRL's better financial performance are: short supplies; farmers ignoring contracts; the inability to take to task farmers who renege on contracts; past debt and the related tax liability; competition from the popular, tastier, and cheaper substitute of imported white rice; lack of mechanization; costly upgrades of infrastructure; poor marketing; and subsidy included in paddy price but not compensated by the government. These factors continue to plague the rice industry.

Overall, this research showed that reforms in GCCs have not brought about improvements in all GCCs. There are GCCs that remain plagued or have even worsened in financial performance such as FPFL, FHCL, and RRL. Even the better performers have faced fluctuations and/or declines in revenue, profits, and dividends in some years. AFL, FPCL, and UTOF are the better financial performers. While they have seen fluctuations in their financial performance, they are currently doing well financially. PFL was a better financial performer since its inception, except in 2006. However, in recent years from 2009, PFL's performance has been disappointing.

Table 5 highlights the factors affecting the financial performance of the GCCs.

Table 5 shows the presence and absence of factors in the better and poor performers. Some of the factors which are conducive for better performers are actually impeding factors for the poor performers. The following are examples of such factors. While financial independence is a conducive factor for the better performers, financial dependence is an impeding factor for the poor performers. The other factors of the ability to generate profits and the ability to invest into capital projects, upgrades, or investments into relevant technology, equipment, and machinery are conducive factors for

TABLE 5
Factors Affecting Financial Performance

| *Causal factors* | *Present in better performers* | *Present in poor performers* |
|---|---|---|
| Financial independence | Yes | No |
| Ability to generate profits | Yes | No |
| Ability to invest into capital projects | Yes | No |
| Fulfilled social obligations compensated by the government | Yes but AFL is not fully compensated | No |
| Upgrades or investments into relevant technology, equipment, and machinery | Yes | No |
| Continuous engagement in projects to further enhance company performance | Yes | Some efforts made but constrained by fund unavailability |
| Qualified and experienced board, top management, and employees | Yes | Yes mainly, but FPFL mentioned some budget constraints in recruiting certain qualified personnel |
| Ongoing training and further education of employees | Yes | Yes |
| Effective approach of leaders in learning from past mistakes and rectifying problems and workable future plans | Yes | No, evidence of some failed projects and unworkable future plans |
| Cooperation from the suppliers or owners of resources | Generally NA. AFL was a little affected at one time but the issue was resolved | No. This is a major issue |
| Diversification and/or expansion of operations | Yes | Not much effort, slow efforts, or failed efforts |
| Seeking outside professional assistance when needed | Yes | Some effort |
| Memberships in relevant associations | Yes | Not much effort |
| Conducting feasibility studies | Yes | Some effort |
| Pro-active approach toward marketing | Yes | Not much effort, slow efforts, or failed efforts |
| Competition | Yes apart from AFL (except in air space management) and FPCL | Yes but FHCL has monopoly over the mahogany resource |
| Difficult to inculcate commercial culture | Yes | Yes |
| Corruption | Yes | At FHCL |
| Strained board–management and management–union relationships | Yes | Yes |
| Political involvement (support-conducive; interference-impeding) and changes in government and in its polices | Yes | Yes |
| Negative reporting overseas about Fiji by its trading partners and overseas media | Yes | Yes |
| Natural disasters | Except UTOF, PFL | Yes |
| Pests and diseases | NA | Yes |
| Adverse effects of global recession, deregulation, and devaluation | Yes | Yes |
| Exchange rates adversely affecting overseas loan repayments | Yes | NA |

the better performers. For the poor performers, their inability to generate profits and being constrained in the areas of investments into capital projects, upgrades, or investments into relevant technology, equipment, and machinery are impeding factors. However, not all conducive factors are absent in poor performers. An example here is ongoing training and further education of employees—a conducive factor common across case studies.

The poor performers FPFL, FHCL, and RRL are clearly dependent on their key resource providers or landowners such as fresh produce suppliers (FPFL), paddy suppliers (RRL), and mahogany landowners (FHCL). The better performers such as AFL, PFL, FPCL, and UTOF have no such dependence and are not constrained in this area. At one time AFL was a little affected during its restructuring phase when the landowners on whose land the airports were built, demanded the return of their land. In May 1999 when the then cabinet granted 15% equity in AFL to the landowning unit, the issue was resolved (Singh, 2002).

