CORPORATE MERGERS IN JOINT-STOCK COMPANIES AND THEIR CORPORATE GOVERNANCE MECHANISM

Tashkent State Technical University
Student: ***Tuychiyeva Ruhshona Arslonbek Qizi***

Annotation: This study analyzes the concept of corporate mergers, their types, and the role of corporate governance mechanisms. Corporate mergers, as large economic entities, play a significant role in the business environment. They are established in the form of joint-stock companies, holdings, concerns, and conglomerates, serving to promote economic growth and enhance competitiveness. The research examines the key mechanisms used to ensure the efficiency of corporate governance in these structures, including management strategies, methods for protecting shareholders' rights, and organizational frameworks. Additionally, the study explores international practices of corporate governance and their importance for the economy of Uzbekistan.

Keywords: corporate governance, conglomerate, transnational corporations, diversification, consolidation, concerns, holdings, consortiums, syndicates, cartels, commercial banks, securities market, joint-stock company.

Аннотация: В данной работе анализируется понятие корпоративных объединений, их виды и роль механизмов корпоративного управления. Корпоративные объединения как крупные хозяйствующие субъекты имеют большое значение в деловой среде. Они организованы в форме акционерных обществ, холдингов, концернов и конгломератов и служат повышению экономического роста и конкурентоспособности. В исследовании рассматриваются основные механизмы, используемые для обеспечения эффективности корпоративного управления в этих структурах, включая стратегии управления, методы защиты прав акционеров и организационные структуры. Также анализируется международный опыт корпоративного управления и его значение в экономике Узбекистана.

Ключевые слова: корпоративное управление, конгломерат, транснациональные компании, диверсификация, консолидация, концерны, холдинги, консорциумы, синдикат, картель, коммерческие банки, фондовый рынок, акционерное общество.In the current global economy, corporate mergers are one of the key factors driving the development of large industrial and financial complexes. Corporate mergers perform essential functions such as enhancing collaboration among large companies, increasing competitiveness, and improving the investment environment. At the same time, the effective functioning of such structures requires a well-developed corporate governance system.

Corporate governance is a system for managing corporations efficiently while maintaining a balance of interests among stakeholders, including shareholders, managers, and the state. Through this system, the sustainable development of corporate structures and the fulfillment of their obligations to investors and society are ensured. This study elaborates on the concept of corporate mergers, their types, and management mechanisms. It also develops recommendations for improving the corporate governance system based on international practices and Uzbekistan's specific conditions.

In the modern economy, corporate mergers are an important component of economic development, serving to improve efficiency and expand market opportunities by uniting various business entities. The effective operation of such mergers is ensured through a properly organized corporate governance mechanism. This article analyzes the types and significance of corporate mergers and the fundamental principles of corporate governance within them.

The development of joint-stock companies based on corporate governance principles must be continuously improved to meet market economy demands. Attracting investments into the production process and applying technologies necessary for producing high-quality products that meet international standards ensures the production of quality goods. This, in turn, raises the level of financing for the activities of corporate governance entities. Under conditions of national economic development, enterprises are required to accelerate the development of corporate relations and improve the organizational and economic mechanisms of corporate governance.

The corporate governance mechanism includes all laws, norms, regulations, events, and procedures aimed at addressing problems arising from the distancing of owners from direct control. It defines the system of interactions between company managers and owners (shareholders) regarding efficiency and protecting the interests of owners and other stakeholders, such as employees, creditors, and partner enterprises.

According to local scholar Z. Ashurov [2], the "organizational-economic mechanism of corporate governance" refers to the set of organizational factors that determine the interaction of management entities (corporate governance bodies) in making effective corporate decisions. It also includes the tools, methods, and forms used by these entities to exert economic influence on the efficient operation of the corporation.

The organizational-economic mechanism of corporate governance ensures effective communication between the company's management bodies, implementing sound corporate governance that leads the company to economic efficiency through appropriate tools and methods.

Foreign scholars D. Denis and J. McConnell classify corporate governance mechanisms into internal and external categories. Internal mechanisms include the board of directors and ownership structures, while external mechanisms are related to the external market for corporate control (mergers and acquisitions market) and the legal system of the country.

In general, corporate governance theory divides governance mechanisms into two types: internal and external elements. The external elements of corporate governance mechanisms are linked to the external environment's influence on the organization, while the internal elements result from the organization's internal management actions. The table below provides a comparison of the internal and external mechanisms of corporate governance.

Table 1

Elements of Corporate Governance Mechanism

Internal Mechanism	External Mechanism
1. Ownership structure	1. Stock market
2. Board of directors	2. Corporate control market
3. Fair compensation for managers	3. Labor market
4. Financial transparency and disclosure	

In our opinion, corporate governance mechanisms represent a set of elements that reflect the internal and external influences on joint-stock companies and enhance their efficiency. Accordingly, the internal mechanisms of corporate governance consist of one type of elements, while external mechanisms comprise another type. Thus, the organizational-economic mechanism within joint-stock companies refers to a complex integrated system that incorporates multiple elements.

The main functions of the organizational-economic mechanism are as follows:

- Realizing entrepreneurial potential and ensuring the interaction of structural elements;
- Providing a stable impetus for the continuous combination of production factors based on innovation and investment risks;
- Ensuring the stability of the economic, organizational, legal, and social environment;
- Improving the management structure;
- Establishing and developing corporate culture;
- Enhancing business value.

Joint-stock companies must pay close attention to corporate governance mechanisms. They should find effective solutions that ensure the successful development of the company and balance the diverse interests of stakeholders (including major and minority shareholders, stockholders, and government bodies).

In conclusion, the essence of the organizational-economic mechanism of corporate governance lies in ensuring the interconnection and interdependence of the organizational and economic mechanism elements within the management system of joint-stock companies. It integrates management factors and economic methods into a unified framework, systematizes them, and determines the criteria for achieving economic efficiency. Ultimately, this mechanism serves as a framework for ensuring the effective operation and continuous improvement of corporate governance, contributing to the overall efficiency of corporate activities.

REFERENCES

1. Хашимова С. Н. ПАНДЕМИЯ ШАРОИТИДА РАҚАМЛИ ИҚТИСОДИЁТНИ РИВОЖЛАНТИРИШ //Экономика и финансы (Узбекистан). – 2022. – №. 3 (151). – С. 77-80.

2. Хашимова С. Н. САНОАТ КОРХОНАЛАРИДА КОРПОРАТИВ БОШҚАРУВ ТАМОЙИЛЛАРИНИНГ ЎЗИГА ХОС ХУСУСИЯТЛАРИ //Архив научных исследований. – 2022. – Т. 4. – №. 1.

3. Hashimova S., Yakubova D., Tursunova N. Possibilities of Expanding the Mineral Resource as a Base of Ferrous Metallurgy //International Scientific Conference Fundamental and Applied Scientific Research in the Development of Agriculture in the Far East. – Cham : Springer Nature Switzerland, 2023. – С. 709-717.

4. Хашимова С. Н. Развитие черной металлургии Узбекистана в условиях модернизации национальной экономики //Молодой ученый. – 2017. – №. 1-3. – С. 24-26.