

Dividend Policy of Russian Companies with State Participation as a Mechanism of Relations with the Owners

Дивидендная политика российских компаний с государственным участием как механизм отношений с собственниками

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Abstract

The formation and implementation of the dividend policy of Russian companies with state participation differ from the policies pursued by the public and non-public joint-stock companies owned by private investors. The state, being a special shareholder, affects the dividend policy from the position of the owner and the regulator, who has the ability to set certain restrictions and rules for companies that are not in the power of other categories of shareholders. Systemic risks and the uncertainty of the development of the Russian economy objectively require an in-depth study of the regulation of dividend policy in public companies with state participation. It is generally accepted that with a decrease in the number of dividends paid to owners of ordinary shares, the weighted average cost of capital becomes lower, while at the same time the financial performance of a business and the amount of retained earnings become higher. Therefore, the company's dividend policy is an important element of financial management and relations with the owners. The question of the importance of dividend policy for public companies with state participation is the most controversial and little studied today. The price of shares, the structure of equity capital, and the need to attract borrowed capital are directly dependent on the size of dividends. However, the payment of dividends reduces the amount of profit that can be reinvested in the development of the

Аннотация

Формирование и реализация дивидендной политики российских компаний с государственным участием отличаются от политики публичных и непубличных акционерных обществ, принадлежащих частным инвесторам. Государство, будучи особым акционером, влияет на дивидендную политику с позиции владельца и регулятора, который имеет возможность устанавливать определенные ограничения и правила для компаний, которые не находятся во власти других категорий акционеров. Системные риски и неопределенность развития российской экономики объективно требуют глубокого изучения регулирования дивидендной политики в публичных компаниях с участием государства. Общепринято, что с уменьшением количества дивидендов, выплачиваемых владельцам обыкновенных акций, средневзвешенная стоимость капитала становится ниже, в то же время финансовые показатели бизнеса и сумма нераспределенной прибыли становятся выше. Поэтому дивидендная политика компании является важным элементом финансового менеджмента и отношений с собственниками. Вопрос о важности дивидендной политики для публичных компаний с государственным участием является сегодня наиболее спорным и малоизученным. Цена акций, структура

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company, so the impact of dividend policy on the financial condition of the company is ambiguous. In this regard, it seems relevant to improve the dividend policy of public companies with state participation through solving the problems existing in them.

Key Words: dividend policy, economic interests of issuers, market value of shares, public joint-stock companies with state participation.

Introduction

A whole complex of problems arises in companies with state participation. They are associated with the choice of forms and methods of forming dividends, the assessment of their impact on market fluctuations in the value of companies and the welfare of shareholders. Purpose of the research: to study the theory and practice of the formation and implementation of the dividend policy of public Russian companies with state participation, to identify the problems of the effectiveness of dividend policies and suggest ways to solve them. Today, many points of view on the dividend policy of public companies exist in economic theory. However, until now there is no unified system approach in scientific research, which reveals the essence of this concept and allows to specify the real state of dividend policies of public companies with state participation and to identify the features of their implementation characteristic of the Russian economy.

There are many approaches to the definition of "dividend policy" and "dividend." It seems that the following definition will be more reasonable: dividend policy is the company's profit distribution policy, according to which it is determined how much of the profit will be paid to shareholders in the form of dividends, and how much will be reinvested in order to receive further income payment of dividends in a larger amount.

According to the definition given by R. Braley and S. Myers, the dividend policy is, on the one hand, a compromise between reinvesting profits,

акционерного капитала и необходимость привлечения заемного капитала напрямую зависят от размера дивидендов. Однако выплата дивидендов уменьшает сумму прибыли, которая может быть реинвестирована в развитие компании, поэтому влияние дивидендной политики на финансовое состояние компании неоднозначно. В связи с этим представляется актуальным улучшение дивидендной политики публичных компаний с участием государства путем решения существующих в них проблем.

Ключевые слова: дивидендная политика, публичные акционерные общества с государственным участием, рыночная стоимость акций, экономические интересы эмитентов.

on the other, between paying dividends by issuing new shares (Davaadorj, 2019).

