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Improving the Efficiency of Corporate Governance in Enterprises in the Electric Power Sector

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Abstract: This scientific article explores the reforms and their results in increasing the efficiency of corporate governance in enterprises in the electric power sector, the problems that persist in the network, the problems in the regulation and management of the electric power sector, and gives suggestions and recommendations on ways to eliminate them.

Keywords: corporate governance, corporate efficiency, power generation, natural monopoly, competitive environment, energy resources, energy facilities, thermal power plant, thermal power centers, alternative energy sources, hydroelectric power plant, petroleum products.

Introduction. One of the main areas in the development of the country's economy is the field of electricity. The promising development of the state is always evaluated according to its energy resources and potential for generating electricity.

Focusing on the economy of countries with developed economies, including the United States, European countries, China, Japan, South Korea, Singapore and Malaysia, we can see that they have a power generation sector based on modern innovation technologies.

In the sustainable development of the country's economy, there is always a need for uninterrupted (regular) and quality electricity supply. In particular, the simultaneous supply of electricity to the production, service and infrastructure sectors is a complex technological process. Because the demand and supply of electricity occurs at the same time. There is always an increasing demand for electricity from all sectors and sectors, but the possibility of regularly supplying all sectors and sectors with electricity at the same time creates complications. The growing demand for electricity in countries around the world is causing global problems in the economies of countries. Because the energy resources used to generate electricity on earth are unevenly distributed.

In the economy of any country, the demand for electricity always increases. The higher the demand for electricity, the higher its cost. Most of the energy resources used in electricity generation are non-renewable resources. This affects the cost of products and services. The growing demand in the economy is always met through high-limit prices. Economic efficiency is achieved by constantly shaping the competitive environment in the field of electricity, developing measures aimed at reducing prices, establishing energy production using modern technologies, using energy-efficient technologies in industries, modernizing energy production stations, reducing production costs using modern technologies and renewable energy sources.

Today, a number of measures are being implemented in our country to increase the efficiency of the activities of joint-stock companies, introduce modern methods of corporate governance into their management activities, increase the attractiveness of enterprises in investiture, and thereby expand the involvement of foreign investments.

It is known that in the economy, entrepreneurial organizations with different forms of

management Follow side by side. Among these, the management system of structures that are managed in a corporate form is much more complex and more remarkable. It is necessary to note that the effective functioning of corporate management structures, the full blood of the interests of their shareholders, the attractiveness of Investiture, the absence of a financial crisis largely depend on the corporate management system that is in force at the enterprise. Therefore, in the conditions of modernization of the economy, the organization of a corporate management system at enterprises and the scientific research of ways to improve this system are considered one of the most important tasks.

Improving the practice of corporate governance is part of the process of reforming the economy of Uzbekistan, it is one of the urgent tasks of today to protect private property, ensure the interests and rights of shareholders, create conditions for the formation of attractive, competitive national corporations of investment, which occupy a special place in the country's economy.

"If, as a result of a violation of the procedure for concluding a large transaction or an agreement with affiliated persons by the executive body of a society, the fault of the director or management of the society or the trustee is proven in the manner prescribed by law, the subsidiary is liable for the obligations of the society in case of insufficient

After the independence of our country, the spheres of Public Administration were gradually nationalized and began to develop into different forms of property. At the second stage of nationalization and privatization of state property (1994-1998), work was carried out to form open-type Joint-Stock Companies, to put their shares into circulation, as well as to establish a large-scale real estate and securities market.

As a result of the development of the processes of nationalization and privatization of property, the concepts of corporate governance began to enter many organizations operating in our country in the form of a joint-stock company. The transition to corporate management in the management of organizations has formed concepts for the introduction of modern management methods in their activities, the formation of financial statements on the basis of the requirements of international standards, increasing the effectiveness of Management in the organization and controlling activity management by links, effective organization of dividend policies derived from activities.

