



# ARTIFICIAL INTELLIGENCE AND GLOBAL TRANSFORMATIONS IN DIVIDEND POLICY: CONTEMPORARY TRENDS AND STRUCTURAL CHANGES

**Sherkuziyeva Nasiba Abrorovna**

PhD (in Economics), Department of Corporate Finance and Securities,  
Tashkent State University of Economics  
ORCID ID: 0000-0001-5415-3393

| Article history:                                                                                                                                                                                                                                                        |                            | Abstract:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| Received:                                                                                                                                                                                                                                                               | 7 <sup>th</sup> April 2026 | <p>This study investigates the contemporary trends and structural transformations in dividend policy in the context of artificial intelligence (AI), the digital economy, and global economic transformation. The research evaluates recent developments in the global dividend market, the growing importance of share repurchase programs, the role of Environmental, Social, and Governance (ESG) principles, and the impact of AI-related investments on corporate capital allocation decisions. The findings reveal that dividend policy has evolved beyond its traditional role as a profit distribution mechanism into a comprehensive strategic instrument for shareholder value creation and corporate financial management. Furthermore, the study develops practical recommendations aimed at improving dividend policy, enhancing the efficiency of capital allocation, and safeguarding shareholders' interests within joint-stock companies.</p> |
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| <p><b>Keywords:</b> dividend policy, shareholder payout policy, artificial intelligence, digital economy, corporate finance, share repurchases, ESG, shareholder value, capital allocation, corporate governance, joint-stock companies, investment attractiveness.</p> |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

**INTRODUCTION.** In recent years, the global economy has undergone profound structural changes driven by digital transformation, the rapid advancement of artificial intelligence technologies, the emergence of new corporate governance models, and significant developments in capital markets. These changes have compelled joint-stock companies to reconsider their financial strategies, particularly with respect to corporate capital allocation and shareholder remuneration. Within this evolving environment, dividend policy continues to play a pivotal role as a mechanism regulating the relationship between corporations and their shareholders. However, under contemporary economic conditions, dividend policy has expanded far beyond its conventional function of distributing corporate profits. It increasingly serves as a strategic instrument for enhancing corporate value, strengthening investment attractiveness, and transmitting important signals to financial markets regarding firms' future prospects and financial sustainability. Global evidence confirms the growing importance of shareholder distributions. According to the Janus

Henderson Global Dividend Index, worldwide dividend payments reached a historical record of USD 1.75 trillion in 2024, representing a significant increase compared with previous years. Furthermore, global dividends are projected to approach USD 1.83 trillion in the coming years, indicating the continued expansion of shareholder payouts despite increasing macroeconomic uncertainty<sup>1</sup>.

Simultaneously, substantial structural changes are occurring in corporate finance. Capital expenditures on artificial intelligence infrastructure by leading technology companies have increased dramatically, resulting in a gradual reallocation of corporate financial resources from dividend payments and share repurchase programs toward long-term strategic investments. Consequently, investors increasingly emphasize sustainable value creation generated through AI-driven innovation rather than relying solely on short-term dividend income.

This tendency is particularly evident among global technology leaders such as Alphabet, Microsoft, Meta, and Amazon, which have invested billions of dollars in AI infrastructure, cloud computing, semiconductor

<sup>1</sup> <https://www.janushenderson.com/en-fi/advisor/press-releases/global-dividends-jumped-to-a-record-1-75-trillion-in-2024/>



technologies, and generative AI platforms. These developments are fundamentally reshaping traditional corporate financial strategies. As a result, the concept of shareholder payout policy has gradually become broader than the traditional notion of dividend policy, encompassing dividends, share repurchases, and strategic innovation investments as complementary components of capital allocation.

The theoretical foundations of dividend policy have been extensively developed by distinguished scholars, including Modigliani and Miller, Lintner, Gordon, Jensen, and Meckling. Nevertheless, most classical dividend theories were formulated long before the emergence of today's digital economy and artificial intelligence technologies. Consequently, many of the traditional assumptions underlying dividend policy require reconsideration in light of contemporary economic realities.

