

next technology. It is shown a significant qualitative impact of entrepreneur potential on the dynamics of the respective GDP per worker. The features of the corresponding cyclic development of such systems are analyzed. Simulation results show that between the development of technological way and entrepreneur potential there is a positive relationship, but this relationship is not easy and developed models show that the transition is the technological gap and the gap meaningfully related to the voluntarist decisions and productivity decreasing.

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ECONOMIC ANALYSIS AND MANAGEMENT OF STATE PROPERTY CASE OF LITHUANIA

Державне майно слугує суттєвим забезпеченням для гарантування вдосконалення якості життя суспільства, зростання економічного добробуту, соціального страхування, політичної стабільності та зв'язного розвитку в усіх аспектах життя. Мета статті – дати аналіз вартості державного майна та адміністративної системи.

Ключові слова: державне майно, класифікації майна, оцінка, адміністративна система.

Государственное имущество служит существенным обеспечением для гарантирования усовершенствования качества жизни общества, роста экономического благосостояния, социального страхования, политической стабильности и связанного развития во всех аспектах жизни. Цель статьи – дать анализ стоимости государственного имущества и административной системы.

Ключевые слова: государственное имущество, классификации имущества, оценка, административная система.

State property serves as an essential provision for ensuring the improvement of society's quality of life, the growth of economic welfare, social security, political stability and cohesive development in all facets of life. Purpose of the article is to perform an analysis of state property values and their management system.

Keywords: state property, property classifications, valuation, management system.

State property is understood as a particularly important priority in the state's economic policy as it ensures a country's economic prosperity, democracy and the state's obligation to guarantee the wellbeing of its citizens. This is especially relevant in this stage of Lithuania's economic development when factors of the global financial crisis have had a negative impact on the country's social and economic welfare.

The problems of setting the actual value of state property, its effective use and management has been highlighted for many years, yet it remains even today. Property valuation based on market principles is applied only to separate property objects, yet the total value of state-owned property has not been calculated [1]. In this respect this topic is rather complex as it encompasses the variety in property concepts and property classification, methodological aspects of property records and analysis, the property use, disposal and management system, as well as directions in this system's reconstruction.

State property questions have received minor attention in academic literature. A majority of the reviewed literature sources analyze property, or more precisely, its category as a specific academic or field of activity object, and do not cover a category such as state property. In other words, state property and questions surrounding its use and management are hard to allocate to a specific field of economics.

Object of the research – state-owned property.

Purpose of the research – to perform an analysis state property values and the management system.

Research methods – in order to achieve the set purpose and meet the objectives, information source and information collection, grouping, comparison, systemization, detailing and summary methods of academic literature, legal acts and methodological resources were used.

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Problems in state property accounting, analysis and value setting

The valuation of property has deep traditions in international practice. National property was calculated for the first time in 1664 in England, later in 1789 in France, in 1805 in the United States, and in 1864 in Russia. The methodological problems of measuring national property have been analyzed in international statistical congresses since 1853. In 1947 the International Association for Research in Income and Wealth was founded [4].

Data about national property was presented for the first time in the 1994–1995 edition of the Statistical Yearbook of Lithuania, giving rather general information which set Lithuania's national property at 129 billion Lit as of January 1, 1996, yet applying the System of National Accounts classification it was valued at over 166 billion Lit as. Explored useful mineral resources valued at 47 billion Lit as (or 28.3%) dominated in the national property structure, followed by enterprise and company property valued at 39 billion Lit as (or 23.5%) [5].

In 1997 and 1998 the Lithuanian Department of Statistics first prepared and published comprehensively detailed bulletins titled "National property of Lithuania", where a new property classification was presented according to the System of National Accounts (henceforth – SNA). In it property was divided into two main components – non-financial and financial.

In the System of National Accounts (SNA) property was calculated, based on international property type classifications and should be valued at market prices that applied at that time. Unfortunately, once statisticians admitted that the property being calculated was not the entire country's national property, and that Lithuanian statistics only covered a part of the country's property (hopefully a larger part), after the mentioned two years of attempts the calculation of Lithuania's national property was aborted. It should be noted that the accounting of all property appeared especially problematic also due to the

fact that it was conducted differently in various types of enterprises, and not all enterprises had to submit reports on their property. Even the newer property classification did not entirely cover the property of small businesses, equipment, transport, farmers and others.

Considering that the history of calculating Lithuania's national property is relatively young, it could be said that Lithuania does have a national property valuation methodical and organizational foundation, and the SNA is compatible with the European System of National and Regional Accounts. Despite the significant efforts and work, which have delivered corresponding results, due to knowledge-related and perhaps even problems of a political nature, national property indicator statistical publications have been discontinued, along with further national property valuation works, even though calculations of state-owned property values using the SNA have continued for many years.