## MAJOR FINDINGS

Overall, there are similar key attributes that have made AFL, PFL, FPCL, and UTOF better performers. Such attributes are: qualified and experienced board, top management and employees; strong focus on ongoing training and further education; proactive approach of leaders who not only learn from past mistakes but also try to rectify problems; financial independence; diversifying and/or expanding operations; conducting of feasibility studies; seeking outside professional assistance when needed; memberships in relevant associations; effective marketing (particularly at PFL and UTOF); upgrading or investing into relevant technology, equipment, and machinery; continuously engaging in projects to further enhance performance; and being compensated for social obligations met (PFL and FPCL). These four GCCs are amongst the better performers. At one time, PFL was one of the six profitable postal operations in the world. FPCL has ports comparable to Australia and New Zealand. UTOF is said to have shown remarkable growth over the years with 57% market share. In its earlier days, AFL was generally seen as one of the most profitable public enterprise between 1979 and 1999. In addition, AFL's technological achievement of being the first in the world to implement the Global Positioning System (GPS) gave it the cutting edge in global aviation technology.

However, these better performers are not without problems. They have had problems of corrupt former top management/board members (PFL, FPCL), strained board–management relationships (AFL, FPCL, PFL), and management–union relationships (AFL, FPCL), political interferences (all four), hard to change work culture (all four), adverse effects of global recession (all four), and risky projects (AFL, UTOF) leading to losses. Such negative attributes have been overshadowed, to a certain extent by the positive attributes which have helped these GCCs to continue to generate revenue and profits.

On the whole, while AFL, FPCL, PFL, and UTOF are labeled better performers since they are able to generate profits and pay dividends, all of them have their own problematic issues which have affected their financial performance, leading to declines or fluctuations in profits and dividends paid over the years. Addressing the mentioned impeding factors can make them consistent better performers or help them to improve even further.

The poor performers of FPFL, FHCL, and RRL remain riddled with numerous problems. They operate in losses or generate insignificant profits and are not in a position to pay dividends to the government. The description of events over the years at FPFL, FHCL, and RRL reflect at a number of issues that continue to plague them. These issues are: heavy dependence on the most powerful stakeholders—the suppliers or owners of resources from whom cooperation is continuously sought but without much luck; dependence on natural resources which are susceptible to natural disasters and pests; financial dependence on the government; no compensation on fulfilled social objectives (FPFL, RRL); obsolete machinery, equipment, technology, and buildings which are in dire need of upgrades; the need for extensive and creative marketing; and lack of forethought on diversification. These enterprises are also adversely affected by external factors such as deregulation of the industry (FPFL), lower import duties on substitutes (RRL), rising prices of raw materials (FPFL), global crisis and its adverse effect on the economy, and price sensitive customers who prefer cheaper substitutes (RRL). While they are required to operate like a private sector firm, they are also required to fulfill social obligation objectives which no private sector firm will venture into. These GCCs are neither relieved off their social obligations nor adequately compensated. For instance, RRL includes subsidy in its price for paddy to farmers to encourage continuous supply but this subsidy is not compensated by the government. The above attributes lead to little to no improvement in their financial performance, at times even leading to worsened situations. This feedback loop continues with bad situations getting worse. However, little improvements such as small profits have been generated in some years but the mentioned persistent problems overshadow such small "wins." These three GCCs are not profitable operations and in no position to pay dividends to the government.

There are also some similarities between the better and poor performers. These similarities are particularly in the areas of: emphasis on ongoing training and further education; political involvement; changes in government and its polices; strained board–management and management–union relationships; corruption; difficulty in inculcating commercial culture; negative reporting overseas about Fiji by its trading partners and overseas media; and the adverse effects of global recession, deregulation, and devaluation. Out of these factors, the first factor—ongoing training and further education is a conducive factor. Political involvement and changes in government policies can be both conducive and impeding. For instance, political involvement can be positive if it is political support but it can also be negative if it is political interference in day-to-day operations which management can find restrictive. Likewise, changes in government policies can be conducive if it helps the public enterprise to proceed with positive changes. It can become negative if it requires the enterprise to reverse what was done earlier. Good examples are the reform roll back instructions by the Labour Government. Such reversals and frequent changes in policies can be costly for public enterprises. The remaining factors of strained board–management and management–union relationships; corruption; difficulty in inculcating commercial culture; negative reporting overseas about Fiji by its trading partners and overseas media; and the adverse effects of global recession, deregulation, and devaluation are impeding factors.