In accordance with art. 43 of the Tax Code of the Russian Federation, a dividend is any income received by a shareholder (participant) from the organization when distributing the profit remaining after tax (including in the form of interest on preferred shares) on shares owned by the shareholder (participant) in proportion to the shares of shareholders (participants) in the authorized (share) capital of this organization (Atanassov, J., Mandell, A.J., 2018).

A huge number of theories considered in modern financial science. Their main aspect is the dividend policy.

The following scientists were engaged in developing the theoretical foundations of the dividend policy abroad: M. Miller, F. Modigliani, S. Ross, M. Gordon, J. Lintner, R. Litzenberger, F. Black, M. Jensen, and others.

In Russia, studies of such scientists as I.A. Blank, I.Ya. Lukasevich, N.K. Pirogov, N.N. Volkov, P.N. Brusov, T.V. Filatov, N.P. Orekhov, P.A. Guryanov, L. Ruzhanskaya, S. Lukyanov, I. N. Bogataya and E. M. Evstafyev, E. V. Voronin, N. S. Plaskova, and others.

Theoretical aspects are considered from the point of view of the "issuer approach" and "investor approach" in studies of dividend policies of public companies at the present stage.

According to the first approach, the dividend policy is formed in such a way as to achieve a balance between the interests of the company and its shareholders. The dividend policy is considered “optimal” under this approach. When it is implemented, the interests of the issuer are put at the head, but the interests of the company's shareholders are not ignored either (Kozlova, A.S., 2015). The needs of the issuer are considered priority but not absolute, and investors' expectations of dividend payments are satisfied “secondarily”. It is assumed that dividends may be paid on a residual basis. The main thing here is that the issuer satisfies most of the existing needs but not all.

The second scientific approach (“investor approach”) implies the satisfaction of shareholders' investment expectations regarding dividend payments, but, at the same time, the company's financial resources needs must also be taken into account.

We conclude that both approaches are compromised. The only difference is in the prioritization of issuers and investors. However, both approaches suggest maintaining a balance of economic benefits for the company and for investors.

In our opinion, the “investor approach” is more acceptable for the Russian economy when forming the dividend policy of public companies. They are characterized by the presence of majority shareholders, whose investment preferences largely determine its formation.

For the purpose of this article, companies with state participation will be understood as economic entities created in the form of a joint stock company and having state ownership, regardless of the state's share in their share capital. Their list is established by the Order of the Government of the Russian Federation of August 30, 2017 №. 1870-p.

Scientists recognize the fact that the activity of joint-stock companies is a projection of the economic interests of its participants - stakeholders and, above all, shareholders. An important issue is the size of the block of shares, the investor's share in the company's authorized capital, the degree of its influence on the decisions made regarding the development of the company. Owners of small or large shareholdings do not have the same forms of benefits from owning them. Minority shareholders, minority shareholders, have two forms of benefits: capital gains and dividends.

Capital gains are generated by increasing the share price. Dividends are the current benefits of a shareholder (cash, securities, etc.). Majority shareholders who have the ability to make strategic decisions for the company also have a third form of benefits: to privatize part of the cost through entering into contracts that are profitable for themselves and through paying representation expenses at the expense of the company, and therefore other shareholders.

A number of mechanisms are used to carry out financial relationships with the owners of the company. The most important of them is the distribution of financial results (payout policy). In this case, the following conditions must be met:

- 1) the company's investment projects should be provided with financial resources;
- 2) the aggregate welfare of the owners of financial assets should be maximized for current and future benefits.

According to paragraph 3 of art. 42 FZ of December 26, 1995 No 208-FZ “On Joint-Stock Companies”, the shareholders meeting makes a decision to pay dividends at the end of the reporting period (usually a year), as well as interim dividends on shares of each type based on recommendations of the board of directors of the joint-stock company. The decision on dividend payments based on the results of the first quarter, six and nine months of the reporting year is made no later than three months after the end of the relevant period Brigham, Y., Edhardt M., 2009).

The following factors are taken into account when determining the size of the dividend:

- net profit for IFRS for the reporting year;
- the company's need for financial resources for the implementation of the development strategy;
- consideration of significant changes in the economy, political situation, force majeure, and other internal or external challenges;
- observance of the balance of interests of the issuing company and its owners-shareholders.

