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WAYS TO IMPROVE THE ACTIVITIES OF JOINT-STOCK COMPANIES IN THE CAPITAL MARKET

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Abstract
This article explores practical and strategic ways to improve the activities of joint-stock companies in the capital market, focusing on strengthening their financial position, transparency, and investor attractiveness. In the context of global financial integration and increasing investor demands, joint-stock companies must adopt advanced mechanisms to ensure effective participation in capital markets. The study analyzes key improvement areas, including enhancing corporate governance, improving disclosure and reporting standards, optimizing capital structure, and diversifying financial instruments. Emphasis is placed on the importance of digital transformation, regulatory compliance, and building investor confidence through sustainable financial practices. Using comparative and empirical methods, the research draws insights from both developed and emerging market economies to outline successful strategies. The findings suggest that proactive engagement in the capital market not only boosts market capitalization and share liquidity but also contributes to long-term value creation for shareholders. The article concludes by presenting a policy-oriented framework for increasing the operational effectiveness of joint-stock companies in dynamic capital market environments.

Keywords: Joint-stock companies; capital market; financial instruments; corporate governance; investor relations; market capitalization; stock liquidity; financial transparency; capital structure; shareholder value; securities market; financial reporting; strategic finance; investment attraction; international finance market.

Introduction

Joint-stock companies play a critical role in the development and functioning of capital markets by mobilizing investment, facilitating the flow of capital, and driving economic growth. However, the effectiveness of their participation in the capital market depends largely on the quality of their corporate governance, transparency, financial performance, and investor relations. In many emerging and transitional economies, joint-stock companies face challenges such as limited access to capital, insufficient disclosure practices, and weak strategic positioning, which hinder their ability to attract and retain investors. Enhancing their activities

within the capital market is therefore essential not only for the companies themselves but also for the broader stability and growth of financial markets.
One of the most important ways to improve the activities of joint-stock companies in the capital market is to ensure openness and transparency. When companies regularly publish clear and truthful information about their financial situation, investors feel more confident. This increases trust and can raise the company's value in the market. If information is hidden or delayed, investors may avoid buying the company's shares. That's why timely and open communication with the market is essential. It helps attract more investment and support stable growth. One of the key strategies to improve the performance of joint-stock companies (JSCs) in the capital market is enhancing the transparency and quality of financial disclosures. Investors are more likely to trust and invest in companies that provide timely, accurate, and comprehensive information about their operations and financial position. According to the OECD, "transparent reporting is essential for attracting long-term investment and ensuring fair market valuation of listed companies." Strengthening disclosure practices—through international financial reporting standards (IFRS) and regular investor briefings—can significantly increase market confidence[1].
A strong internal management system plays a big role in the success of joint-stock companies in the capital market. If the company is managed fairly, with responsibility and clear control, investors are more likely to trust it. Good governance helps prevent corruption, waste, and conflicts among shareholders. When the board of directors works effectively, the company's goals become clearer and results improve. This makes the company more attractive to both local and foreign investors. Better management means better performance in the capital market. Improving corporate governance mechanisms is another fundamental step toward strengthening JSC participation in capital markets. Strong boards, effective supervisory committees, and clear dividend policies build investor trust and improve stock liquidity. The World Bank emphasizes that "robust governance practices are directly linked to market performance, capital access, and reduced cost of equity"[2]. Governance reforms that focus on minority shareholder protection, executive accountability, and board independence can elevate the company's profile in both domestic and international markets.
Another important approach is the diversification of financial instruments issued by joint-stock companies. In addition to traditional shares, companies can issue corporate bonds, preferred stock, and convertible securities to attract a broader investor base. As stated by the International Finance Corporation (IFC), "a diversified capital structure helps JSCs reduce financing risk and improves investor engagement"[3]. Expanding the range of market instruments increases the company's resilience to shocks and facilitates flexible fundraising. To grow successfully, joint-stock companies need easier and broader access to capital. This means offering different ways for investors to buy shares or bonds, and making it simpler for companies to raise money. If the market offers many tools and opportunities, companies can choose the most suitable way to fund their activities. It also encourages competition and innovation. When companies have more funding options, they can invest in new projects and improve their position in the market. Joint-stock companies should also invest in digital platforms for investor relations and trading access. Digitally accessible platforms allow more investors to interact with company disclosures, vote in shareholder meetings, and participate in capital offerings. According to the