The above causal factors can be grouped into six categories as shown in Table 6.

While a common argument explaining the better financial performance can be the monopoly status of GCCs such as AFL and FPCL, what is also true is that their monopoly status did not prevent the drop in profits experienced in certain years given the global crisis, coups in Fiji, coup related negative publicity of Fiji overseas, and the devaluation of Fiji dollar which increased the repayments of loans borrowed from overseas.

AFL and FPCL are regulated monopolies which cannot increase tariffs or charges without government approval. In AFL's case, its only profit making airport is the international airport, the remaining domestic airstrips run in losses. Under government directive, they have to operate the smaller domestic airstrips; however, AFL is not adequately compensated for this social obligation. Then there is the case of FHCL which also holds a monopoly over a very lucrative resource of mahogany but is the worst financial performer. Thus, monopoly status should not be seen as the key or only factor causing differences in financial performance of public enterprises since it alone does not explain what can give rise to differences in financial performance.

## CONCLUDING REMARKS

The key finding of this research is that there is no single factor that can lead to better or poor financial performance of public enterprises. There are a number of factors which can either enhance or impede financial performance. Also, while a combination of factors, which include both the financial as well as the non-financial factors affect financial performance of GCCs, two factors are the most important. These factors are financial independence and stakeholder relationship since most of the other factors can be connected to these two. For example with financial independence, an enterprise will be able to invest in capital projects, upgrade infrastructure and technology, spend on essential training schemes and marketing, and recruit and retain the needed qualified individuals. Stakeholder relationship involves relationship within the enterprise between board, management, employees, and union as well as relationship with the government and suppliers. Most of the impeding factors except for the beyond control external factors (such as adverse effects of exchange rates, negative reporting on Fiji overseas, and natural disasters) can be addressed if the two factors of financial independence and stakeholder relationship are given priority.

The article makes specific recommendations as follows based on the findings.

First, monitoring and auditing of the GCCs and their boards should be increased. Agent opportunism such as corruption cases at PFL, FPCL, FHCL, and UTOF's Momi Bay Marriott resort project disaster cannot be totally prevented.

TABLE 6
Independent Factors that Affect Financial Performance of GCCs

| | |
|---|---|
| **Financial factors** | Financial independence; ability to generate profits, ability to invest into capital projects, being compensated for fulfilled social obligations |
| **Technological/infrastructure improvement** | Upgrades or investments into relevant technology, equipment, and machinery; continuous engagement in projects to further enhance company performance and proper handling of such projects |
| **Qualification/experience/capability** | Qualified and experienced board, top management, and employees; corruption issues and how these are dealt with; effective approach of leaders in learning from past mistakes and rectifying problems; and workable future plans |
| **Relationship between stakeholders** | Board–management and management–union relationships, cooperation from powerful stakeholders—the suppliers or owners of resources |
| **Commercial culture** | Commercial culture inculcation, ongoing training, and further education; diversification and/or expansion of operations; seeking outside professional assistance when needed; memberships in relevant associations; conducting feasibility studies and pro-active approach toward marketing |
| **Political involvement** | Political support, political interference, changes in government and its polices, social obligation compensation by government, and negative reporting overseas about Fiji by its trading partners and overseas media |
| **External factors** | Competition, natural disasters, pests, and diseases; and adverse effects of global recession, deregulation, devaluation, and exchange rates increasing overseas loan repayments |

However, such opportunist activities can be detected through proper oversight and independent audits. The related policy should be clear on penalty the accused can suffer from when proven guilty.

Second, the government should look into compensating FPFL and RRL for social obligations met, the way it compensates GCCs like PFL and FPCL. In this respect, a report should be prepared by FPFL and RRL on how much the compensation should be from the time they have not been compensated. The report should also include the impact of non-compensation on profits.

Third, the contract between RRL, FPFL, and their suppliers should be relooked at. Contracts should indicate the penalty on reneging contracts and farmers should be properly educated on the same. In its current form, the contract is just a piece of paper which offers no guarantee on consistent supply of agreed quantity and quality at agreed times. The weakness in the existing contract allows the farmers the liberty to ignore contractual agreements with RRL and FPFL when they are able to sell their produce/rice at better prices to the markets or supermarkets.