The public company forms the financial strategy, the constituent elements of which are distribution policy, i.e. the policy on the distribution of profits, and dividend policy - the policy of directing funds and other assets to owners.

The company's financial department must analyze the permissible level of "withdrawal of monetary resources" from the company, i.e. compare the interests of owners and other stakeholders, determine the significance of current payments for them and the impact of profit distribution on the cost of financial resources for the company and its market value. When the owners of the company hold equal views on the benefits of current and future payments and make informed decisions on dividend policy, this creates a "client effect" for the company.

Then, from the point of view of satisfying the economic interests of the issuing company and shareholders, effective dividend policy is a well-thought-out and disclosed for the owner's policy of ensuring the current benefits from owning the company's capital, providing investment and financial flexibility and maximizing market value.

Literature Review

There are two main approaches to the study of the dividend policy of Russian companies:

- 1) the theory of the lack of significance of dividends, which states that when determining the total value of a company, the amount of dividends does not matter;
- 2) the theory of the significance of dividends, which refutes this assertion.

"The theory of the lack of significance of dividends" is recognized as the most common theory of the formation of dividend policy and involves the accrual of dividends on the residual principle. This theory is fundamental in the study of dividend policy. The authors of this theory are F. Modigliani and M. Miller. According to this theory, all investment projects of the company are first financed by net profit, and only then dividends are paid.

The theory of dividend minimization (or the theory of tax preferences) was developed by N. Litzenberger and K. Ramaswamy. The minimization of tax payments for current and future payments to shareholders is the main idea of this theory.

According to the theory of minimizing dividends, the shareholder is obliged to pay tax to the state for his income from dividends, while capital gains tax will be levied directly on the sale of

shares. In this regard, the capital gains tax can be deferred for a very long time.

The founders of the "dividend significance theory" are M. Gordon and D. Lintner. The essence of this theory is that it is more preferable for shareholders to increase dividend payments than to capitalizing on profits. They argue their theory in the following way: investors, fearing greater risks and uncertainty, will prefer to receive current income in the form of dividends than income from an increase in the market value of shares after a certain period.

"The Signal Dividend Theory" by S. Ross and S. Bhattacharya recognizes the level of dividend payments as a significant factor affecting the market value of shares. From the position of market participants, this theory is the most relevant. It takes into account the value of the dividend as a market benchmark when making decisions by investors. Thus, the increase in dividend payments and their further growth determines the growth of the estimated share price when deciding on its purchase.

A joint-stock company holding a dividend policy that meets the expectations and needs of the majority of shareholders is the main idea and essence of the "theory of clientele" by E. Elton and M. Gruber. The factor determining the company's dividend policy in this model is the composition of current shareholders and potential investors. For example, when the majority of shareholders are interested in receiving dividends, the company should prefer this particular dividend policy. If investors prefer capital gains to dividends, then significant dividend payments should be avoided (Davaadorj, Z., 2019).

The author of the "investment theory" J. Walter argues that the greatest connection of dividend policy with maximizing the market value of an enterprise (maximizing the quotes of its shares) is achieved by taking into account the level of profitability of its investment activities (Davaadorj, Z., 2019).

The rate of return on investment is compared with the market rate of return on shares. Dividends will decrease if the level of return on investment exceeds the level of return on its shares. Accordingly, the value of dividends will increase if the level of return on the company's investments becomes less than the level of its stock returns.

The essence of the theory of J. Walter is that the optimal size of the dividend should maximize the market value of the stock.

Two new models of dividend policy are reflected in modern practice: the agency costs model and the company's life cycle theory.

In accordance with the "agency costs model" by M. Jensen and W. Macking, the increase in dividends paid helps to reduce agency costs. The company's cash flows are declining and the management has less opportunity to invest money in non-profitable projects.