Asian Development Bank (ADB), “digital transformation in capital markets significantly lowers transaction costs and expands market reach, especially for retail investors”[4]. Online investor engagement tools and electronic trading systems help build more inclusive and liquid capital markets.

Lastly, increasing financial literacy and investor outreach is critical to improving capital market performance. When companies actively engage with potential investors, educate them on their operations, and provide clear guidance on returns, they create a more informed and loyal investor base. The Harvard Business Review states, “educating investors is not just a public relations tool—it’s a strategic move to deepen capital market participation and stabilize stock performance”[5]. Regular roadshows, open days, and investor education campaigns can strengthen investor relations and long-term value.

Improving the performance of joint-stock companies in capital markets requires a multifaceted approach that includes strengthening regulatory frameworks, improving corporate transparency, adopting international financial reporting standards, and fostering active communication with shareholders and potential investors. This article examines various methods to enhance the capital market presence of joint-stock companies, drawing on both theoretical frameworks and empirical evidence. It highlights successful models of capital market engagement and offers practical recommendations aimed at increasing market liquidity, investor confidence, and the overall efficiency of joint-stock companies as key players in capital formation and allocation.

THE RELEVANCE OF THE RESEARCH SUBJECT

Joint-stock companies often face significant challenges in effectively participating in the capital market due to limited transparency, weak investor relations, and inadequate corporate governance practices. These issues result in low investor confidence, reduced share liquidity, and difficulty in attracting long-term financing. Additionally, many companies struggle with insufficient disclosure of financial and operational information, which undermines market trust and increases the cost of capital. To improve their activities in the capital market, joint-stock companies must prioritize enhancing transparency through timely and accurate reporting, strengthen communication channels with shareholders, and adopt best practices in corporate governance to ensure accountability and protect minority investors’ rights. Moreover, the implementation of advanced financial instruments and diversification of funding sources can increase market attractiveness and liquidity. It is also important to promote the integration of modern digital technologies for better market analysis and risk management. Consequently, a comprehensive study of effective strategies, international experience, and existing barriers is essential to formulate actionable recommendations that will foster the active and sustainable participation of joint-stock companies in the capital market.

THE PROBLEM OF THE RESEARCH

Significant research has been conducted on the functioning of capital markets and the role of joint-stock companies as key participants in mobilizing investment resources. These studies generally focus on the theoretical foundations of capital market development, the issuance of securities, corporate governance, and investor protection. However, they often insufficiently examine the practical mechanisms and institutional barriers that hinder the active and efficient participation of joint-stock companies in capital markets. In particular, many companies face challenges in ensuring transparency, enhancing financial reporting standards, and building investor trust—factors that directly influence their ability to attract long-term capital. Moreover, existing research has not fully addressed the need for improving internal management practices, diversifying financial instruments, or implementing innovative financing models that would make joint-stock companies more competitive in the capital market. The underutilization of capital market opportunities by these companies often results in limited access to funding and stagnated corporate growth. Until now, comprehensive solutions for enhancing market integration and improving the investment attractiveness of joint-stock companies remain lacking. This situation emphasizes the importance and necessity of conducting focused research on effective ways to improve the activities of joint-stock companies in the capital market as a strategic factor for sustainable development and financial independence.

THE PURPOSE OF THE RESEARCH

In the increasingly sophisticated and volatile capital markets, joint-stock companies must adopt innovative strategies to enhance their market activities and attract sustainable investment. The integration of transparent corporate governance, effective investor relations, and timely disclosure of financial information plays a pivotal role in building investor confidence and improving market performance. Additionally, the alignment of business operations with regulatory requirements and global best practices ensures that joint-stock companies remain competitive and compliant in diverse financial environments.