Fourth, corporate culture should be given specific attention as well as time. Most GCCs complain about the laid-back work culture despite being exposed to continuous training programs. The focus on corporate culture change is required because the previous work culture persists despite continuous training sessions and further education. While there have been some improvements in productivity, the public service culture continues. There is a need for the employees to realize what their role is in a commercialized enterprise. Training sessions should also include sessions that are mindset-oriented rather than just task-oriented to change the worker from within.

Fifth, enhance the management–union relationship. GCCs should be involved in the change or reform process as a partner with the government from the very start of the reform process. In turn, in each GCC, the employees and unions should be partnered with from the start. Such an action by GCCs can demonstrate to the union and employees, their willingness to work as a team which in turn can reduce resistance, and increase motivation and receptiveness to change as well as enhance performance.

Sixth, enhance the board–management relationship. In some GCCs such as FPCL, the heavy involvement of the board in day-to-day operations leads to management feeling restricted, controlled, or even powerless. In such an instance, it is important for both parties to understand one another. For example, management needs to understand why boards are acting so stringently. The boards may be treading cautiously because they will be held accountable for ineffective decisions. In turn, the boards also need to be aware that creativity, innovation, as well as motivation will suffer in strained relationships.

Seventh, while it is suggested that government assist the poor performers, such GCCs should be mindful of their autonomous enterprise status. They should look into marketing much more seriously. They can engage a creative and qualified consultant to carry out an assessment of their operations for marketing suggestions.

For FHCL, a wait and watch approach is needed to observe and analyze how the new policy will fare for the mahogany industry. From what has been described earlier, it appears that the landowners will benefit much compared to current benefits. However, the future will reveal how effective or ineffective the change in policy will be.

## REFERENCES


Anere, R. (2009, May 5). Making PNG's state owned enterprising successful. Commentary. Pacific islands report. *PNG Post-Courier*. Retrieved from http://archives.pireport.org/archive/2009/May/05-15-cm.htm

Appana, S. (2003). New public management and public enterprise restructuring in Fiji. *Fijian Studies: A Journal of Contemporary Fiji*, *1*(1), 51–73.

Asian Development Bank (ADB). (2011). *Finding balance: Benchmarking the performance of state-owned enterprises work in Fiji, Marshall Islands, Samoa, Solomons and Tonga*. Manila, Philippines: ADB.

Bissessar, A. M. (2010). An institutional review of planning budgeting and monitoring in the Caribbean: Challenges of transformation. *The International Journal of Public Sector Management*, *23*(1), 22–37.

Brinkerhoff, D. W. (2008, November–December). The state and international development management: Shifting tides, changing boundaries, and future directions. *Public Administration Review*, 985–1001.

Caspary, G. (2008). Tackling opposition to implementing fiscal reform in developing countries: The case of the infrastructure and natural resources sectors. *International Journal of Emerging Markets*, *3*(1), 87–103.

Chand, K. (1999). *Performance management in the public sector in Fiji: Implications of leadership, culture and competency on the performance of public sector organisations* (Unpublished Master of Arts thesis). Department of Management and Public Administration, The University of the South Pacific, Suva.

Chandra, A., Jayaraman, T. K., & Waqabaka, F. (2004). Reforms in banking supervision in Fiji: A review of progress. *Pacific Economic Bulletin*, *19*, 102–114.

Chang, H. (2007). *State owned enterprise reform. Policy notes 4*. New York, NY: Department of Economics and Social Affairs, United Nations.

Chaudhari, A. (1996, July). Posting a new challenge. *The Review*, 131–133.

Chaudhari, A. (1999, December 16). Setting the pace: Post Fiji upgrade includes internet coffee shop. *The Review*.

Chittoo, H. B., Ramphul, N., & Nowbutsing, B. (2009). Globalisation and public sector reforms in a developing country. *Culture Mandala: Bulletin of the Centre for East-West Cultural & Economic Studies*, *8*(2), 30–51.

Ferlie, E., Hartley, J., & Martin, S. J. (2003). Changing public service organisations: Current perspectives and future prospects. *British Journal of Management*, *14*(S1), 1–14. doi:10.1111/j.1467-8551.2003.00389.x

Fiji Business. (1996, July). The separation that has given post a new start. *Fiji Business*, 23–24.