One of the most important conditions for effective management of state-owned property is knowing what property and what the value of the property is that is being disposed of by the state. Implementing the provision of the Law of the Republic of Lithuania on state and municipality property management, use, and disposal, [6] the Department of Statistics has since 2001 conducted statistical research on state and municipality property based on the State and municipality property statistical research methods. Pursuant to the methods, statistical research has been conducted since 2001, during which the following parameters have been calculated: 1) State property, state-owned and managed in trust by state enterprises, state institutions, offices and organizations, the Bank of Lithuania and other legal persons; 2) State property managers' (state budgetary agencies' and state enterprises') obligations; 3) State's obligations; 4) Municipality property which is municipality-owned and

managed in trust by municipality enterprises, municipality institutions, offices and organizations, self-ruling institutions, offices and organizations, and other legal persons; 5) Municipality property managers' (municipality budgetary agencies' and municipality enterprises') obligations and municipality obligations.

Regardless of the fact that the mentioned methods are regularly improved in consideration of comments by the State Audit Office and the requests of the Parliament and Government of the Republic of Lithuania, in its report conclusions the State Audit Office each year notes that the accounting of state property and the financial responsibility system is not complete; some of the property is not included in the accounting calculations (roads, radio frequencies, air space, etc.); the quoted value of some property in the accounting and financial responsibility statements does not correspond with its real value (some of the property is calculated as an indexed value, and some according to purchase value); some of the state-owned property is not reliably valued in either a quantitative or a value sense (museum values, the state's name, objects of Lithuanian heraldry, the right to the air space above the territory of the Republic of Lithuania), and some of the state-owned property is valued only in a natural sense (the State Land Fund, data about the value of explored useful underground resources, data from forest audits).

State property as a whole is analyzed using the SNA property classification that is applied in statistics. We should recall that property is divided into two main parts: *non-financial property* and *financial property*. *Non-financial property* can be created or not created. State property can be explained in the wider and the narrower sense, and calculated in natural – objectified, or financial aspects. Data from Table 1 shows the changes in state-owned (in the wider sense) property values and structures.

Table 1. State-owned property in 2006-2010, (as of 1 January, billion Lt)

	2006	2007	2008	2009	2010	Change (in 2010 compared to 2006)	
						billion Lt	%
1. Non-financial property	155.68	164.94	191.68	197.94	142.80	-12.88	-0.92
1.1. Lithuanian Land Fund	80.24	89.08	111.05	114.35	58.18	-22.06	-27.5
1.2 Closely explored mineral resources	56.05	55.97	58.18	58.34	59.97	3.92	7.0
1.3 Other non-financial property	19.39	19.89	22.45	25.25	24.65	5.26	27.1
2 Financial property	15.75	19.06	20.54	21.76	24.13	8.38	53.2
Total state-owned property	171.43	184.00	212.22	219.70	166.93	-4.50	-2.6

Source: [7]

The data of Table 1 illustrate, that in 2010 the leading role of the assets played closely explored mineral resources (59.97 billion LT or 35.9 percent). In 2006 their share was 32.7 percent. It is noticeable, that till 2010 Lithuanian Land Fund formed the major part of the assets (in 2009 the amount of Lithuanian Land Fund reached 114.35 billion LT, in 2010 only 58.18 billion LT).

Two factors played the main role in reduction of the state non-financial assets: Ignalina Nuclear Power Plant reassessment at the end of 2009, and the average land price drop by 47.7 percent.

Condition of state property and management system

It is believed that management practice does not know of a more complex management process than the management of state property. This is due to several reasons. The first is the structure of state property itself where each component needs a different management

technology. According to the formation of state property tangible fixed assets demands one type of management technology, while intangible or financial and current assets demands other types of management technologies. If we consider land, internal waters, forests, parks, underground resources, internal waters of state significance, roads, and moveable and immovable cultural values and monuments, buildings or their parts, constructions and equipment as objects only under management as state long term material property, then we would see a necessity in forming independent management systems, which, incidentally, are regulated by different laws and implemented by different state institutions. The second reason which follows from the latter is the objectively dependent different level of centralization of separate state property types. For example, state roads are managed in trust by 11 state enterprises, while state forests are managed in trust by 42 state forest enterprises. The third reason is the different

goals that the state sets for each type of property's management [5].

By systemically describing the management goals of all state property they can be divided into the following main blocks: political, economic, social, defence, cultural (when applying to separate types of property they can be detailed further). In the broader sense, we should keep in mind the guarantee of achieving socially significant goals.