Against this background, reassessing the determinants of dividend policy and examining their implications under conditions of digital transformation have become increasingly important. Therefore, this study aims to investigate the contemporary trends and structural changes in dividend policy arising from artificial intelligence and global economic transformations, evaluate their influence on corporate financial decision-making, and formulate scientifically grounded recommendations for improving dividend policy in joint-stock companies.

**RESEARCH METHODOLOGY.** This study adopts a comprehensive methodological approach to examine the contemporary trends and structural transformations in dividend policy in the context of artificial intelligence (AI) and global economic transformations. The theoretical and practical foundations of the research are grounded in contemporary scholarly perspectives on corporate finance, dividend policy, corporate governance, and capital markets.

The research employs a combination of well-established scientific methods, including analysis, synthesis, induction, deduction, comparative analysis, and logical scientific reasoning. Initially, both classical and contemporary theories of dividend policy were systematically reviewed and their relevance within the context of the digital economy was critically evaluated. Furthermore, the study provides a theoretical

assessment of the impact of advances in artificial intelligence technologies on corporate financial decision-making, with particular emphasis on capital allocation and dividend policy.

**LITERATURE REVIEW.** Dividend policy has long been recognized as one of the most extensively researched areas within corporate finance theory. The evolution of scholarly perspectives on this subject has primarily focused on explaining the relationship between dividend payments, firm value, shareholders' investment decisions, and corporate governance mechanisms. In recent years, however, the rapid development of the digital economy, advances in artificial intelligence (AI) technologies, and ongoing transformations in corporate finance have created the need to reassess the relevance of these traditional theories within the contemporary business environment.

One of the fundamental theoretical approaches to dividend policy is the Dividend Irrelevance Theory, developed by Modigliani and Miller (1961). According to this theory, under the assumptions of a perfect capital market, the value of a firm depends not on the number of dividends distributed but rather on the efficiency of its investment decisions. The authors argue that the choice between distributing earnings as dividends and retaining them for reinvestment does not affect the firm's market value. However, subsequent empirical and theoretical studies have demonstrated that the practical applicability of this theory is constrained by real-world market imperfections, including taxation, information asymmetry, transaction costs, and agency conflicts<sup>2</sup>. Nevertheless, subsequent research has revealed that the explanatory power of this theory is constrained in real-world capital markets due to the presence of taxation, information asymmetry, and agency conflicts. Another influential theoretical perspective supporting the importance of dividends is the Bird-in-the-Hand Theory, developed by Gordon (1963) and Lintner (1962). According to this theory, investors place a higher value on current and certain dividend payments than on uncertain future capital gains. Consequently, a stable dividend policy is considered to enhance investor confidence and contribute positively to a firm's market valuation<sup>3</sup>. Accordingly, a stable dividend policy contributes to increasing a firm's market value and reinforcing investor confidence.

<sup>2</sup> Modigliani F., Miller M.H. Dividend Policy, Growth and the Valuation of Shares // Journal of Business. – 1961. – Vol. 34, No. 4. – P. 411–433.

<sup>3</sup> Gordon M.J. Optimal Investment and Financing Policy // Journal of Finance. – 1963. Lintner J. Dividends, Earnings,

Leverage, Stock Prices and the Supply of Capital to Corporations // Review of Economics and Statistics. – 1962. – Vol. 44, No. 3. – P. 243–269.



Dividend policy has also been extensively examined from the perspective of Signaling Theory in the studies of Ross (1977), Bhattacharya (1979), and Miller and Rock (1985). According to this theory, dividend payments serve as an important signaling mechanism through which firms convey information about their future financial performance to external investors<sup>4</sup>. An increase in dividend payments is generally interpreted by the market as a positive signal of strong future earnings prospects, often leading to an appreciation in the firm's share price. Conversely, a reduction in dividend payments may generate negative market expectations regarding the company's future performance and financial outlook.

The Agency Theory perspective on dividend policy was extensively developed in the works of Jensen and Meckling (1976) and Jensen (1986). The authors argue that the existence of free cash flow within firms may give rise to conflicts of interest between managers and shareholders. According to this perspective, dividend payments mitigate agency costs by distributing excess cash to shareholders, thereby limiting managerial discretion over free cash flows and reducing the potential for inefficient investment decisions<sup>5</sup>.

