European Journal of Research volume 9 issue 2 2024 pages 90-95
IF(Impact Factor)9 / 2024

FUNDAMENTALS OF CORPORATE GOVERNANCE IN JOINT-STOCK COMPANIES WITH A PREDOMINANT SHARE OF THE STATE

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Abstract: The article considers the issues of the basis of corporate governance in joint-stock companies with a predominant share of the state. The reasons for the predominant share of the state in joint-stock companies. Definitions of the concept of corporate governance are given. The systemic problems hindering the effective organization of the activities of enterprises with state participation are considered. Suggestions for improving corporate governance are given.

Keywords: joint-stock company, state ownership, system of relations, bondholders, protection of rights, profit making, corporate governance, investment processes.

Introduction. Today, large-scale enterprises in our country have been reorganized into joint-stock companies. A number of joint-stock companies are expanding, which have implemented corporate governance methods. Enterprises with the participation of foreign capital, whose activities are based on corporate governance, are comprehensively developing. They occupy an important place in determining the prospects of the domestic economy and perform important socio-economic tasks to expand production and create new jobs.

Today, improving the efficiency of state property management is a rather urgent issue. The main reason is that the state plays two roles. The first role of the state as the main holder of a block of shares in a joint-stock company, in this case, the state is a subject of corporate relations:

- the interests of the owner related to the receipt of dividends;
- realization of shareholder rights, protection of property rights.

The second role of the state is precisely as the state, that is, it performs the functions of creating conditions for the formation and development of activities, and here the state is called upon to protect companies and their shareholders from any violations of the law.

At the same time, there are currently a number of problems that do not allow state-owned enterprises to fully perform their functions and contribute to the socio-economic and technological development of the country, including: first, the presence of a conflict of interest in the corporate governance process, which arises as a result of the participation in the management bodies of state-owned enterprises of heads of branch complexes of executive power and government agencies;

Secondly, there is a lack of a well-established investment process management system in state-owned enterprises that ensures optimal management decisions, rational and efficient use of material, technical, financial and labor resources;

third, the lack of transparency of corporate governance, the lack of practice of regular analysis of the financial and economic activities of state-owned enterprises, effective control over the performance and effectiveness of the tasks and functions assigned to them;

The insufficient social efficiency of the development of joint-stock companies with state participation is manifested in an extremely high differentiation in the level of wages, insufficient intensity of financing of social and infrastructural development programs.

Corporate governance in a joint-stock company is understood as a system of relations between the management bodies and officials of the issuer, owners of securities (shareholders, owners of bonds and other securities), as well as other interested parties involved in the management of the issuer as a legal entity in one way or another. The corporate governance system is an organizational model through which a joint-stock company must represent and protect the interests of its shareholders.

Summarizing the material, we can say that corporate governance is a cumulative activity, where:

- The rights and interests of shareholders are protected;
- Guarantees in making a profit;

- Compliance with regulatory and legislative acts.

According to the definition of domestic scientists D.H. Suyunov, M.Ravshanov, M. Butabaev, "The goal of corporate governance is to obtain the maximum possible profit from all types of JSC activities within the framework of current legislation, while maintaining a balance of interests of all interested parties [2]. The task of corporate governance is: to protect the rights and interests of shareholders; to increase the investment attractiveness of JSC; accumulation of long-term economic value by increasing the value of shares; determination of the company's development strategy and control over its implementation; approval and control over the implementation of business plans." But we will consider directly the joint-stock company, where the state is the holder of the main block of shares. When the management of a joint-stock company is in the hands of the state, the problem of the principal agent arises: there is a conflict of interests between the company's managers and shareholders. The principal, i.e. the shareholder, in this case, the state, is interested in the active activity of the company, but appoints an agent, i.e. a manager, to direct this activity. The principal (the state) cannot fully control the actions of the agent (management, board of directors), which often leads to the fact that the agent makes decisions not in favor of profit and development of the principal. directors), which often leads to the fact that the agent makes decisions not in favor of making a profit and developing the principal.