Analysis of thematic literature. Corporate governance is effectively used in organizations in all sectors and sectors of the economy. In particular, by creating an effective corporate management system in enterprises and organizations engaged in the production of electricity, transmission through main lines and delivery through regional networks: achieving an effective management system in the field of electricity; attracting domestic and foreign investors to the industry; achieving the improvement of economic financial capabilities between enterprises and organizations engaged in the production of electricity, transmission through main lines and delivery through regional networks.

"Currently, according to expert assessment and empirical research, it has been observed that the market value of corporations increases by 20-30 percent in exchange for improving the efficiency of corporate governance. In addition, the formation of an effective corporate management system leads to an increase in the capitalization of the National Stock Market, the emergence of the possibility of using external sources of financing and, ultimately, the development of entrepreneurial activity in the country and the rise in their competitiveness"[2].

"The peculiarity of the organization and management of the activities of a corporate enterprise is the presence in it of groups that demonstrate various economic interests. Because the activities of corporations are influenced by the actions of many interested participants, including shareholders, investors, creditors, employees, suppliers of goods, consumers, trade unions, competitors, local governing bodies, public institutions and others"[3].

The recognition of corporate governance as a phenomenon is associated with the emergence of

agency theory. Meanwhile, agency theory is based on the separation of corporate ownership and control [4]. Such a separation provides that corporate management (control) protects the interests of the owner on the basis of trust and fiduciary obligation and maximizes the value of the stock [5]. As a result of the separation of control and ownership from one another, the problem of agency has arisen, which is the most discussed and causes controversy in the field of so-called corporate governance. This problem lies in the dependence of interests between shareholders (principled - property owners) and agents (managers,

The system of corporate relations as a process of applying the management of corporate and private property is the work of the American legal scholar A. Berle and economist G. Stigler. Studied in the classical work of Minz [6]. While the term corporate governance is not mentioned in their work, they have explored the relationship between corporate governance entrants – principals (outsiders, investors) and representatives – agents (insiders, managers).

I.A. In Khrabrov's opinion, corporate governance is the organizational and legal formalization of business, the optimization of the organizational structure, the establishment of the interaction of structures within the organization corresponding to the goals of the company. [7]

Today, it forms the basis of the country's economy. In the economic development of the Republic of Uzbekistan, effective use of oil and gas resources, application of innovations in the fuel and energy complex, and use of modern technologies in the field are considered necessary. Therefore, it is important to organize innovative management in the activities of enterprises in the oil and gas industry as the main direction of increasing the efficiency of the oil and gas industry in the economy of Uzbekistan. Based on this, it is important and urgent to study the possibilities of using external and internal resources in order to improve the management of enterprises in the oil and gas industry. [8]

The existing problems and shortcomings in the electricity sector or the ongoing economic reforms in this sector will certainly have a negative or positive impact on other sectors. Because without electricity, no industry or network can plan its future. In this regard, a number of resolutions and decrees of the President of the Republic of Uzbekistan have been developed to radically reform the electricity sector. [9]

Therefore, taking into account the existing technical capabilities of renewable energy sources, it is necessary to determine their place in the current and future energy balance of the country. Until now, there is a lack of sufficient theoretical and scientifically based information on renewable energy sources in the production sector, including experiences on the use of solar, wind and organic waste energy. [10]

By regulating and effectively managing the energy sector, it is possible to ensure the growth of the entire national economy and the development of the rest of the sectors. To do this, it is necessary to widely use the experiences of advanced foreign countries in the adoption of laws and decisions on the development of the energy sector. [11]

In the sustainable development of the country's economy, there is always a need for uninterrupted (regular) and quality electricity supply. In particular, the simultaneous supply of electricity to the production, service and infrastructure sectors is a complex technological process. Because the demand and supply of electricity occurs at the same time. There is always an increasing demand for electricity from all sectors and sectors, but the possibility of regularly supplying all sectors and sectors with electricity at the same time creates complications. The growing demand for electricity in countries around the world is causing global problems in the economies of countries. [12]

The formation of competitive relations in the field of natural monopolies combines more complex and multifaceted problems. Many experts and scholars who study the problems of competition and monopoly express different views on the problem of competition, but they do not give a clear definition of the term, there is no fixed model of defining the relationship

between enterprises or organizations as competitive, clear formulas affecting efficiency also not developed. [13]

