

INTRODUCTION OF CORPORATE SOCIAL RESPONSIBILITY PRINCIPLES IN UZBEK ENTERPRISES

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Abstract

In this thesis, based on the latest changes and the implementation of the current reform program, the implementation and development of the system of corporate social responsibility in Uzbekistan and the widespread adoption of corporate social responsibility among companies and corporations. solving the problem of attracting investors, which is one of the most important problems in Uzbekistan. In addition, it includes recommendations for effective use of the Corporate Social Responsibility system in companies.

Key words: CSR, companies, international principles, TTXI, ESG

Today in this world, Corporate social responsibility is the integral part of business sphere. A lot of top and successful companies focus on to improve Corporate social responsibility(CSR). Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.

Furthermore, CSR has benefits more. CRS initiatives strive to have a positive impact on the world through direct benefits to society, nature and the community in which a business operation. In addition, a company may experience internal benefits through the initiatives. Knowing their company is promoting good causes, employee satisfaction may increase and retention of staff may be strengthened. In addition, members of society may be more likely to choose to transact with companies that are attempting to make a more conscious positive impact beyond the scope of its business. Developing CSR in Uzbekistan will lead to high investment attractiveness that is considering as a big problem now. Also, countries other spheres including environmental

Last years, despite the creation of favorable conditions for attracting foreign investments to Uzbekistan, we cannot say that investments are coming in sufficiently. According to government experts, the size and growth rate of Uzbekistan's economy required an annual investment of approximately 12 billion dollars in 2020. However they could not achieve as expected. Furthermore, the rate of entry of enterprises from developed countries into Uzbekistan is not satisfactory. As of February 1, 2022, the number of enterprises and organizations with foreign capital registered in the republic is 13.8 thousand, of which 13.4 thousand carry out their activities., but most of the foreign investors are from Russia , Turkey and China and it is continuation. If you notice, there are very few European or American investors among the companies.

Initially, in accordance with several investigations, foreign investors notably prioritize the degree of transparency prevalent within a nation as a determinant of its investment appeal.

An enterprise that adopts a robust corporate social responsibility (CSR) policy is distinguished by a prominent level of transparency and endeavors to disseminate its CSR undertakings to a larger audience and interested parties through the release of non-financial reports. Business enterprises that adhere to the principles of transparency ensure that stakeholders, including investors and other parties with vested interests, are adequately furnished with relevant information pertaining to the organization. It is highly probable that corporations that disseminate their information to the public are more prone to garner attention from prospective investors.

Second, strong CSR strategies help entrepreneurs manage potential risks and thus gain an edge over their competitors in the market.

In order to succeed in the global market, companies and organizations need to progress a strong CSR policy and improve their economic, social and environmental standards. For example, the reason why the biggest investment companies are afraid to enter developing countries is because they fear that their investments will be used for unethical business activities, because it will damage their reputation.

Thirdly, now the concepts of responsible business and successful business have become related concepts. Research shows that among investors and financial markets, businesses that implement CSR activities and try to solve social problems are also recognized as businesses with good management. Information on an organization's environmental, social and governance (ESG) metrics is recognized by investors as a guarantee of companies' financial success.

In the West, there are specialized firms that collect and analyze information on companies' environmental impact, social problem solving and contribution to community development, and internal performance (ESG). Examples of these are Sustainable asset management, Morgan Stanley, Trucost, Sustainalytics. Investors use the services of these companies, choose the ones they like from the list of stable and responsible businesses and do business with them.

Fourth, the number of socially responsible investors is increasing day by day, and people are paying more attention to environmental and social issues. According to surveys conducted by the Boston Consulting Group, 44% of investors said they would not invest in a company if it had unsustainable performance. The remaining 60% of investment firm board members said they would withdraw their investment if the company they invested in engaged in irresponsible practices.

Therefore, in Uzbekistan, companies should focus on CSR and developing of this sphere leads to more benefits for this country, society also their employees and owners.

In order to develop CSR principles and responsible business requirements in Uzbekistan, the following can be recommended:

Develop laws that encourage business transparency and support those who follow this principle;

Providing CSR at the state level. In the conditions of passivity of our society, at the initial stage, the government should act as the main reformer for the development

of CSR. In this field, it is necessary to develop standards based on a number of international guides mentioned above;

To encourage the publication of non-financial reports and to develop guidelines in this regard;

Encouraging entrepreneurs to fulfill their responsibilities in supply chains based on international guidelines in order to expand their markets and ensure product quality;

Raising the public awareness of CSR principles (lectures, seminars, briefings, media interviews, etc.).

Encourage research and publications related to CSR principles and its development;

Organization of consulting services for business and organizations in order to develop CSR;

Require foreign and multinational companies to comply with the procedures for compliance with CSR and international standards implemented in other developed countries in the same way in Uzbekistan.

Enhancing corporate social responsibility (CSR) strategies and principles that align with prevailing economic conditions, cultural norms, and religious values, together with upholding principles of transparency, social responsibility, and accountability towards relevant stakeholders, can elevate the overall operational efficacy of businesses in Uzbekistan. Furthermore, such practices can cultivate predictability and stability, ultimately enhancing the appeal of these businesses to foreign investors and subsequently invigorating the economic development of the nation. Adopting authentic CSR practices enables businesses to fulfill not only their owners' philanthropic desires but also to gain a comprehensive understanding of what it means to operate as a responsible entity in every aspect whilst enjoying the benefits of doing so.

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