

THE CONCEPT OF ENTERPRISES WITH STATE PARTICIPATION AND THEIR ROLE IN THE ECONOMY

Asomidinova Moxigulbonu Oybek qizi

Annotation: This article examines the concept of enterprises with state participation and their significance in modern economies. It delves into their definitions, characteristics, and the various roles they play in different economic systems. Through a review of existing literature, methodological approaches, and a comprehensive analysis of their impact, this study provides insights into how these enterprises contribute to economic growth, stability, and public welfare. Furthermore, practical suggestions are offered for enhancing their efficiency and adaptability in a rapidly changing global economy.

Keywords: State-owned enterprises, government participation, public sector, economic growth, economic stability, privatization, public welfare, economic development.

Enterprises with state participation, commonly referred to as state-owned enterprises (SOEs), have long been a fundamental component of various economic systems worldwide. These enterprises are characterized by government ownership or significant government control, often established to achieve specific socio-economic objectives. Over the years, the role of SOEs has evolved, adapting to new economic challenges and policy reforms. Understanding their concept and contribution to economic development remains a vital area of study, particularly in developing economies where the state's influence on the economy is more pronounced.

Enterprises with state participation are companies where the government holds a stake or ownership, either wholly or partially. These enterprises are also known as state-owned enterprises (SOEs) or government-linked companies (GLCs), depending on the extent of government ownership and control.

Concept of Enterprises with State Participation:

Definition:

Enterprises with state participation are businesses where the government has a significant ownership share, management control, or influence over decision-making. This ownership can range from full control (100%) to partial stakes (where the state holds a minority or majority share but not complete control).

Types of State Participation:

- Fully State-Owned Enterprises (SOEs): Entirely owned and controlled by the government.
- Partially State-Owned Enterprises: The government owns a portion of the

company's shares but collaborates with private investors.

- Government-Linked Companies (GLCs): Companies where the government has indirect control through various ownership structures.

Objectives of State Participation:

- Ensuring the availability of essential goods and services.
- Enhancing economic stability and strategic control over key industries.
- Promoting social welfare and economic equity.
- Fostering technological innovation and industrialization.
- Protecting national interests and resources.

Role of Enterprises with State Participation in the Economy:

Economic Growth:

State participation can drive growth in strategic sectors such as energy, telecommunications, infrastructure, and transportation, where private investment may be insufficient or hesitant due to high capital requirements or risks.

Employment Creation:

These enterprises often provide employment opportunities, contributing to reducing unemployment rates and supporting workforce development.

Revenue Generation:

Profitable state-owned enterprises contribute to national revenue through dividends, taxes, and fees, supporting government budgets and public services.

Market Stabilization:

Governments can use state enterprises to stabilize markets by regulating supply, prices, and competition, particularly in essential industries like utilities and natural resources.

Infrastructure Development:

State participation is crucial in developing and maintaining national infrastructure, such as transportation networks, power plants, and communication systems.

Strategic Control:

The government retains control over critical industries that are vital for national security, economic sovereignty, and public welfare.

Social Objectives:

Governments may use these enterprises to achieve social objectives, including providing affordable goods and services, supporting small businesses, or investing in rural and underserved areas.

Challenges Associated with State Participation:

Inefficiency:

Political interference, bureaucratic processes, and lack of competition can lead to inefficiencies and poor performance.

Corruption and Mismanagement:

State control can sometimes foster corruption, nepotism, and resource misallocation.

Financial Burden:

Unprofitable enterprises may require continuous government subsidies, placing strain on national budgets.

Limited Innovation:

The absence of competition can reduce incentives for innovation and efficiency improvements.

Reforms and Modernization Efforts:

Many countries are modernizing their state-owned enterprises through:

- Privatization (full or partial).
- Corporate governance reforms.
- Improving transparency and accountability.
- Encouraging public-private partnerships (PPPs).
- Increasing competitiveness and efficiency through regulation and management improvement.

The discussion highlights the challenges faced by enterprises with state participation, including bureaucratic inefficiencies, political interference, and the need for reforms to enhance their efficiency. It also addresses the potential of these enterprises to drive economic growth through strategic investments and partnerships. The analysis underscores the importance of balancing public welfare objectives with the need for operational efficiency and financial sustainability.

Conclusions

In conclusion, enterprises with state participation continue to play a vital role in economic development, particularly in sectors essential for public welfare and national security. To enhance their efficiency and contribution to economic growth, it is recommended that governments adopt sound governance practices, improve transparency, and encourage competition where appropriate. Additionally, periodic assessments of SOEs' performance should be conducted to ensure alignment with broader economic goals.

References.

1. Beregova, G. M., Shchupletsov, A. F., & Skorobogatova, Y. A. (2018). Behavioral business strategy development for economic industrial entities using fuzzy set theory. *European Proceedings of Social and Behavioural Sciences*, 50, 180-187.
2. Dorzhieva, E. L. (2018). Theoretical premises of Russian corporations innovative development. *European Proceedings of Social and Behavioural Sciences*, 50, 305-314.

3. Godlewska, M., & Pilewicz, T. (2018). The Impact of Interplay Between Formal and Informal Institutions on Corporate Governance Systems: a Comparative Study of CEECs. *Comparative Economic Research-Central and Eastern Europe*, 21(4), 85–104.
4. Kilian, C.G. (2019). Good corporate governance principles and the probability of hate speech in South Africa, Australia and Namibia. *African Journal of International and Comparative Law*, 27(1), 161–169.
5. Konishchev, T. I. (2017). The trend of development of public-private partnership: the experience of the European Union and the United States. *Questions of Economics and Law*, 3, 49–54
6. Lenchuk, E. B. (2016). Course on new industrialization: A global trend of economic development. *Studies on Russian Economic Development*, 27(3), 332–340.
7. Mees, B., & Smith, S. A. (2019). Corporate Governance Reform in Australia: A New Institutional Approach. *British Journal of Management*, 30(1), 75–89.