The problem of energy security is determined by the uneven distribution of natural fuel and energy resources on earth and the regional disparities between energy-consuming and energy producing countries in the socio-economic development of countries. Within the framework of energy security, countries are divided into two groups. In the first group - energy-exporting countries, that is energy-producing countries, in the second group - energy-importing countries, that is energy-buying countries. Countries in both groups strive for economic development. [14]

Energy security and energy efficiency are the main strategic goals of any state energy policy. In increasing the energy security level, it is necessary to include in the main components of the state energy policy: the introduction of an effective management mechanism in the use of resources extracted from the subsoil in the country's territory; constant conduct of structural changes in the energy sector; organization of the fuel and energy market on market principles; formation of a rational fuel; development of modern scientific and technical policy in the energy sector; formation of a competitive environment in the regional energy market and a regulatory framework in which international standards are compatible. [15]

Companies operating in the electric energy sector of developed countries are constantly improving their traditional management mechanisms in order to have their own consumers in the electric market. In particular, long-term strategies for the development of the industry are being developed, incentive mechanisms for electricity prepayment are being introduced, programs based on effective innovation ideas are being developed in the field to improve the Access System of capital investments and customer service. [16]

All existing basic approaches to corporate governance research are characterized by certain shortcomings that limit their use in practice. Accordingly, it is advisable to use a synthesis of various approaches, considering it as complementary, clarifying and complementary methods, while the expert method of research on corporate governance and sociological methods, being essentially subjective, are the basis for analyzing problems and trends in corporate governance.

An important task of corporate management is expressed in protecting participants in corporate relations from ineffective activities determined by the degree of inclusion of one or another participant in corporate relations of the characteristics of the management of hired managers at a certain level. The internal function of direct control of the activities of Corporation Managers by its participants is carried out by the electoral bodies of the corporation, the board of directors.

In the effective implementation of the management of corporations, factors that drive social, economic, legal, organizational relations are expressed in their integrity and connection with one another.

Research methodology. The article makes extensive use of the methods of scientific study, comparative comparison, study and economic comparison and analysis of existing problems in corporate management of the electric power sector in our country, logical thinking, scientific abstraction, analysis and synthesis, induction and deduction.

Analysis and results. The mechanism of corporate management at enterprises in the electric power sector is interconnected with the direction and dynamics of economic reforms carried out in our country, relying on the development consistency of the current and formed management system.

In the process of influence of corporate management on the level of innovation development of Joint-Stock enterprises of the energy complex, their management, inspection commissions, as well as internal and external audit services focus special attention on a block of important indicators (Figure 1). In our country, the energy complex is explained by the slow impact of corporate governance in increasing the efficiency of the activities of Joint-Stock enterprises,

insufficient development of corporate relations.

