

# ON THE QUESTION OF THE ESSENCE OF THE CONCEPT OF STATE-OWNED ENTERPRISES IN THE ECONOMY

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**Abstract:** *in modern market relations, the state plays an important role both in regulating relations between market participants and as a direct participant. The latter is carried out not by the authorities themselves, but by state-owned enterprises. So what is the significance of these very enterprises? Everyone knows that the existence of a modern society is impossible without the intervention of state institutions - without teachers, firefighters and power engineers, but state-owned enterprises are a much more extensive topic than urban transport or sewerage. In addition to direct intervention in the market – price regulation, quality supervision and resolution of emerging disputes, the state also participates in market relations as a seller and buyer of services and goods. The article examines the essence of the concept of state-owned enterprises in the economy.*

**Keywords:** *market, state regulation, state-owned enterprises*

# К ВОПРОСУ О СУЩНОСТИ ПОНЯТИЯ ГОСУДАРСТВЕННЫХ ПРЕПРИЯТИЙ В ЭКОНОМИКЕ

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**Аннотация:** в современных рыночных отношениях государство играет важную роль как в регулировании отношений между участниками рынка, так и в качестве непосредственного участника. Последнее осуществляется не самими властями, а государственными предприятиями. Так в чем же заключается значение этих самых предприятий? Всем известно, что существование современного общества невозможно без вмешательства государственных учреждений - без учителей, пожарных и энергетиков, но государственные предприятия – это гораздо более обширная тема, чем городской транспорт или канализация. В дополнение к прямому вмешательству в рыночные отношения – регулированию цен, надзору за качеством и разрешению возникающих споров, государство также участвует в рыночных отношениях в качестве продавца и покупателя услуг и товаров. В статье рассматривается сущность концепции государственных предприятий в экономике.

**Ключевые слова:** рынок, государственное регулирование, государственные предприятия.

The very concept of state-owned enterprises often varies depending on the sphere of activity of the state under consideration. Many textbooks and dictionaries define it as follows: "a state—owned enterprise is an enterprise whose fixed assets are state-owned, and managers are appointed or hired under a contract by state bodies. If a state-owned enterprise is budgetary, then it is financed from the state budget" [1]. In this definition, you can accidentally forget about the part of state-owned enterprises that are not directly managed by the state, for example, those where the participation share is not a control one. Other articles consider state-owned enterprises as enterprises that receive the bulk of their income from the sale of goods and services, and not from the state budget. This view reduces the concept of state-owned enterprises, in fact, excluding non-profit and budget enterprises from it. However, in both definitions it is important to see state property and ways of managing it. Thus, we will see under state-owned enterprises both state-subsidized enterprises that independently focus on market demand and pursue the goal of maximizing profits, and enterprises whose activities are completely determined by the government and are not aimed at profitability, as well as their intermediate forms [2].

In countries with developed market economies, there are several types of state-owned enterprises. First, these are state-owned enterprises themselves, which are under the direct control of state management bodies. The top management of such enterprises is appointed by the government, and their income and expenses are directly included in the state budget. In the economy of developed countries, the public sector occupies up to 2% of the number of economic entities, while state-owned enterprises have neither legal nor

entrepreneurial independence, 100% of their income is transferred to the state budget [3]. In Russia, federal and municipal unitary organizations whose property belongs to the state or municipality operate under the same conditions. The State and the municipality, represented by a ministry (department) or a municipal self-government body, can only be sole owners of a unitary organization.

Unitary organizations are divided into enterprises and institutions, including non-profit ones (research institutes, educational institutions, healthcare, etc.).

Unitary enterprises are created in the form of a state-owned enterprise, the property of which is in state ownership, and a subsidiary to which state property is transferred to economic management.[4] Russia also regulates the types of activities that only state-owned enterprises have the right to engage in, such as the production of weapons, ammunition, drugs, production and processing of nuclear substances and precious metals.

Enterprises of a mixed private-state form, where the state owns part of the company's shares or a controlling stake, are widely distributed. In addition, the State, through the conclusion of contractual relations with private sector enterprises, binds these enterprises with corresponding obligations and thereby establishes formal subordination relations with the non-state sector of the economy. The most common form of state entrepreneurship in market countries are public corporations or joint-stock companies with mixed capital. In Russia, their analogues are a state corporation and a state joint-stock company. A state corporation is established by the federal government and receives a property contribution from the State. An example of a state corporation is a State Investment Corporation.

In a state-owned joint-stock company, the state owns a controlling stake. Such enterprises are natural monopolies, such as the Gazprom concern, the former RAO UES and others. The state can act as a majority shareholder without owning a controlling stake (example: AvtoVAZ JSC), but having the right to appoint the head of the JSC.

The state can unite unitary enterprises and other subjects of state entrepreneurship into various forms of associations (associations, concerns and others). Large associations are created for the implementation of strategic state programs and the development of priority sectors of the economy. Such associations are, for example, natural state monopolies. Unitary enterprises may also be part of financial and industrial groups [3].

A developed market economy is based on a fairly well-established system of interaction between various forms of ownership, among which state property occupies a special place.

The state, on the one hand, acts as the owner of property and as an entrepreneur, and on the other — as a regulator of socio-economic processes. State property is the most important tool for implementing State policy. Therefore, the problem of effective management of all forms of state ownership

is of paramount importance. The list of possible forms of ownership in the Constitution begins with private and state property, which, as world practice has shown, are the most significant in the economy. Contrary to the liberals' assertion that the state is an inefficient owner, there are significant industries whose management by the state is still considered the most expedient (national defense, government media, environmental protection, fundamental science, space exploration, creation of state reserves). The impact of crises and natural disasters force subjects of various forms of ownership to transfer part of their property to the state in order to avoid bankruptcy. State support helps insolvent owners to restore their solvency.

The size of the public sector in each country is different and is determined by a number of interrelated factors: the historical conditions of the country, the current stage of its development, its place in world economic relations, the competitiveness of the national economy, socio-economic, historical, cultural and other features. In most countries, the sphere of state ownership in one way or another at different periods included land, industrial enterprises, military facilities, mineral resources, electric power, transport (roads and railways, airlines), communications (telegraph and telephone, mail), etc.

The scale of State ownership has significantly expanded in a number of countries as a result of measures taken by Governments to rescue from bankruptcy enterprises that are of interest to the State in terms of long-term goals, but do not have the ability to quickly return on invested capital and, therefore, are not of interest to private investors. These are also many large-scale projects that have great socio-economic and strategic importance for the country, but require the accumulation of significant funds. The boundaries of state ownership in various countries are constantly changing and depend both on historical conditions and on emerging modern challenges. Accordingly, the methods of state property management differ and change.

State-owned enterprises are an instrument of state policy. By creating certain enterprises, the state can exert a regulatory influence on the market in such areas as increasing employment, implementing projects with a high degree of risk, anti-inflationary measures (including lowering prices and refusing profits during periods of rising inflation), assistance to local producers and suppliers of raw materials and components to enterprises the state sector, leveling the levels of economic development of regions, subsidizing certain categories of consumers. At the same time, state—owned enterprises, by virtue of the national tasks assigned to them, enjoy certain state guarantees - these are various kinds of subsidies, guarantees against bankruptcy, exemption from import obligations, and advantages in public procurement, etc. [3].

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