At the international level, the relationship between dividend policy and corporate governance has been comprehensively examined in the influential study conducted by La Porta, Lopez-de-Silanes, Shleifer, and Vishny (2000). The authors demonstrate that the degree of legal protection afforded to investors has a direct influence on corporate dividend policy across countries. Their findings indicate that firms operating in jurisdictions with stronger shareholder protection tend to distribute higher dividends than those in countries where investor rights are less effectively protected<sup>6</sup>.

In recent years, research on dividend policy has increasingly shifted its focus from traditional dividend decisions toward the broader concept of shareholder

payout policy. Fama and French (2001) documented a declining proportion of dividend-paying firms among U.S. corporations. They attribute this trend to the growing presence of high-technology and high-growth firms within the economy<sup>7</sup>. Rather than distributing earnings as dividends, these companies generally prefer to reinvest their profits in innovation and future growth opportunities.

Empirical evidence provided by Brav, Graham, Harvey, and Michaely (2005) demonstrates that corporate executives place greater emphasis on maintaining stable financial performance and preserving investor confidence than on maximizing dividend payments. The authors further argue that firms are generally reluctant to reduce dividend payments, as such decisions are typically interpreted negatively by financial markets and may adversely affect investor sentiment and corporate valuation<sup>8</sup>.

DeAngelo et al. (2006) further advanced the Dividend Life-Cycle Theory, demonstrating that a firm's stage of development is a key determinant of its dividend policy decisions. According to this theory, companies in the growth stage tend to prioritize reinvestment opportunities to finance future expansion, whereas mature firms are generally more inclined to distribute a larger proportion of their earnings as dividends to shareholders<sup>9</sup>.

In recent years, the impact of artificial intelligence (AI) and digital transformation on dividend policy has attracted increasing scholarly attention. According to Damodaran (2024), the rapid expansion of investment in AI infrastructure among technology companies is fundamentally reshaping corporate capital allocation strategies. As a consequence, the balance between dividend distributions and share repurchase programs is being redefined. In particular, the substantial capital expenditures undertaken by companies such as Microsoft, Alphabet, Meta, and Amazon in AI

<sup>4</sup> Ross S.A. The Determination of Financial Structure: The Incentive-Signalling Approach // *Bell Journal of Economics*. – 1977. – Vol. 8, No. 1. – P. 23–40. Bhattacharya S. Imperfect Information, Dividend Policy and the Bird in the Hand Fallacy // *Bell Journal of Economics*. – 1979. – Vol. 10, No. 1. – P. 259–270. Miller M.H., Rock K. Dividend Policy under Asymmetric Information // *Journal of Finance*. – 1985. – Vol. 40, No. 4. – P. 1031–1051.

<sup>5</sup> Jensen M.C., Meckling W.H. Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure // *Journal of Financial Economics*. – 1976. – Vol. 3, No. 4. – P. 305–360. Jensen M.C. Agency Costs of Free Cash Flow, Corporate Finance and Takeovers // *American Economic Review*. – 1986. – Vol. 76, No. 2. – P. 323–329.

<sup>6</sup> La Porta R., Lopez-de-Silanes F., Shleifer A., Vishny R. Agency Problems and Dividend Policies Around the World // *Journal of Finance*. – 2000. – Vol. 55, No. 1. – P. 1–33.

<sup>7</sup> Fama E.F., French K.R. Disappearing Dividends: Changing Firm Characteristics or Lower Propensity to Pay? // *Journal of Financial Economics*. – 2001. – Vol. 60, No. 1. – P. 3–43.

<sup>8</sup> Brav A., Graham J.R., Harvey C.R., Michaely R. Payout Policy in the 21st Century // *Journal of Financial Economics*. – 2005. – Vol. 77, No. 3. – P. 483–527.

<sup>9</sup> DeAngelo H., DeAngelo L. The Irrelevance of the MM Dividend Irrelevance Theorem // *Journal of Financial Economics*. – 2006. – Vol. 79, No. 2. – P. 293–315.



infrastructure, cloud computing, and advanced digital technologies indicate the emergence of a new paradigm in corporate finance<sup>10</sup>.

