

THE ROLE AND IMPORTANCE OF THE CORPORATE MANAGEMENT SYSTEM OF THE MODERNIZATION OF THE JOINT-STOCK COMPANY IN THE MODERNIZATION AND DIVERSIFICATION OF THE ECONOMY

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ABSTRACT

A joint-stock company is the principle of contribution of earning income in a mutual or organized state on the basis of partnership. It also differs from a partnership enterprise in that it issues shares with a nominal amount for circulation and sells them on this basis. This article applies the methods of ensuring the organization of the corporate management system and maximum modernization in the diversification of the economy in the joint-stock company.

Keywords: joint-stock company, corporate management, economic process, modernization, rise, fall

It is permissible to define joint-stock companies before such concepts as modernization and diversification in joint-stock companies. A joint-stock company is a partnership company organized on the basis of the principle of participation for the purpose of earning income. A joint-stock company differs from other joint-stock companies in that the financial basis of such a company is the issuance of shares with a nominal value for circulation and their distribution through sale. Shareholders receive income in the form of dividends. There are forms of joint-stock company in the form of open and closed company: Closed joint-stock company - shareholders are limited to a certain group, for example, the founders themselves. Shares are distributed only among them. Open joint-stock company - shares of the company are freely sold and bought, the number of shareholders is not limited, any legal or natural person who wants and has money to buy shares, including foreign persons, can become its member. A joint stock company is formed to pool money and put it into business. Its organizers are called founders. Founders can be companies, banks, the state and some citizens. The advantage of the joint-stock company is that it consists in turning small money into a lot of big money, that is, turning it into money that can be capital, and putting the money of small money holders into business. The highest body of the management of the joint-stock company is the meeting of shareholders, then the board of directors and the lower level is the division management. In Uzbekistan, the joint-stock company

appeared in the process of expropriation and privatization of property during the market reforms, and the transformation of state-owned enterprises into joint-stock companies becomes one of the directions of property changes. At the first stage of reforms, a closed shareholder society was established. In its second stage, an open shareholder society began to form. In 1995, 2,255 joint-stock companies worked in Uzbekistan, and in 1996, 5,500.

The company of shareholders is independent, but they work according to the laws and regulations established by the state. Their activities are carried out in accordance with the Law of the Republic of Uzbekistan “On protection of joint-stock companies and shareholders’ rights”. Effectively organized corporate governance in JSCs undoubtedly helps in diversifying the shareholders’ society. Diversification (lat. diversificatio - change, diverse development) means the expansion and renewal of the fields of activity of enterprises (associations) and the type of products they produce. The modernization, technical and technological re-equipment of industrial enterprises and joint-stock companies in our country serves to increase the volume and quality of production in the regions. In joint-stock companies, it is important to create products in accordance with consumer and market demand and to increase the efficiency of the enterprise through them. It should be noted that the current investment conditions and favorable investment environment in our country are of particular importance in the year by year growth of investments in our economy. Today, the comprehensively justified and well-thought-out policy of reforming, liberalizing and modernizing our economy, diversifying its structural structure, corporate governance that protects us from the negative effects of crises and other threats, today’s joint-stock companies is one of the main ways of development. Further deepening of structural reforms in the economy, revitalization of investment activities of enterprises, wide attraction of foreign investments, first of all direct foreign investments and their effective use, modernization of production, technical and technological rearmament, new work A large amount of funds are being allocated from the republican budget in order to ensure the stable and rapid development of our national economy on this basis. if we talk about the meaning of the term modernization, it is usually considered as a concept related to technique, technology.

CONCLUSION

The economic nature of corporate governance has been studied for many years, and one can witness the diversity of researchers’ opinions in this regard. “Corporate management - ensuring the permanent and real influence of the owners of the corporation on the determination, definition and adoption of important strategic decisions aimed at the formation of the capital of the corporation, its more effective use for profit purposes and the fair distribution of the received income among all

participants of corporate relations is conscious, direct participation”. Corporations as an organizational legal form are not widely used in all countries, including Uzbekistan.

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