Food and Agriculture Organisation (FAO). (2002). Hardwood programmes in Fiji, Solomon Islands, and Papua New Guinea by D. Hammond. Forest Plantations Working Paper 21. Forest Resources Development Service, Forest Resources Division. Retrieved from http://www.fao.org/docrep/005/Y7207E/y7207e06.htm

Hughes, O. E. (2012). *Public management and administration: An introduction* (4th ed.). Basingstoke, England: Palgrave Macmillan.

Keith-Reid, R. (1984, December). Food processing: Putting food in cans. *Island Business*, 5.

Kumar, K. G. (2010). State owned enterprises: Contribution to socio economic milieu. Retrieved from www.riab.kerala.gov.in/soekerala-docs/drkopakumar.pdf

Kumari, D. D. (2007). *Examination of the proposed restructuring in Fiji's sugar industry* (Unpublished Master of Arts thesis). School of Management & Economics, The University of the South Pacific, Suva.

Lal, P., & Rita, R. (2005). Potential impacts of EU sugar reform on the Fiji sugar industry. *Pacific Economic Bulletin*, *20*(3), 18–42.

Loanakadavu, S. (2003, December 4). Concerns at airport loss. *The Review*, *16*.

Lodhia, S., & Burritt, R. (2004). Public sector accountability failure in an emerging economy: The case of the National Bank of Fiji. *International Journal of Public Sector Management*, *17*(4), 345–359.

Lusthaus, C., Adrien M., Anderson, G., Carden F., & Montalvan, G. P. (2002). *Organisational assessment: A framework for improving performance*. Ottawa, Canada: International Development Research Centre.

Marobela, M. (2008). New public management and the corporatisation of the public sector in peripheral capitalist countries. *International Journal of Social Economics*, *35*(6), 423–434.

McMaster, J. (2001). Public enterprise reform in the Fiji islands: Planning and implementation and reversals. *Asian Journal of Public Administration*, *23*(2), 229–246.

McNeil, P., & Chapman, S. (2005). *Research methods* (3rd ed.). London, England: Routledge.

Ministry of Finance. (2011). *Economic and fiscal update: Supplement to the 2012 budget address. "Empowered Fijians and a modern economy."* Retrieved from www.finance.gov.fj/s/government-budget.html?download=156. . .budget

Ministry of Public Enterprises, Tourism and Communications (MPETC). (2009). *General information brief – Fiji Hardwood Corporation Limited*.

Ministry of Public Enterprises, Tourism and Communications (MPETC). (2012). *Financial data and updated profiles of government commercial companies*.

Mirzoev, T. N., Green, A. T., & Newell, J. N. (2007). Progress towards health reform in Tajikistan. *Journal of Health Organisation and Management*, *21*(6), 495–505.

Narayan, J. J. (2005). Privatisation of government shipyard and public slipways—some lessons. *Fijian Studies: A Journal of Contemporary Fiji*, *3*(1), 35–56.

Narayan, J. J. (2008). *Public enterprise reforms in Fiji: How 'Not' to privatise—The case of government shipyard and public slipways* (Published Master of Arts thesis). London, England: COOPERJAL Ltd.

Nasiko, R. (2011). FHCL to undergo special audit. *Fijilive*. Retrieved from http://www.fijilive.com/news/2011/05/11/32939.Fijilive

Nath, N. D. (2000). *Performance measurement and evaluation techniques: The Housing Authority of Fiji—A case study* (Unpublished Master of Arts thesis). Department of Accounting and Financial Management, The University of the South Pacific, Suva.

Neuman, W. L. (2006). *Social research methods: Qualitative and quantitative approaches* (6th ed.). Boston, MA: Pearson Education Inc.

Quiggin, J. (2001). *Economic governance and microeconomic reform*. Paper presented at conference on economic governance, Brisbane.

Reddy, N. (1997). *The implications of public sector reforms on human resource management in the South Pacific: The case of Fiji*. Paper presented at the conference on human resources and future generations in islands and small states, Valletta, University of Malta, 6–8 November.

Reddy, N. (1998). *Culture change in corporatised organisations in Fiji*. Paper presented at the Sietar congress on dialogue for creating a global vision, Tokyo, Reitaku University, 20–24 November.