Another important factor increasingly shaping corporate decision-making is the growing adoption of Environmental, Social, and Governance (ESG) principles, which has also introduced new perspectives on dividend policy. Eccles and Klimenko (2019) argue that companies committed to sustainable development tend to prioritize strategies aimed at enhancing long-term corporate value rather than maximizing short-term dividend distributions. This perspective suggests that dividend policy is becoming increasingly aligned with broader sustainability objectives and long-term value creation<sup>11</sup>.

The reviewed literature indicates that although the classical theories of dividend policy continue to provide a robust theoretical foundation and retain their relevance, recent developments in the digital economy, artificial intelligence technologies, ESG principles, and the growing use of share repurchase programs have given rise to significant structural changes in corporate payout policies. Consequently, a comprehensive examination of the impact of these emerging factors on corporate financial decision-making has become an important research priority with both theoretical and practical implications.

**RESULTS AND DISCUSSION.** Over the past few decades, dividend policy has emerged as one of the most dynamic areas of corporate finance. Whereas during the second half of the twentieth century

dividends were widely regarded as the primary source of shareholder returns, the digital economy of the twenty-first century has prompted companies to adopt new approaches to capital allocation. As a result, the scope of dividend policy has expanded considerably, gradually evolving into the broader concept of shareholder payout policy, which encompasses not only cash dividend distributions but also share repurchase programs and strategic reinvestment decisions aimed at maximizing long-term shareholder value.

Although global dividend payments have continued to grow, significant changes are occurring in the composition of corporate shareholder distributions. In particular, technology companies are increasingly prioritizing share repurchase programs over traditional cash dividend payments. This trend reflects the growing diversification of mechanisms through which firms deliver value to shareholders.

At the same time, the rapid integration of artificial intelligence technologies into corporate finance is profoundly influencing capital allocation decisions. Companies are increasingly confronted with the strategic choice of either distributing free cash flows as dividends or reinvesting them in AI-driven innovation and other long-term strategic projects. From our perspective, a systematic comparative assessment of both the traditional and emerging determinants of dividend policy is essential for understanding these evolving corporate financial decisions. Accordingly, the key factors influencing contemporary dividend policy are comparatively summarized in Table 1.

**Table 1**  
**Key Determinants Influencing Contemporary Dividend Policy<sup>12</sup>**

| Factors                                    | Traditional Perspective                         | Contemporary Perspective                                               |
|--------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------|
| <b>Profit</b>                              | Primary source of dividend payments             | One of the instruments for enhancing corporate value                   |
| <b>Free cash flow</b>                      | Determines the firm's capacity to pay dividends | Competes with investments in innovation and artificial intelligence    |
| <b>Investor expectations</b>               | Preference for stable dividend payments         | Greater emphasis on long-term value creation                           |
| <b>Corporate governance</b>                | Reduces agency conflicts                        | Increasingly integrated with ESG principles and corporate transparency |
| <b>Technological development</b>           | Limited influence on dividend policy            | Exerts a strategic influence on dividend policy and capital allocation |
| <b>Artificial intelligence investments</b> | Not considered a significant factor             | Reshape corporate capital allocation decisions                         |

<sup>10</sup> Damodaran A. Data Update on Dividends, Buybacks and Payout Policy. – New York: Stern School of Business, New York University, 2024.

<sup>11</sup> Eccles R.G., Klimenko S. The Investor Revolution // Harvard Business Review. – 2019. – Vol. 97, No. 3. – P. 106–116.

<sup>12</sup> Developed by the author based on the research findings.



As shown in Table 1, the range of factors influencing dividend policy has expanded considerably under contemporary economic conditions. In particular, investments in artificial intelligence technologies and digital infrastructure have become significant determinants of corporate capital allocation decisions, thereby reshaping traditional approaches to dividend policy.