The purpose of this study is to identify and develop scientifically grounded recommendations for improving the activities of joint-stock companies in the capital market. By examining market trends, regulatory frameworks, and corporate strategies, the research aims to offer actionable insights that foster increased market capitalization, liquidity, and investor trust. Ultimately, this study highlights the necessity for joint-stock companies to continuously innovate their capital market approaches, ensuring sustainable growth and enhanced shareholder value in an ever-evolving financial landscape.

THE SCIENTIFIC ESSENCE OF THE RESEARCH

Accurate and timely financial reporting attracts more investors. Companies should adopt international financial reporting standards (IFRS) to ensure consistency and comparability. Regular audits by independent firms improve reliability. Public disclosure of key financial and operational data fosters transparency. This openness reduces uncertainty in the capital market. As a result, investor participation and confidence increase. Improving the participation and performance of joint-stock companies (JSCs) in the capital market is a vital step toward enhancing financial intermediation, attracting investment, and fostering long-term economic growth. The efficiency and transparency of JSCs are central to investor confidence, which in turn shapes market depth and liquidity. Numerous scholars emphasize that improving internal governance, strengthening financial disclosure, and diversifying financing instruments are key measures that drive sustainable market integration [6].

One fundamental improvement is the institutionalization of corporate governance standards. A well-structured and independent board, proper protection of minority shareholders, and consistent dividend policies significantly improve market perception and valuation of joint-stock companies. Empirical findings suggest that JSCs with strong governance frameworks experience lower capital costs and higher investor participation [7]. Improving corporate governance is crucial for building investor confidence. Joint-stock companies should ensure transparent decision-making processes and hold management accountable. An effective board of directors with independent members can safeguard shareholder interests. Clear policies on ethics, disclosure, and conflict of interest reduce risk. Adopting international governance standards can enhance reputation. This builds trust among investors and boosts market activity.

A second critical area is enhancing the quality of financial and non-financial disclosures. Regular, audited, and IFRS-compliant reporting is essential to reducing information asymmetry. The World Bank (2022) [8]emphasizes that timely and transparent reporting not only fosters trust but also increases market activity and reduces stock price volatility.

Another important mechanism is the development of diversified financial instruments. By offering preferred shares, convertible bonds, and structured products, JSCs can broaden their investor base and align funding structures with strategic needs. The Asian Development Bank (2022) notes that such instruments are particularly effective in transitioning economies where equity market participation remains limited. Joint-stock companies can improve their market activity by diversifying funding sources. Issuing various financial instruments like bonds or preferred shares provides flexibility. Listing on multiple stock exchanges increases exposure to global investors. Partnerships with investment banks can also help structure attractive offerings. Improving credit ratings and investor relations will further ease access to capital. All these efforts support business growth and market strength.

Additionally, expanding institutional investor engagement plays a transformative role. Pension funds, insurance companies, and sovereign funds provide long-term capital and contribute to market stabilization. Regulatory incentives for these entities to invest in public equities of JSCs can deepen the market and encourage firms to meet higher transparency and performance standards[9] (IFC, 2021). Active communication with investors builds long-term trust. Companies should maintain dedicated investor relations teams to provide updates and respond to inquiries. Hosting investor briefings and publishing regular reports keep stakeholders informed. Educational initiatives about company performance and market trends can also help attract retail investors. Transparent and proactive communication reduces speculation. It ultimately results in more stable and active market participation.

In Uzbekistan, several domestic scholars such as F.T. Mukhamedov (2020), J.I. Karimqulov (2021), and A.I. Karimov (2023) have proposed actionable reforms including improving digital infrastructure of the Tashkent Republican Stock Exchange, simplifying IPO procedures, and educating corporate managers on capital market operations[10, 11, 12]. These recommendations highlight that technical upgrades must be complemented by human capital development and regulatory consistency.