L. Ruzhanskaya and S. Lukianov write that the theory of agency costs and the theory of signals are empirically reflected in the Russian market. However, they note that the signal function is weakly expressed, as "... often the high dividend amount is not connected with the company's desire to improve its image for investors but with the legalization of income by owners, especially in companies with high majority ownership" (Qiao, Z., Chen, K.Y., Hung, S., 2019: p. 6). Examples of high state-owned PJSC: VTB (92%), Transneft (78%), FGC (71%), Alrosa (66%), RusHydro (61%), Aeroflot (51%), Sberbank (50%), Gazprom (50%), Rostelecom (49%).

"The theory of the life cycle of a company" (I. Adizes, L. E. Greiner, U. A. Schmidt, S. R. Filonovich, J. Antony, I. Ivashkovskaya, G. Grullon, R. Mikaeli, etc.) represents complete and validated form of agency theory. The payment of dividends depends on the choice of the direction of costs in this theory. Either they will go to the control of managers or will be directly related to the payment of dividends. This choice depends on the life cycle of the company. In modern Russian and foreign scientific literature, researchers of the theoretical foundations of the formation of dividend policies of Russian public companies usually distinguish one criterion, according to which arguments are

given confirming its importance from the point of view of investors.

For example, I. N. Bogataya and E. M. Evstafeva for the main criterion for evaluating the dividend policy pursued by a company consider the indicator of the "level of dividend payments". It actually represents the ratio of the aggregate "dividend payout fund" for holders of ordinary shares to "the number of ordinary shares issued by the joint-stock company" (Chintrakarn et al., 2019: p.113).

Another approach to assessing the attractiveness of the dividend policy of Russian public companies is proposed by E.V. Voronin, who considers it advisable to use several quantitative indicators: a share of dividend payments in net profit; an amount of dividends per share; dividend yield, defined as the ratio of the size of the dividend per share to the market value of shares at a certain point in time (Farooq, O., Ahmed, N., 2019). The market value of a share means either its price at the closing date of the register of shareholders entitled to receive dividends or the purchase price of a share.

Consider public companies with state participation regarding these criteria (Table 1). According to the theory of E.V. Voronin, distribute the company in descending order in accordance with the proposed criteria:

- the share of dividend payments in net profit: Rostelecom (127%), VTB (85%), Aeroflot (52%), Alrosa (50%), RusHydro (49%);
- dividends per share: Transneft (4,296.480 rub.), Aeroflot (17.479 rub.), Alrosa (8.930 rub.), Gazprom (8.039 rub.), Rosneft (5.980 rub.), Rostelecom (5.387 rub.);
- dividend yield: Alrosa (9.30%), FGC (8.07%), Aeroflot (7.77%), Rostelecom (7.49%), Gazprom (6.46%), Transneft (5.20%).

Table 1 - Analysis of dividend volumes in 2017, announced by joint-stock companies with state participation (Farooq, O., Ahmed, N., 2019).

Company	Net profit, billion rubles	Dividend yield, %	Dividend payout per share, rub.	Total volume dividends, billion rub.	Volume dividends related to the state, billion rub.	Share of the total amount of dividends from the net profit of the company, %
Gazprom	951,6	6,46	8,039	190,3	95,17	20
Sberbank	540,5	4,00	6,000	135,5	67,77	25
Alrosa	131,4	9,30	8,930	65,8	43,42	50
VTB	52,3	1,74	0,001	44,4	38,50	85
Rosneft	181,0	1,80	5,980	63,4	31,69	35
Transneft	232,9	5,20	4296,480	30,6	23,93	13
FGC	68,2	8,07	0,014	18,2	12,94	27
RusHydro	40,2	5,65	0,046	19,9	12,04	49
Aeroflot	37,4	7,77	17,479	19,4	10,58	52
Rostelecom	11,8	7,49	5,387	15,0	7,35	127

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Analyzing the presented data, it can be concluded that the most attractive dividend policies for investors are such companies as: PJSC Aeroflot, PJSC Alrosa, PJSC Rostelecom, PJSC Gazprom. The banking sector looks the least attractive. The dividend yield on ordinary shares of Sberbank and VTB is within 4%.

As we see, there is no single systematic approach to identifying and justifying the criteria that allow evaluating the effectiveness of the dividend policy of companies. It is proposed to evaluate the dividend policies of companies through the amount of income - absolute or relative, which was previously received on average (retrospective yield), or can be obtained while maintaining the same approach to the implementation of dividend payments subject to

the acquisition of shares at the current market price (projected yield) .