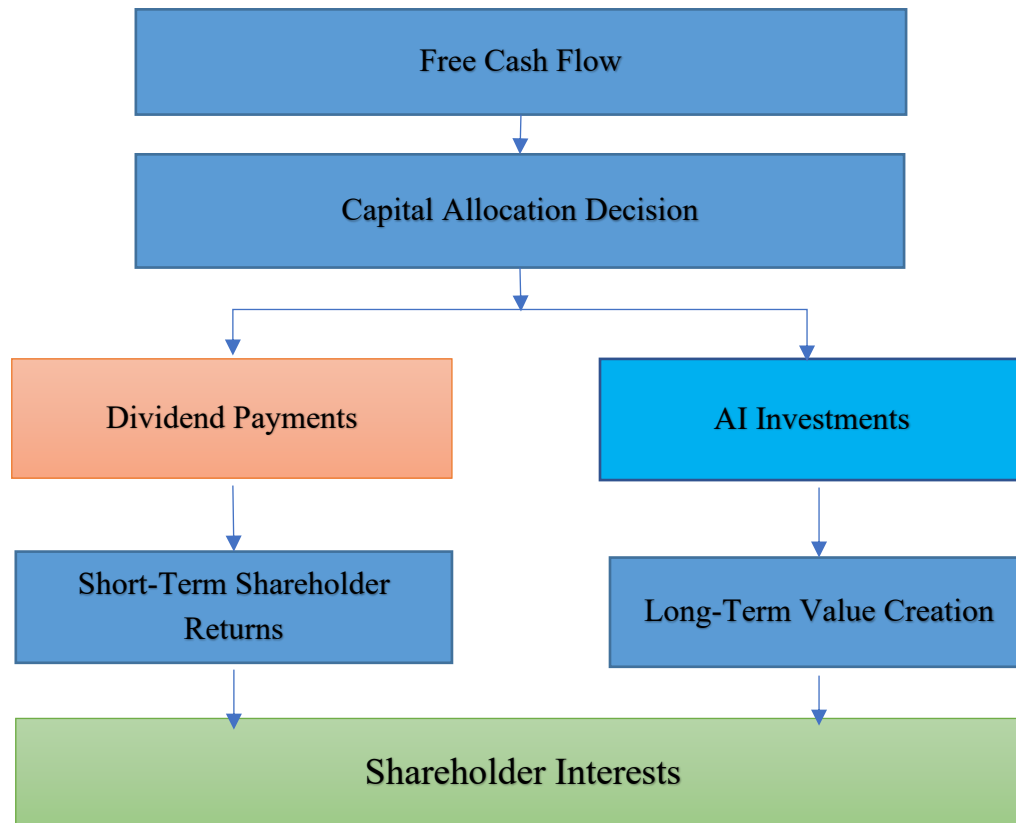
During the period 2023–2026, the intensifying global competition in the field of artificial intelligence has exerted a profound influence on the investment strategies of leading multinational corporations. In particular, companies such as Microsoft, Alphabet, Amazon, Meta, and Nvidia have substantially increased their capital expenditures on data centers, cloud computing infrastructure, high-performance processors, artificial intelligence platforms, and generative AI models. As a result, the growing scale of these strategic investments has made corporate capital allocation decisions increasingly complex, requiring firms to strike a careful balance between shareholder distributions and long-term investments in technological innovation.

Traditionally, a firm's free cash flows have primarily been allocated to dividend payments, debt servicing, reserve accumulation, or the expansion of existing production capacity. However, in today's digital economy, a new strategic priority has emerged—the

need to invest in artificial intelligence infrastructure. Consequently, corporate managers are increasingly confronted with a critical financial decision: whether to distribute free cash flows to shareholders in the form of dividends or to reinvest these resources in AI-driven projects capable of generating substantial long-term value.

It is important to emphasize that this decision extends beyond a conventional financial choice; rather, it represents a strategic determinant of a firm's long-term development trajectory. While dividend payments provide shareholders with immediate financial returns and signal corporate financial stability, investments in artificial intelligence enhance a firm's future competitiveness, innovative capacity, and long-term market value. Accordingly, contemporary corporations seek to achieve an optimal balance between dividend distributions and strategic investment decisions.