That is, the state and the leadership (council) Joint-stock companies are unequal entities with different degrees of awareness: the person giving the assignment (the government) is usually in the highest hierarchical position and expects the task to be solved in their interests. Interests may not be related to the development of the industry, as strategic joint-stock companies carry a social burden. On the other hand, the person executing the assignment (agent, board of directors) is in the lower hierarchical position. And besides, he has more information than the principal, and can use this information in his own interests, which almost always leads to inefficiency, often to corruption.

As a rule, state-owned enterprises do not have such strict control over the use of enterprise resources by employees. Statistics on the number of officials prosecuted for corruption crimes also indicate that 71% of all lawsuits are filed against employees of state institutions and enterprises.

In other words, a vicious circle of government, in which, unfortunately, there is no augmentation of efficiency. Government intervention increases the risks of becoming a loss-making joint-stock company. As a result, investing in productivity becomes unprofitable or even dangerous. Unfortunately, with such an unfriendly business climate, associated primarily with the huge share of the state in the economy, it is naive to expect an increase in investment.

In this regard, consistent measures are being taken in the country to introduce modern corporate governance methods in enterprises with state participation, reform them and improve efficiency.

The presence of a number of systemic problems in the field of ownership of enterprises with state participation, preventing the effective organization of their activities:

- The ultimate goals of society are blurred, there is no plan for long-term prospects;
- The presence of enterprises with state participation, including in areas where the private sector operates effectively, as a result of which the principles of fair competition are violated;
- An opaque mechanism for enterprises with state participation to fulfill commercial and non-commercial goals of the state;
- Conflict of interest as a result of the performance by state bodies of several functions in relation to enterprises with state participation, namely the functions of the owner and the regulator;
- Excessive number of civil servants in the supervisory boards of enterprises with state participation;

- Insufficient motivation and responsibility of members of management bodies, including members of the supervisory board and control bodies of enterprises with state participation;

- Impunity of civil servants for non-compliance.

The topic is becoming particularly relevant at the present time in modern conditions, when the role of the state in the economy remains dominant, which means that its participation is increasing in corporate relations. The state has always been an active participant in economic relations, but whether this has a positive effect on the dynamics of development, we will try to figure out.

Today's task is to create favorable conditions for the widespread attraction of foreign direct investment, radically improve the efficiency of joint-stock companies, ensure their openness and attractiveness to potential investors, introduce modern corporate governance methods, and strengthen the role of shareholders in the strategic management of enterprises.

Insufficient control over the use of resources in the public sector. Today, enterprises with a state share prevail, and in many the state has a share of over 50%. The effectiveness of the development of the national economy and the quality of the implementation of social programs directly depend on the effectiveness of the management of state property, an important element of which are state blocks of shares.

Joint-stock companies with a predominant share of the state in the authorized capital play a significant role in the national economy, occupying key positions in priority sectors. Such as oil refining, telecommunications, chemical industry, etc.

The state share in the authorized capital of joint-stock companies are shares owned by public administration bodies, local public authorities, state unitary enterprises and state institutions, the Central Bank of the Republic of Uzbekistan, the Fund for Reconstruction and Development.

Corporate governance in a joint-stock company with state participation of the Republic of Uzbekistan is not always information "transparent" and cost-effective. Often, representatives of the state in the supervisory boards and other management bodies of state-owned joint-stock companies perform purely nominal functions or act as lobbyists for the interests of companies shadowyly affiliated with them, which ultimately is not beneficial to either the joint-stock company as a whole or its shareholders, including the state.

Enterprises with state participation provide a significant part of the gross domestic product (GDP), here again we are talking about strategic joint-stock companies. But in order to achieve an increase in the best indicators, it is necessary to review the legislative framework, which prescribes the competence to manage a joint-stock company.

Based on the results of the analysis of existing approaches, the content of the economic category "corporate governance" has been clarified, which is a purposeful, regulated by the general norms of corporate legislation and local legal acts of the corporation, impact on corporate relations, ensuring a long-term balance of interests of various groups of shareholders, management and other stakeholders, aimed at a sustainable increase in the socio-economic efficiency of the development of the JSC.

Thus, improving corporate governance contributes to improving the efficiency of companies and improving their external financing, which, accordingly, is one of the necessary conditions for sustainable economic growth of a joint-stock company.

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