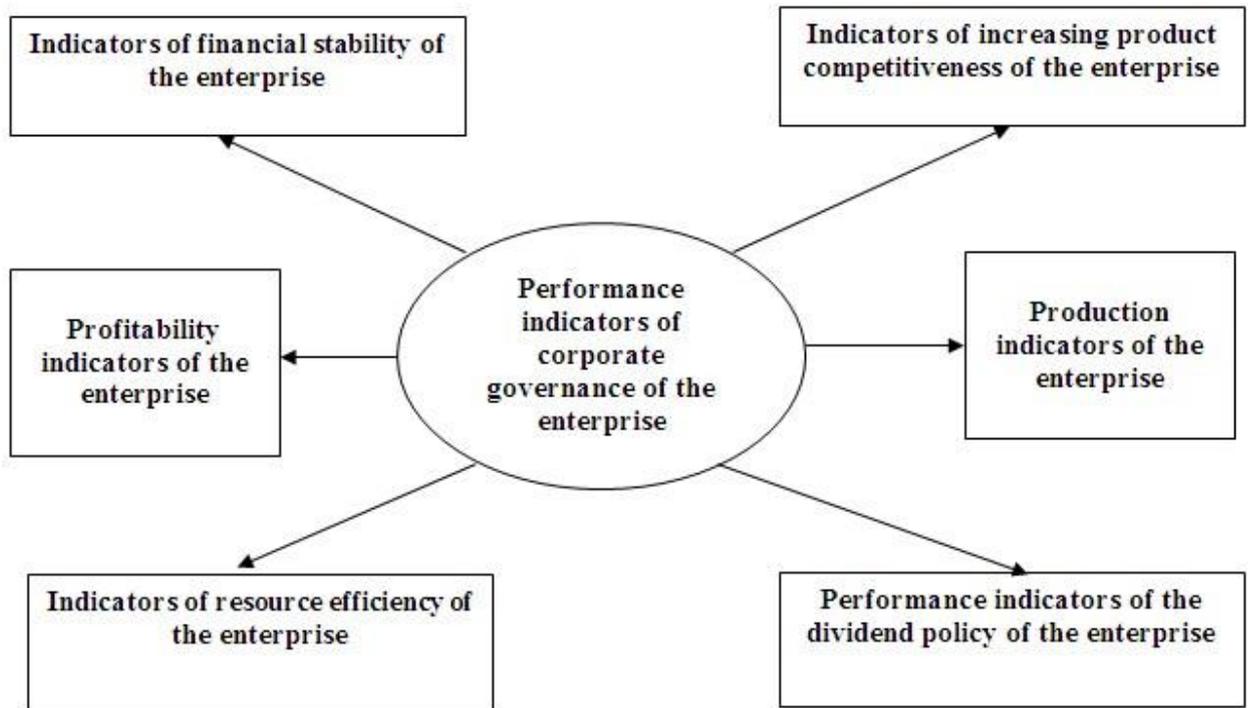


Figure 1. Performance indicators of corporate governance of the enterprise

The following can be shown to the most noticeable sluggish effect of corporate management on joint-stock enterprises of the Uzbekistan energy network with the flow of foreign investments:

- low level of protection of rights and interests of minor shareholders, which make up a significant part of the members of the corporate association;
- the slow introduction of approved formats for the opening of information about management activities in most enterprises, as well as the provision of information about financial and operational activities of JSC;
- the limitation of the right to use minor shareholders from information about the results of molivious activities of enterprises and important events in its activities.

The use of such tools as the corporate management code, standards of corporate management, methods of corporate control, a system for increasing employee support, a management-risk system to improve the efficiency of Enterprise Management in the electric power sector serves to further improve the management process.

The features that serve to organize and effectively use corporate governance in the field of electricity are shown in Figure 2.