Reddy, N. (2003). Survival strategies for the Fiji sugar industry. *Fijian Studies: A Journal of Contemporary Fiji*, *1*(2), 265–285.

Reddy, N., & Kumari, D. (2007). *Reform in Fiji's sugar industry*. Paper presented at the Pan Pacific conference, Dunedin and Queenstown, 1–4 June.

Rewa Rice Limited (RRL). *Background notes*. Provided by RRL.

Sarker, A. E. (2006). New Public Management in developing countries: An analysis of success and failure with particular reference to Singapore and Bangladesh. *The International Journal of Public Sector Management*, *19*(2), 180–203.

Schuman, M. (2011, September 30). State capitalism vs the free market: Which performs better? *Time Business: Wall Street & Markets*. Retrieved from http://business.time.com/2011/09/30/state-capitalism-vs-the-free-market-which-performs-better/

Sharma, U., & Hoque, Z. (2002). TQM implementation in a public sector entity in Fiji: Public sector reform, commercialisation, and institutionalism. *The International Journal of Public Sector Management*, *15*(5), 340–360. doi:10.1108/09513550210435700

Sharma, U., & Lawrence, S. C. (2002). Commodification of education and academic labor in a university setting: Using a balanced scorecard approach in a university setting. Retrieved from http://aux.zicklin.baruch.cuny.edu/critical/html2/7056sharma.htm

Siddiquee, N. A. (2008). Service delivery operations and governance: The Malaysian experience. *Transforming Government: People, Process and Policy*, *2*(3), 194–213.

Singh, A. (2002). *Public enterprise restructuring and industrial relations in Fiji: With case studies of Ports Authority of Fiji and Airports Fiji Limited* (Unpublished Master of Arts thesis). Departments of Development Studies and Management and Public Administration, The University of the South Pacific, Suva.

Singh, D. (1998, September). Rewa rice or is it rewa trading? Government rice company diversifies into wholesaling to survive competition. *The Review*, 26.

Snell, D. (2000). Fiji's civil aviation: New Zealand style restructuring using New Zealand replacement workers. *New Zealand Journal of Industrial Relations*, *25*(2), 109–118.

The Review. (1993a, April). Streamlining for a leaner profile: PAF does an about-turn of policies and plans to launch simple tariffs to pass on benefits. *The Review*, 39–40.

The Review. (1993b, October 30). The mess at the ports. *The Review*.

The Review. (1997, September). This ain't no dinosaur: Peni Mau wants Post Fiji to be a role model for the South Pacific. *The Review*, 32–33.

The Review. (2002, July). Rewa rice: Revitalising production. Dr Ali charts a new path for the struggling company. *The Review*, 22–27.

The Review. (2004a, September). Lean and trim rewa rice back on road to profit. *The Review*, 2.

The Review. (2004b, October). Hari's deal is best for Rewa: Govt. *The Review*, 13.

Trochim, M. K. (2006). *The research methods knowledge base*. Retrieved from http://www.socialresearchmethods.net/kb/index.php

Unit Trust of Fiji (UTOF). (1996). *Annual report*. Suva, Fiji: Author.

Unit Trust of Fiji (UTOF). (1997). *Annual report*. Suva, Fiji: Author.

Unit Trust of Fiji (UTOF). (2000). *Annual report*. Suva, Fiji: Author.

Unit Trust of Fiji (UTOF). (2001). *Annual report*. Suva, Fiji: Author.

Unit Trust of Fiji (UTOF). (2002). *Annual report*. Suva, Fiji: Author.

Unit Trust of Fiji (UTOF). (2004). *Annual report*. Suva, Fiji: Author.

Unit Trust of Fiji (UTOF). (2008). *Prospectus* 14 October 2008–13 October *2011*. Suva, Fiji: Author.

Unit Trust of Fiji (UTOF). (2011). *Prospectus 2011–2014*. Suva, Fiji: Author.

Vagliasindi, M. (2008, April 23). *The effectiveness of boards of directors of state owned enterprises in developing countries*. Policy research working paper 4579. Sustainable development network. The World Bank. Retrieved from http://elibrary.worldbank.org/content/workingpaper/10.1596/1813-9450–4579

Yaqub, M. Z., Faisal, F., & Khan, M. A. (2011). Privatisation in emerging markets: Pakistan's perspective. *Interdisciplinary Journal of Research in Business*, *1*(4), 101–106.