Thus, the analysis of publications of foreign and Russian scientists in the field of dividend policy allows us to conclude that the issues of profit distribution for the development and promotion of companies and the welfare of owners are in permanent contradiction. They reflect the interests of the parties, which do not remain static in the process of the functioning of companies but constantly undergo changes, based on the conjuncture and the movement of the economy, market, and own preferences.

Methodology

The methodological basis of this article consists of such methods of scientific research as statistical and comparative analysis, systematization and generalization of scientific knowledge, identifying the relationship between economic and financial indicators related to the implementation of the dividend policy and its effect on the market value of stocks of companies.

Indicators to judge the implemented dividend policy of the company:

- 1) the number of dividend payments per year;
- 2) the dynamics of the volume of profits directed to relations with the owners;
- 3) dynamics of dividends per ordinary share - the DPS indicator (dividend per share);

- 4) the share of the net profit of the reporting year allocated for dividends is the rate of dividend payments;
- 5) dividend yield as the ratio of the paid in cash dividend per share for the reporting year to the price of this share at a certain fixed point in time;
- 6) buyout of shares per year (the number of buyouts and the amount allocated for buyout);
- 7) availability of dividend reinvestment programs.

The Cash to Stockholders to FCFE Ratio (dividend payout ratio) indicator characterizes the share of dividends paid to shareholders from free cash flow. The negative value of Cash to Stockholders to FCFE Ratio suggests that the

company has no funds for further business development.

Having a free cash flow (FCF) allows the company to initiate (start) the payment of dividends. This choice suggests that the company first makes decisions on the implementation of investment projects, and then - on dividends. Financial performance is primarily because we first need to determine the optimal capital structure that provides investment needs, and then determine the monetary resources that can be donated to the development of the company to shareholders without loss.

Consider the payout ratios of public Russian companies with state participation in 2017 (table 2):

Table 2 - Payout ratios of public companies with state participation in 2017 (Glushetsky, A. A., (2017).

Company	Net profit (million rub.)	Free cash flow with attraction (repayment) of debts (million rub.)	Amount paid dividends (million rub.)	Div/E (%)	Div/FCFE (%)
PJSC "NLMK"	176 557	122 511	112 025	132	91
PJSC "Rostelecom"	121 780	134 672	45 640	37	34
PJSC "MTS"	291 884	2739789	222 673	76	81
PJSC "Inter RAO"	48 602	55 465	6 221	13	11
PJSC "Rosseti"	40 152	(102 141)	18 908	47	-19
PJSC "RusHydro"	86 710	68 263	31 889	37	47

The table shows that the dividend payout ratio of PJSC NLMK was 132%, that is, the company paid dividends 1.3 times more than the net profit received during this period. The dividend payout ratio for free cash flow was 91%. This suggests that the company paid almost all available cash to shareholders.

Payout ratios (Div/FCFE) from PJSC "RusHydro" (47%), PJSC "Rostelecom" (34%), PJSC "Inter RAO" (11%) indicate that payments were made by attracting borrowings. These companies still have the remaining cash after covering capital expenditures and dividends, that is, positive (except for PJSC "Rosseti") free cash flow, which attracts investors and is a good investment characteristic of the company. The negative value of the ratio $Div = FCFE = -19\%$ indicates that PJSC "Rosseti" does not have enough cash flow for the company's operational growth.

The analysis of dividend policies of companies with state participation contains financial indicators underlying the recommendation of the board of directors to declare dividends, and which regulate the procedure for calculating dividend payments. This analysis allows us to distinguish four groups of dividend policy, depending on which financial indicators it is based on:

- dividend policy based on analysis of net income determined according to RAS or IFRS: PJSC "Rosneft" (IFRS, $\geq 50\%$), PJSC "Alrosa" (IFRS, $\geq 35\%$), PJSC "VTB" (IFRS, $\geq 25\%$), PJSC "RusHydro" (IFRS, $\geq 5\%$), PJSC "Inter RAO UES" (IFRS $\geq 25\%$);
- dividend policy based on analysis of free cash flow: PJSC "Rostelecom" ($\geq 75\%$, but not less than 45 billion rubles cumulatively over 3 years);