The Law of the Republic of Lithuania on the management, use and disposal of state and municipality property [6] regulates the general order and conditions for state and municipality property management, use and disposal. Special separate laws on the management of state property types which determine the management, use and disposal procedures for certain types of state property, their conditions and particularities are: the Land Law and other post-legislative acts; the Forests Law and other post-legislative acts; the laws on Cultural values, Museum values, Financial property – cash resource funds, state-granted loans, etc. and other post-legislative acts. The laws of the Republic of Lithuania and other legal acts regulating the management of state enterprises and their activities are very important.

State property only becomes a factor influencing a nation's welfare if an adequate management strategy is chosen. In the long term strategy for the development of Lithuania's economy, unfortunately, there was no room for our national (or at least the state's) property. There was not even a management concept for that which we call our national property (nor even for all state-owned property). It is hoped that only the current economic crisis which forces us to search for new, alternative instruments for resurrecting the economy and quality of life shall give us a new orientation in solving these problems. In this respect, worthy of mention is the resolution of the Government of the Republic of Lithuania "On certification of the Strategy for centralized management of state property 2009–2016" (2009, henceforth – the Strategy) [2] and the resolution "On certification of the Concept for increasing effectiveness of state-managed enterprises" (2010, henceforth – the Concept) [3]. These documents reveal the reasons that have determined the necessity of increasing the effectiveness of the state's real estate (from the one side) and state-managed enterprises (from the other side), and of affirming principles for increasing the effective use of state property.

In the end of 2009 the matter of searching for an effective state-owned property management model started being actively deliberated. The search for this model is being conducted in two directions: from the one side (guided by the Strategy), finding ways of effectively managing the state's real estate, and from the other (guided by the Concept), by giving most attention to increasing the effectiveness of state-managed enterprise activities and their use of state property (their results). In the first case it is the Ministry of Finance that is responsible, and in the second – the Ministry of Economy.

The management of state property in the broad sense could be understood as a management system which consists of a *managing system* – actions and processes – and a *managed system*.

The managing system within the Lithuanian state property management system is made up of two parts: the Lithuanian state (as owner and trustor) and its trustees (various state institutions). A hierarchy exists within the trustees group as well. The Law of the Republic of Lithuania on State and municipality property management, use and disposal sets out that the Parliament and the Government carry out the functions of the state property owner. In carrying out its owner functions, the Parliament

accepts legal acts, i.e., laws, wherein the principle provisions for state property management, use and disposal are outlined. In one of the laws, the law of the Government of the Republic of Lithuania, the Parliament delegated the Government the function of disposing of state property, and designating the order for property management and use abiding by the laws in place. Thus, by passing resolutions the Government regulates the transfer of state property to suitable subjects who in trust gain the right to manage, use and dispose of it according to the predetermined order for its management, use and disposal. State property is transferred to the nominated subjects in the following ways: *in trust, according to lending rights or the lease of state property*.

The functions of state institutions concerning the management, use and disposal of state property are scattered and not inter-related and that the circle of institutions participating in the regulation of the means of managing the state's real estate as set out in the Law on State and municipality property management, use and disposal is very wide. The contextual content of the Law suggests that the main state property manager should be the state enterprise State Property Fund, i.e., the enterprise created especially for this purpose, i.e., the auditing and management of state property and the representation of state interests during its use, its disposal and its privatization. However, as the statistical data from recent years shows, a large part of state property is not concentrated in this enterprise.

An obviously decentralized state property management model is in place in Lithuania, something which is entrenched in its structure and the state's management organization, in which according to the Law of the Republic of Lithuania on Public administration (1999) a public administration subject administering the provision of a certain public service cannot themselves provide that service [8].

However, despite what state (municipality) property management model is applied, it is necessary to comply with certain principles when managing, using and disposing of this property. First of all, when using this type of property striving for public benefit should predominate – that is, any use of state property should ensure the satisfaction of public interests. Secondly, any actions related to state property management need to be effective and aim at providing maximum benefit to society. Thirdly, state property needs to be managed rationally – it should not be squandered, it needs to be conserved and disposed of sensibly. Fourthly, when entering into state property trade deals, the public law principle needs to be adhered to – all agreements need to comply with legal acts regulating the disposal of state property. These principles apply for all types of state property management: the in trust management of state property, the acquisition of state property according to a lending contract, the lease of material state property, the renewal of state property, the transfer of state property ownership to other subjects and for the investment of state property. The conclusion that follows is that the management of state property in the broad sense is a particularly difficult process consisting of a managing and a managed system as well as numerous actions and processes covering property accounting, audit, control, use, disposal, etc. The complexity of state property management is also determined by rather difficult legal regulation, and an abundance of special laws and post-legislative acts for the management of separate types of state property.