From the perspective of modern corporate finance theory, this development signifies the emergence of a new paradigm in the relationship between dividend policy and investment policy. Rather than being treated as independent financial decisions, these policies have become increasingly interconnected, jointly shaping sustainable corporate growth and long-term shareholder value creation. This conceptual relationship is illustrated in Figure 1.



**Figure 1. Mechanism of the Impact of Artificial Intelligence Investments on Dividend Policy<sup>13</sup>**

As illustrated in Figure 1, competition for corporate free cash flows has intensified significantly in contemporary business environments. Whereas a substantial proportion of these resources was traditionally allocated to dividend payments, an increasing share is now being directed toward innovation-driven investments. This trend is particularly evident among high-technology companies, where dividend payments serve primarily to maintain shareholder confidence, while investments in artificial intelligence represent a strategic source of future growth and competitive advantage.

These observations suggest that, in the era of artificial intelligence, dividend policy should no longer be viewed solely as a mechanism for profit distribution. Instead, it should be regarded as a comprehensive financial decision that integrates innovation strategy, capital allocation, and shareholder value management.

In this context, dividend policy has evolved into an essential component of long-term corporate financial strategy rather than merely a tool for distributing earnings.

As noted earlier, the rapid intensification of competition in the field of artificial intelligence since 2024 has significantly influenced corporate capital allocation decisions. In particular, multinational corporations such as Microsoft, Alphabet, Meta, and Amazon have committed record levels of capital expenditure to the development of data centres, GPU infrastructure, and generative AI platforms. These strategic investments illustrate the ongoing transformation of corporate financial priorities and reinforce the growing importance of balancing shareholder distributions with long-term investments in technological innovation.

**Table 2**  
**Dividend Policy and AI Investment Strategies of Leading Technology Companies<sup>14</sup>**

| Company   | Dividend Policy | Level of AI Investment | Strategic Priority        |
|-----------|-----------------|------------------------|---------------------------|
| Microsoft | High            | Very High              | AI investment + dividends |

<sup>13</sup> Developed by the author.

<sup>14</sup> Developed by the author.



|                 |                                     |                |                                   |
|-----------------|-------------------------------------|----------------|-----------------------------------|
| <b>Alphabet</b> | Low                                 | Very High      | AI investment                     |
| <b>Meta</b>     | Recently introduced dividend policy | Very High      | AI investment + share repurchases |
| <b>Amazon</b>   | No dividend payments                | Extremely High | Reinvestment                      |
| <b>Apple</b>    | High                                | High           | Share repurchases + dividends     |
| <b>Nvidia</b>   | Limited                             | Extremely High | Technological growth              |

As shown in Table 2, Microsoft demonstrates one of the most balanced capital allocation strategies among leading technology companies. On the one hand, the company maintains a stable dividend policy by providing regular cash distributions to shareholders. On the other hand, it continues to make record-breaking investments in artificial intelligence infrastructure and related technologies. This balanced approach reflects Microsoft's strategic objective of simultaneously delivering short-term shareholder returns and strengthening its long-term innovation capacity and sustainable competitive advantage.

Meta Platforms represents one of the companies that has entered a new phase of dividend policy development. In 2024, the company initiated dividend payments for the first time in its corporate history while simultaneously continuing to allocate substantial financial resources to the development of artificial intelligence infrastructure and large-scale share repurchase programs. This development indicates that dividend policy is no longer viewed as an alternative to innovation investment but rather as a strategic mechanism for balancing shareholder interests with long-term corporate value creation.

Similarly, Apple has adopted a highly effective capital allocation strategy by combining regular dividend payments with extensive share repurchase programs. This approach reflects the company's strong financial position and demonstrates that creating shareholder value extends beyond cash dividends to include supporting market capitalization through efficient capital management.

In contrast, Amazon and Nvidia have primarily adopted a strategy of reinvesting free cash flows into innovation and technological development. This

evidence further confirms that dividend policy among technology companies is increasingly shaped by industry-specific characteristics and the firm's stage of development. Consequently, capital allocation strategies have become more heterogeneous, reflecting differences in corporate growth opportunities, innovation priorities, and long-term strategic objectives rather than adherence to a uniform dividend policy.