- dividend policy based on the analysis of adjusted (normalized) net profit (ER), calculated according to RAS or IFRS: PJSC "Transneft" (ERC is adjusted for shares in the profits of dependent and jointly controlled companies; income from revaluation of financial investments; foreign exchange surplus differences; other non-regular (one-time) non-monetary components of net profit), PJSC "FGC UES" (10% of NPR), PJSC "Rostelecom" for ordinary shares (25% (ERC-deductions to the reserve fund - profit on investment - profit aimed at covering the losses of previous years)), PJSC "Rossetti" (according to the formula for calculating dividend payout ratio is multiplied by the adjusted net income, reduced by the number of additional indicators);
- other dividend policies: PJSC "Aeroflot" (the number of dividends depends on three criteria: K1, K2, K3) (Tran, D.V., Ashraf, B.N., 2018).

Despite the different formulations of adjustment mechanisms, their essence boils down to adjusting net profit by the amount of irregular (one-time) receipts.

The existence of various theories, methods, and principles of profit distribution does not allow formulating a unified dividend policy for all public companies because of the specific tasks that each company faces and the differences in external and internal conditions of economic activity. Therefore, it is not possible to develop a unified profit distribution model that would be universal.

There are four dates to which dividends are tied:

- Declared Date - the date when the company announces the date of payment of dividends and their value;
- Record Date - the date of compiling the list of persons entitled to dividends. You must be on this list in order to receive dividends. It is prepared for 3 days and you can track the start date of its preparation through the Ex-dividend Date;
- Ex-dividend Date - the date that comes 3 days before the registry is closed (Record Date). Beginning with Ex-dividend Date, shares are traded without the right to receive declared dividends;
- Payment Date - the date upon which the shareholder receives the dividends due to him, i.e. funds from the company's account will be sent to shareholders' accounts (Tran, D.V., Ashraf, B.N., 2018).

According to the classical theory, a stock approaching the cut-off date should demonstrate a steady growth in the conditions of a perfect market. When closing the register, the share price should be maximum at the end of the auction, and on the ex-dividend date, i.e. the next day, should be reduced by the amount of the dividend over the past year.

Table 3 shows the declared dividends of public joint-stock companies with state participation in 2017.

Table 3 - Dividends of public companies for 2017 announced in 2018 (Gutfleisch, G., 2018)

Company	Date T-2	Cut-off date	Period	Dividend	Share price, rub.	Dividend yield,%
Gazprom	17.07.2018	19.07.2018	year	8,0400	145,09	5,5
Sberbank	22.06.2018	26.06.2018	year	12,0000	220,90	5,4
Alrosa	12.07.2018	14.07.2018	year	5,2400	93,04	5,6
VTB	31.05.2018	04.06.2018	year	0,0035	0,05	6,7
Rosneft	28.06.2018	02.07.2018	4 quarters	6,6500	379,55	1,8
Transneft	18.07.2018	20.07.2018	year	8100,0000	174700,00	4,6
FGC	16.07.2018	18.07.2018	year	0,0148	0,18	8,2
RusHydro	04.07.2018	06.07.2018	year	0,0263	0,72	3,7
Aeroflot privileged share	11.07.2018	13.07.2018	year	10,0000	131,55	7,6
Rostelecom privileged share	04.07.2018	08.07.2018	year	5,0458	62,26	8,1
Rostelecom ordinary share	04.07.2018	08.07.2018	year	5,0458	65,85	7,7

Results and discusión

Companies with state participation can be divided into two groups:

- public corporations. Controlling blocks of shares belong to the Russian Federation, but these companies act as private companies in their economic activities (PJSC Sberbank, PJSC Gazprom, etc.);
- companies with state participation of the Russian Federation, subjects of the Russian Federation or municipal authorities of the Russian Federation in which the controlling block of shares formally belongs to the state, but the state does not have a real influence on these companies (Rich, I. N., Evstafieva, E., 2009).