In summary, increasing the effectiveness of joint-stock companies in capital markets requires a multidimensional approach. Strengthened governance, robust disclosure, product diversification, investor engagement, and regulatory modernization are interconnected levers that support capital market integration and the broader financial ecosystem.

RESEARCH METHODS

Scientifically, there are several research methods in the article while analyzing the ways to improve the activities of joint-stock companies in the capital market. It can be seen that induction, deduction, comparative analysis, trend analysis, abstract, and other methods are used in the research. The inductive method is applied to identify general strategies based on the practical experiences of joint-stock companies operating in various capital markets. The deductive method is used to test the effectiveness of theoretical models of market participation and investor engagement. Comparative analysis helps to evaluate differences in performance and regulatory compliance between domestic and international joint-stock companies. Trend analysis is utilized to examine changes in capital market participation, trading volumes, and share prices over time. Abstract methods assist in modeling institutional interactions and structural factors that affect market behavior. These methodologies collectively provide a scientific foundation for developing practical recommendations aimed at enhancing the operational and investment potential of joint-stock companies in the capital market.

ANALYSIS AND RESULTS

In modern financial systems, joint-stock companies (JSCs) are central actors in capital formation, investment mobilization, and corporate governance. However, in many emerging and transitional economies, their level of engagement with capital markets remains limited due to structural, regulatory, and institutional barriers. This section provides an analytical evaluation of existing shortcomings and proposes evidence-based pathways to enhance the presence, performance, and strategic contribution of JSCs in capital markets.

Joint-stock companies have a unique position in capital markets due to their ability to:

- Issue equity and debt instruments to a broad base of investors;
- Enable ownership diversification through public trading;
- Facilitate corporate transparency and governance under listing regulations.

However, to effectively leverage these functions, JSCs must actively engage in financial markets not just as issuers but also as responsible corporate entities aligned with market expectations.

Based on field surveys and expert interviews across 70 joint-stock companies from industrial, banking, and service sectors, several barriers to market participation were identified.

Table 1 Key challenges limiting JSC activities in capital markets[13]

Challenge	% of Respondents affected
Weak financial reporting and low transparency	62%
Underdeveloped investor relations and public image	55%
Limited knowledge of capital market instruments	48%
Infrequent use of IPOs and secondary offerings	44%
Excessive reliance on internal or bank financing	39%
Low liquidity of issued shares in secondary market	34%

Table 1 identifies key challenges limiting Joint-Stock Companies (JSCs) in capital market participation. The most reported issue is weak financial reporting and low transparency, affecting 62% of respondents, which undermines investor confidence. This is followed by underdeveloped investor relations and poor public image (55%), and limited knowledge of capital market instruments (48%), indicating gaps in both communication and technical expertise. Additionally, infrequent use of IPOs and secondary offerings (44%) and heavy reliance on internal or bank financing (39%) suggest a hesitation to engage with external equity markets. Lastly, low share liquidity in secondary markets (34%) further discourages investor participation and capital access.

These obstacles hinder JSCs from fully accessing or leveraging capital markets for long-term growth, investment, and value maximization.

Improving capital market engagement requires a multi-dimensional approach—encompassing policy reform, corporate capability building, and market infrastructure development.

Table 2 Strategic recommendations for improving jsc capital market activities

Recommendation	Expected Benefit
Adopt International Financial Reporting Standards (IFRS)	Enhances credibility and investor confidence
Develop professional investor relations departments	Builds stronger communication and market trust
Promote public offerings (IPOs, SPOs)	Expands access to long-term financing
Diversify instruments (e.g., bonds, preferred shares)	Attracts broader investor segments
Conduct regular market performance benchmarking	Improves strategic transparency
Digitize reporting and disclosure systems	Increases efficiency and regulatory compliance

Table 2 outlines strategic recommendations to enhance Joint-Stock Companies' (JSCs) participation in capital markets. Adopting IFRS is expected to boost transparency and investor confidence, addressing credibility concerns. Establishing professional investor relations departments can improve market communication and trust. Promoting IPOs and SPOs would expand financing options beyond traditional sources. Diversifying financial instruments helps attract a wider range of investors, while regular performance benchmarking supports strategic

clarity. Finally, digitizing reporting and disclosures enhances efficiency and ensures better regulatory compliance, contributing to overall market readiness.
Companies that implement these measures can expect greater investor engagement, improved valuation multiples, and more competitive access to capital.
An empirical comparison was conducted between joint-stock companies in Germany (developed market) and Uzbekistan (emerging market) to illustrate how institutional differences affect market activity.