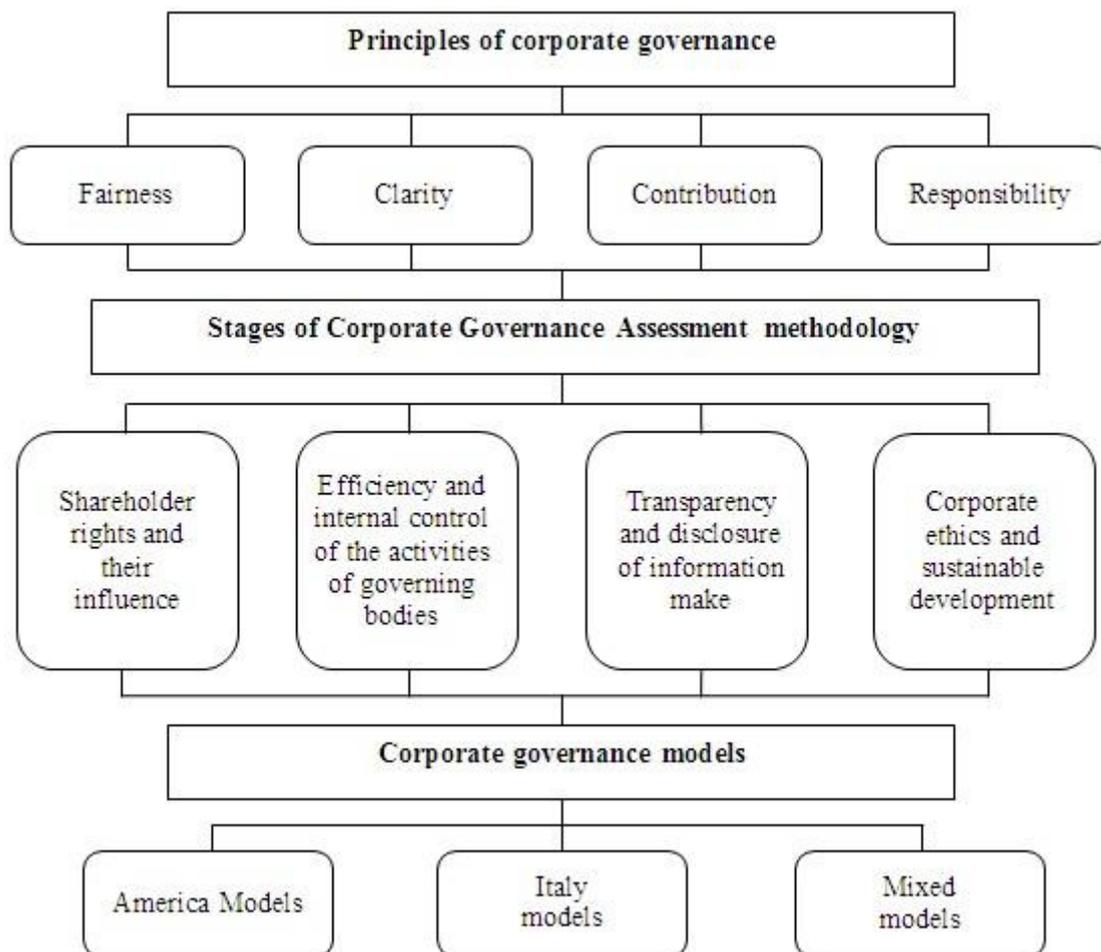


Figure 2. Features that serve to improve the efficiency of corporate governance

All existing basic approaches to corporate governance research are characterized by certain shortcomings that limit their use in practice.

It is advisable to use the synthesis of various approaches, considering them as additional clarifying and complementary methods, using the expert method of research on corporate governance and the methods of conducting sociological surveys, taking as a basis the methods of accurate quantitative analysis for the analysis of problems and trends in corporate governance.

In the corporate management of Joint-Stock Companies, the state participates in two sides.

First of all, in the necessary case in the activities of any shareholder society, the organization of corporate management activities is carried out on the basis of regulatory legal legislation, internal norms of society are developed based on the interests of the upper and lower branches, and their observance during the activity is controlled.

Secondly, in the management activities of Joint-Stock Companies with state contributions in the authorized capital, the concept of "Golden stock" is used in the organization of the corporate management system, in such societies the owners of shares will have a greater economic interest.

Conclusion. To improve the efficiency of the activities of Joint-Stock enterprises of the Uzbekistan energy complex, the final goal of the annotation of corporate management tools should be quality marketing research, effective business plans and investment projects, as well as qualified project companies capable of ensuring timely inclusion in the use of new energy capacities and cost-effective consumption of various manifestations of energy.

As methods for assessing the effectiveness of corporate governance using economic criteria, the following can be considered:

statistically based models of forecasting the probability of bankruptcy of an enterprise over a given period of time;
methodology for determining the rating of enterprises;
methodology for determining the rating of an enterprise for lending purposes.

The second methodology for assessing the effectiveness of corporate governance in an enterprise is based on the analysis of its market value. The method of capitalization of income is based on determining the current income of an enterprise by dividing it by the capitalization coefficient. The main disadvantage is the assumption that the necessary and mandatory condition for applying this method is that the income that the company will bring in the future will remain at the same level as the current income.

Strengthening the institutional framework of the corporate governance mechanism at the enterprise, in the context of the rapid economic reforms carried out in the Republic and in the direction of network development programs, relies on the development consistency of the current and formed management system.

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