The Russian Federation, as the owner of the capital of companies, realizes the rights of a shareholder (founder, owner) through the system of public authorities that includes at the federal level: the Bank of Russia (Central Bank of the Russian Federation); Federal Agency for State Property Management, the Ministry of Defense of the Russian Federation, the Office of the President of the Russian Federation (the Presidential Administration), etc.

There are a number of the largest issuing companies in Russia, which are the flagships of the Russian economy. The share of state participation is sometimes very significant in such companies. Shares of the state are acquired for the purpose of control at the federal level. The economic-forming companies of Russia are listed below in descending order of state participation. The state owns shares through the Federal Agency for State Property Management:

- FGC UES - 79.55% owned by the state.
- Transneft - 78.1% owned by the government.
- Rosneft - 75.16% owned by the Russian Federation.
- VTB - 75.5% property of the Russian Federation.
- RusHydro - 60.38% belongs to the property of the Russian Federation.
- Sberbank - 57.58% owned by the Bank of Russia.
- Aeroflot - 51.17% owned by the Russian Federation.
- Gazprom - 50.002% owned by the state.

- Novatek - the state owns the company through OAO Gazprom, whose share in it is 10%.
- Rostelecom - the share of the state is 6.86% (Douglas J., 2019).

The government controls the market value of shares for the largest companies. So, the following stock indices on the Russian stock market are currently used:

- index of shares of companies with state participation - a composite index of shares of public joint-stock companies, for which the determination of the position of a shareholder - the Russian Federation is carried out by the Government of the Russian Federation, the Chairman of the Government of the Russian Federation or on his behalf by the Deputy Chairman of the Government of the Russian Federation (MOEX SCI index);
- index of shares of companies with regulated activities - a composite index of shares calculated by the Exchange on the basis of the prices of transactions made with shares admitted to circulation on the Exchange that are included in the Register of natural monopolies, approved by the Federal Antimonopoly Service (Voronina, E. V., 2011).

Dynamics of indices of companies with state participation and companies whose activities are regulated by the state are presented in table 4.

The table shows the dynamics of the index is under the significant influence of the overall situation in the economy. The index values are extremely low in the period of crisis in 2014-2015. State participation in the share capital of public companies does not provide and does not guarantee for investors their high capitalization and stability, as the market falls and the value of the shares decreases.

Relations of the Russian Federation as a shareholder of large public companies with the management of companies, other shareholders and companies as a whole are characterized by equally directed tendencies. The state realizes the goal of increasing income from owning shares in the authorized capital in recent years.

The implementation of this process has positive results. However, it does not lead to a perceptible increase in the capitalization of companies and

incomes from owning shares in companies for Russia but, in fact, provides for an increase in income from the sale of blocks of shares in public companies.

The authors of the article conducted research in 2015-2016. They concerned the determination of

the degree of state influence as the owner of large block of shares in corporations in embedding the Russian corporate sector in the global and country financial architecture. The results were discussed and tested at an international conference in Bulgaria (Ivanitsky, V.P. et al., 2017).

Table 4 - Dynamics of stock indexes based on the calculation of the market value of shares of companies with state participation and regulated activities (Gutfleisch, G., 2018).

Index	Value on 12/30/14	Change to pre-closing, %	Value on 12/30/15	Change to pre-closing, %	Value on 12/30/16	Change to pre-closing, %	Value on 12/29/17	Change to pre-closing, %
Stock index with state participation (SCI)	931,76	-10,03	1221,69	31,12	1807,52	47,95	1773,65	-1,87
Stock index companies with adjustable activities (RCI)	619,58	-9,41	800,14	29,14	1154,55	44,29	1142,84	-1,01
MICEX index	1396,61	-7,15	1761,36	26,12	2232,72	26,76	2109,74	-5,51

Conclusion

A number of actual problems characteristic of public companies have accumulated over the period of the functioning of the stock market in our country. This requires a systematic approach. Consider the key problems.