Despite the geopolitical uncertainties, persistent inflationary pressures, and elevated interest rates observed in the global economy in recent years, corporate dividend distributions have continued to demonstrate a relatively stable upward trend. According to the Janus Henderson Global Dividend Index, global dividend payments have maintained sustained growth over recent years. Specifically, worldwide dividends amounted to USD 1.56 trillion in 2022, increasing to USD 1.66 trillion in 2023, representing an annual growth rate of 6.4%. In 2024, global dividend payments reached a record high of USD 1.75 trillion.

This record growth was primarily driven by higher profitability in the banking sector, substantial dividend distributions by U.S. and Japanese corporations, and the initiation of dividend payments by companies such as Meta, Alphabet, and Alibaba for the first time. Furthermore, global corporate dividend payments increased from USD 1.66 trillion in 2023 to USD 1.75 trillion in 2024, corresponding to an annual growth rate of approximately 5.4%. Looking ahead, the Janus Henderson Global Dividend Index projects that global dividend payments will reach approximately USD 1.83 trillion in 2025, reflecting the continued resilience of corporate payout policies despite an increasingly uncertain macroeconomic environment.

**Table 4**  
**Dynamics of Global Dividend Payments to Shareholders<sup>15</sup>**

| <b>Year</b>            | <b>Global Dividend Payments (USD trillion)</b> | <b>Annual Growth Rate (%)</b> |
|------------------------|------------------------------------------------|-------------------------------|
| <b>2022</b>            | 1.56                                           | 8.0                           |
| <b>2023</b>            | 1.66                                           | 6.4                           |
| <b>2024</b>            | 1.75                                           | 5.4                           |
| <b>2025 (Forecast)</b> | 1.83                                           | 4.6                           |

<sup>15</sup> Compiled by the author.



The data presented in Table 4 indicate that although the absolute volume of global dividend payments continues to increase, the pace of growth has gradually stabilized. For instance, while global dividends expanded by 5.4% in 2024, the projected growth rate for 2025 is expected to moderate to approximately 4.6%. This trend can largely be attributed to the increasing allocation of corporate free cash flows toward digital transformation initiatives and investments in artificial intelligence infrastructure rather than exclusively toward dividend distributions.

The analysis further reveals that in 2024, approximately 88% of the companies included in the Janus Henderson Global Dividend Index either increased their dividend payments or maintained them at the previous year's level. This finding suggests that dividend policy remains an important financial instrument for sustaining investor confidence and demonstrating corporate financial resilience.

Nevertheless, dividend policy has evolved beyond its traditional role as a mechanism for distributing corporate earnings. In the contemporary corporate finance environment, it has become an integral component of a broader capital allocation strategy that combines dividend distributions with share repurchase programs, innovation-oriented investments, and long-term shareholder value creation. This transformation reflects the increasing strategic importance of balancing immediate shareholder returns with sustainable corporate growth and technological development.

Another important factor contributing to the stability of dividend policy is the adoption of Environmental, Social, and Governance (ESG) principles. Companies with higher ESG ratings generally exhibit stronger corporate governance, greater financial transparency, more effective risk management, and better shareholder relations. Consequently, such firms are more likely to maintain stable and sustainable dividend payment policies over time.

Empirical evidence also supports the existence of a positive relationship between ESG performance and dividend stability. For example, Matuszewska-Pierzynka (2023), in a study of the world's largest corporations, found that companies with higher ESG scores tend to pursue more stable dividend policies. The author argues that these firms are characterized by more responsible

business practices, stronger corporate governance frameworks, and a greater commitment to long-term shareholder obligations. These findings suggest that the integration of ESG principles enhances not only corporate sustainability but also the consistency and credibility of corporate payout policies<sup>16</sup>. Further evidence is provided by the MSCI report, MSCI ESG Ratings in Global Equity Markets, which analyzed the period from 1 January 2013 to 29 December 2023. The study found that companies with higher ESG ratings consistently exhibited higher dividend yields than firms with lower ESG ratings, while also demonstrating a modest but sustained upward trend in dividend performance over the sample period. These findings reinforce the view that strong ESG performance is associated not only with enhanced corporate sustainability but also with greater stability and attractiveness of shareholder payout policies<sup>17</sup>.