Conclusions

The evolution of Lithuania's national (state) property calculation was revealed. Three evolutionary

(development) stages were distinguished. The calculations from the *first* stage, starting in 1988–1989 were marked by the statistical work practices that dominated in the Soviet period, based on centralization principles and the predominating Soviet statistical methodology. The *second* stage, from 1997–1998, was when the Department of Statistics of the Republic of Lithuania first prepared and released the publications "Lithuania's National Property" which presented a new property classification according to the System of National Accounts. The *third* stage is considered to have started from 2009. This was the period of state property valuation which was more related to searching for ways of increasing the effectiveness of the use and management of the active part (commercial property) of state enterprise properties.

The analysis of state property value, its structure and change showed that even today the value of state property does not reflect its true market value. The true value is the sum for which property may be sold, exchanged for property or services, or for which a mutual agreement between unrelated parties intending to sell or buy property may be calculated, or be counted as a mutual agreement. It should be noted that some state property has still not been inventorized or included in state registers or accounting calculations, which is why it does not appear on the financial reports of state institutions, offices or organizations. Depreciation is not calculated for all property, and some of the financial property appearing in accounting is irredeemable property (sums outstanding from insolvent debtors, bankrupt enterprise shares, etc.). The annual state property reports are more statistical in nature than accounting-related. Property statistics themselves are rather incomplete and fragmented. When the assessment of state property has been performed, it is seen as the entirety of collected things, ignoring the

question of how all the property functions and how effectively it is being used.

We can conclude that in management practice there is no more complicated management process than state property management. This relates to several reasons. First is the structure of state property itself, where each component requires different management technologies. According to the analyzed state property structure, tangible fixed assets requires one type of management technology, while intangible assets or financial and current assets requires other management technologies, and real estate or movable property and state enterprises require others still. All this makes it necessary to formulate independent management systems, which incidentally, are regulated by different laws implemented by different state institutions. The second reason which arises from this is the objectively different level of centralization of separate state property types. The third reason is the different goals that the state sets for the management of each type of property.

In Lithuania there is a clearly decentralized state property (especially for tangible fixed assets) management model in place.

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COMPLEX PROFITABILITY ANALYSIS OF FIXED TANGIBLE ASSETS

Аналіз є головним інструментом для оцінки стану підприємства і для процесу прийняття рішення у відповідності з результатами аналізу. Стаття представляє аналіз рівня доходності основних матеріальних активів; оцінку факторів, що впливають на доходність основних матеріальних активів; аналіз відношень між доходністю та інші співвідношення. Автори статті пропонують підхід, що базується на комплексному аналізі доходності основних матеріальних активів, який би дає можливість менеджерам використовувати більш ефективні основні матеріальні активи та приймати більш ефективні бізнес-рішення.

Ключові слова: основні матеріальні активи, комплексний аналіз, доходність.

Анализ является главным инструментом для оценки состояния предприятия и для процесса принятия решения в соответствии с результатами анализа. Статья представляет анализ уровня доходности основных материальных активов; оценку факторов, влияющих на доходность основных материальных активов; анализ отношений между доходностью и другие соотношения. Авторы статьи предлагают подход, основанный на комплексном анализе доходности основных материальных активов, который дал бы возможность менеджерам использовать более эффективные основные материальные активы и принимать более эффективные бизнес-решения.

Ключевые слова: основные материальные активы, комплексный анализ, доходность.

Analysis is the main tool for evaluation of an enterprise state and for decision making process according to the results of analysis. The article presents analysis of the level of fixed assets profitability; evaluation of factors, which influence the profitability of fixed tangible assets; analysis of relationship between profitability and other ratios. Authors of the article propose complex profitability analysis of fixed tangible assets approach, which would enable managers to use more effectively fixed tangible assets and make more efficient business decisions.

Keywords: fixed tangible assets, complex analysis, profitability.

Any size, type and activity companies in free market competition are interested in increase of profit. Profit is necessary for keeping up financial capability, for expanse of activity and ensuring its going concern. However, total amount of profit does not show effectiveness of company's activity. Several companies, which earned the same amount of profit, may be very different in their financial,

investment, production or commercial activity effectiveness. That is why in the purpose of evaluating effectiveness of different companies various profitability ratios are calculated. Though, many questions occur e.g., how and which profitability ratios have to be calculated, how they have to be called, explained, their results evaluated. There may be found various explanations of profitability terms