1. The composition of the owners. Almost all state share ownership is concentrated in the basic backbone sectors of the Russian economy. The state owns a block of shares in major corporations. Currently, the state owns 100% of the capital of more than 150 enterprises, control stocks of about 500 enterprises, blocking over 1,000, and smaller ones 1,750 (Ruzhanskaya, L. S., 2010). Until recently, many joint-stock companies with state participation purposefully pursued a policy of concealing and withdrawing revenues in order to keep profits in their own hands, due to which the state received unreasonably low incomes as a result of investing in them. The Ministry of Finance believes that

dividends for the four largest public companies with state participation (Gazprom, Rosneft, Sberbank, VTB) were undervalued - 350 billion rubles, or 0.4% of GDP, according to the results of work in 2016, and on average over the past five years - about 300 billion rub. annually (Rich, I. N., Evstafieva, E., 2009). The management development index was created to solve this problem on a global scale. It measures the level of government guarantees protecting shareholders from unlawful influence on the board of directors and other decisions.

2. Non-compliance with the minimum rate of profit allocated for the payment of dividends.

Currently, many public companies set a minimum profit margin for dividend payments in their dividend policy provisions. Often accept this consolidation of the size of dividend payments as a formal and do not adhere to it in future activities.

3. The influence of large shareholders on the dynamics of dividend payments and the infringement of the rights of minority shareholders. The concentration of ownership and the finding of majority investors in the supervisory board lead to the fact that the main directions of the company's dividend policy are determined on the basis of the needs of the majority shareholders, and not on market considerations (Tran, D.V., Ashraf, B.N., 2018).

Sometimes companies try to pay low dividends or refuse them altogether. As a rule, the owners of such companies deliberately underestimate the official profit through various frauds. For example, transfer pricing - to redistribute the income of "special" shareholders to the accounts of affiliated intermediaries or offshore.

In such frauds, those shareholders who own the smallest blocks of shares turn out to be unprotected (Plaskova, N. S., 2010). However, in companies with state participation, where there are state representatives on the board of directors, the influence of the latter can cause a positive result on dividend payments through the use of two forms of protection of minority shareholders' rights: legislative regulation and enforcement.

4. Information closeness and opacity of the dividend policy of public companies, which is to underestimate the official profit.

Currently, about 40% of the 200 domestic companies whose shares are listed on the Moscow Stock Exchange do not pay dividends at all. Many of them still remain informationally closed and are not ready to share incomes with shareholders.

During the crisis period, when uncertainty in making investment decisions increases, investors especially appreciate companies that reduce information asymmetry. The effect of increasing the level of transparency is more significant for small companies since information about them is more accessible to investors (Qiao, Z., Chen, K.Y., Hung, S., 2019).

It was found that companies whose shares are listed on foreign stock exchanges demonstrate the most significant improvement in transparency (Kaprielyan, M., Brady, K., 2018).

5. The level and frequency of payments. Dividends are paid to shareholders with such frequency that allowed by the law and which is specified in the company's charter.

The trend of quarterly dividend payments exists in the West. Companies in Russia adhere to the dividend payment method once a year, and only a small number of large issuers do it more often.

6. Contrary to the requirements of current legislation, the minimum share of net profit, established by law as a size for the referral to dividend payment in companies with state participation (50%), as a rule, not provided as a mandatory dividend policy.

The following companies fully complied with this standard: PJSC Alrosa, PJSC VTB, PJSC Rostelecom, PJSC FGC UES, PJSC Rosseti, PJSC RusHydro, PJSC Aeroflot.

The lack of a unified holistic approach to the issues of legal regulation of dividend policy in companies with state participation, the presence of a recommendatory (non-mandatory) set of requirements in this area gives rise to a significant number of contradictions and problems in practice. The problems are caused by a variety of approaches to the formation, calculation, and payment of dividends.

Thus, summarizing the above, it can be argued that there is a need to reform the system of legal regulation of dividend policy in companies with state participation. However, it is necessary to provide a combination of a centralized and decentralized approach in its implementation. With this approach, "a unified dividend policy exists for large, strategically significant companies that form the basis of the economy.

The dividend policy is of a decentralized nature and is formed at the level of line ministries in relation to other groups of companies" (Kozlova, A.S., 2015). This makes it possible to ensure a combination of public and private interests of the state as a shareholder, to take into account the specifics of the company's activities in the relevant industry, and to avoid violations of the rights of other shareholders.

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