In our view, these findings suggest that ESG principles influence dividend policy through two primary channels. First, strong ESG performance enhances corporate financial discipline, governance quality, and transparency, thereby supporting the sustainability and consistency of dividend payments. Second, companies that adhere to ESG standards are generally more attractive to institutional investors and, consequently, are less inclined to implement abrupt changes in their dividend policies in order to preserve shareholder confidence and maintain long-term investor relationships.

Accordingly, for firms with high ESG ratings, dividend policy should not be regarded merely as a mechanism for distributing corporate earnings. Rather, it has evolved into a strategic instrument for strengthening corporate credibility, promoting financial sustainability, and creating long-term shareholder value. This evidence further highlights the growing integration of dividend policy with broader corporate governance and sustainability objectives in the contemporary business environment.

**CONCLUSION AND RECOMMENDATIONS.** This study examined the contemporary trends and structural transformations in dividend policy under the conditions of artificial intelligence, the digital economy, and ongoing global economic transformations. Based on the findings of the research, the following conclusions can be drawn.

<sup>16</sup> Matuszewska-Pierzynka A. ESG Performance and Dividend Stability of the World's Largest Enterprises // Journal of Entrepreneurship, Management and Innovation. – 2023. – Vol. 19, No. 4.

<sup>17</sup> MSCI. MSCI ESG Ratings in Global Equity Markets: A Long-Term Performance Review. – New York: MSCI Inc., 2024.



First, dividend policy has evolved beyond its traditional role as a mechanism for distributing corporate profits and has become a comprehensive instrument for delivering value to shareholders. This transformation indicates that the concept of dividend policy is gradually expanding and becoming increasingly integrated with the broader framework of shareholder payout policy, which encompasses dividends, share repurchases, and other forms of capital distribution.

Second, although the global volume of dividend payments has continued to increase, significant structural changes are taking place in corporate capital allocation. The analysis demonstrates that global dividend payments exhibited sustained growth during the 2022–2025 period. At the same time, companies have increasingly allocated a larger proportion of financial resources to share repurchase programs and innovation-driven investments, reflecting a fundamental shift in corporate financial priorities and long-term value creation strategies.

Third, the rapid advancement of artificial intelligence technologies has emerged as a new strategic determinant of dividend policy. The analysis of leading technology companies reveals that an increasing proportion of free cash flows is being allocated not to dividend distributions but to investments in AI infrastructure, data centres, and digital platforms. This trend underscores the growing strategic importance of innovation-oriented investments in shaping contemporary corporate capital allocation decisions.

Fourth, industry characteristics have become a critical factor influencing the formulation of dividend policy. Companies operating in mature industrial and consumer sectors generally maintain relatively high and stable dividend payout policies, whereas high-technology firms exhibit a stronger preference for reinvesting earnings to support innovation, technological advancement, and future growth opportunities.

Fifth, share repurchase programs have become increasingly widespread as an alternative mechanism for returning value to shareholders. This development reflects the growing diversification of shareholder payout strategies in modern corporate finance, where firms employ multiple distribution mechanisms to optimize capital allocation, enhance shareholder value, and improve financial flexibility.

Sixth, the growing adoption of Environmental, Social, and Governance (ESG) principles has become an important factor in enhancing the stability and transparency of dividend policy. The findings indicate

that companies with higher ESG ratings tend to adopt more stable dividend policies that are aligned with long-term strategic objectives and sustainable corporate development.

Seventh, although the classical theories of dividend policy—including the Dividend Irrelevance Theory, Bird-in-the-Hand Theory, Signaling Theory, and Agency Theory—continue to provide valuable theoretical insights under contemporary economic conditions, they require reinterpretation in light of the challenges and opportunities associated with the digital economy and the rapid advancement of artificial intelligence technologies.

Eighth, dividend policy in joint-stock companies should no longer be formulated as an isolated financial decision but rather as an integral component of a comprehensive capital allocation strategy. In this regard, dividend distributions, share repurchase programs, and strategic investment initiatives should be coordinated to achieve an optimal balance between immediate shareholder returns and long-term corporate value creation.

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