Table 3 Comparative indicators of JSC activity in capital markets[14]

Indicator	Germany JSCs	Uzbekistan JSCs
Average annual public issuance (USD million)	312	24
Institutional investor ownership (%)	61%	17%
Share turnover ratio (avg.)	48.5%	11.2%
Use of investor relations websites (%)	89%	32%

Table 3 compares the capital market activity of Joint-Stock Companies (JSCs) in Germany and Uzbekistan, highlighting significant disparities. German JSCs demonstrate far higher engagement, with an average annual public issuance of USD 312 million compared to just USD 24 million in Uzbekistan. Institutional investor ownership is also much stronger in Germany (61%) than in Uzbekistan (17%), reflecting greater market trust and participation. The share turnover ratio further emphasizes this gap, averaging 48.5% in Germany versus 11.2% in Uzbekistan, indicating lower market liquidity in the latter. Additionally, 89% of German JSCs use investor relations websites, compared to only 32% in Uzbekistan, underscoring the need for improved transparency and investor communication in emerging markets.
The data show that transparent governance, market liquidity, and professional investor communications significantly influence JSC performance in the capital market. Also, “Stock indices play a crucial role in increasing investor activity in the capital market, and have a significant impact on the development of the stock market and the national economy. Stock indices provide a quick and easy way to understand what changes are taking place in companies in countries”[15].
For joint-stock companies to become more effective participants in capital markets, a shift in corporate culture, governance, and strategic financing approach is needed. Key policy-level enablers include:
- Incentives for public listings and bond issuance;
- State-supported financial literacy programs for issuers and investors;
- Capital market infrastructure reforms, including digital trading platforms and independent rating agencies.

In conclusion, enhancing the role of JSCs in capital markets is both a corporate and national imperative. Such improvement contributes not only to company-specific growth but also to macro-level economic development, as efficient capital markets are closely linked with capital allocation, innovation, and long-term productivity.

CONCLUSIONS AND SUGGESTIONS

Enhancing the activities of joint-stock companies in the capital market is essential for attracting investment, increasing market capitalization, and fostering sustainable corporate growth. Effective participation in the capital market allows joint-stock companies to access diverse financing sources, improve liquidity, and strengthen their public image. However, to fully realize these benefits, companies must adopt comprehensive measures that improve transparency, governance, and investor relations.

Based on the research and analysis conducted, the following recommendations are proposed:

Increase transparency and timely disclosure of financial and non-financial information to build investor confidence and comply with regulatory requirements.

Enhance corporate governance practices by establishing independent supervisory boards and strengthening the role of audit committees to ensure accountability.

Develop investor relations programs to facilitate continuous communication with shareholders and potential investors, thereby improving market perception and attracting long-term investments.

Simplify and standardize procedures for issuing and trading securities to reduce transaction costs and encourage greater market participation.

Promote active engagement with regulatory bodies and stock exchanges to stay updated on market trends and regulatory changes, ensuring compliance and strategic adaptation.

Adopt innovative financial instruments and diversify capital-raising methods, including bonds and preferred shares, to broaden funding sources.

Invest in capacity building for management and finance teams to enhance their understanding of capital markets and improve decision-making processes.

Encourage strategic partnerships and alliances to strengthen market positioning and leverage synergies for growth.

Implementing these recommendations will enable joint-stock companies to improve their activities in the capital market, increase investor trust, and contribute positively to the development of a dynamic and robust financial market environment.

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