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Guidelines for identifying public sector control

In general, my understanding of control is closer to the definition which we discussed at the TFHPSA meeting in Washington. In this regard, I suggest that we consider further the possibility to define control as "the capacity to govern the policy objectives of a unit". In this context, I think that the proposed definitions of control for corporations and NPIs need to be elaborated (for instance, I would suggest "the capacity to streamline the strategic objectives of a unit" or "the capacity to streamline the key financial and operating policies relating to the strategic objectives of a unit"). Furthermore, I second the point of view of Alan Vandermolen who proposes to discuss the possibility to combine definitions of control for corporations and non-market NPIs into one. In my opinion the definition of control for classifying both corporations and non-market NPIs in the public sector might be the same, but indicators of control can be different. The reason is that the revised SNA should define indicators for classification of corporations in the public corporation sector and non-market NPIs in the general government sector.

The indicator called "totality of all indicators" proposed in the draft gives some flexibility in classification of the units. On the other hand, this indicator presumes different treatment of the units by separate countries. In this context, I think that it is worthwhile to discuss if the proposed indicators can be divided into mandatory and preferable.

I am wondering whether the indicator "ownership of the majority of the voting interest" is suitable as an indicator of controlling a public sector context taking into account the recommendations made at the previous TFHPSA meeting (see p. 2 of the minute "control ("the capacity to govern the policy objectives of a unit") in a public sector context is not necessarily based on equity ownership. This is to be contrasted with the private sector where control generally presupposes equity ownership interests.")

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