



ECONOMIC POTENTIAL OF ENTERPRISES AND ITS ESSENCE

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Annotation

The article presents the views and opinions of local and foreign economists on the concept of economic potential and its theoretical foundations, the economic potential of business entities and opportunities to increase their economic potential.

Keywords: Production resources, economic potential, unused opportunity, economic analysis, factors affecting economic potential.

Introduction

In the conditions of the Covid-19 pandemic, which has a negative impact on the world economy today, ensuring the sustainable development of countries' economy is one of the important issues that must be solved first and foremost. The lack of economic development at the necessary level causes a decrease in the income of the population in the country, the deterioration of the social situation and the emergence of various kinds of internal discontent. These factors lead to an intensification of the economic crisis. Therefore, in order to ensure the sustainable development of the country's economy at the required level, it is necessary to analyze the economic potential of economic entities, identify unused internal and external opportunities, and establish their effective use in recent time.

Materials

A number of reforms are also being carried out in our country to ensure sustainable growth of the economy, development of small business and private entrepreneurship, and increase the income of the population. As a result of these reforms, new jobs are being created, a free competitive environment is being formed and the quality of product delivery and business services is improving.

The increase in the number of business entities, the diversity of spheres of activity, their belonging to different forms of ownership, the achievement of a continuous increase in the type and volume of products (work and services) produced can be interpreted as the main factor ensuring the development of the country's economy as a result.

According to the address of the President of the Republic of Uzbekistan to the Oliy Majlis, in 2020, 197 large, thousands of small and medium-sized businesses and infrastructure facilities were built in the country. In addition, many benefits and privileges were provided during 2020 to support entrepreneurship. 100 trillion soums or nearly 4 times more loans were allocated to business entities than in 2016. The fact that our country has risen 26 positions in the "Economic Freedom" rating is another recognition of our reforms in the international arena. [1]

The results of the ongoing reforms in our country can be seen in Table 1.



Table 1. Number of enterprises and organizations by regions
(without farms), (As of January 1, in units) [2]

	2020					2021				
	Registered	Active	Inactive	Newly established	Liquidated	Registered	Active	Inactive	Newly established	Liquidated
Republic of Uzbekistan	419490	398133	21357	96743	16880	503538	475197	28341	95311	11547
The Republic of Karakalpakstan	18834	18404	430	3858	1056	22667	21968	699	4568	750
<i>Regions:</i>										
Andijan	33946	30740	3206	6878	2070	40982	36726	4256	7849	848
Bukhara	24544	23459	1085	6371	927	29644	28233	1411	6041	957
Jizzakh	18043	17190	853	3646	605	22027	20993	1034	4384	403
Kashkadarya	26000	25259	741	5554	1115	31117	30180	937	5916	791
Navoi	17753	17067	686	7295	828	21321	20133	1188	4354	785
Namangan	26568	25909	659	5674	1471	31815	30882	933	6345	1126
Samarkand	33250	31354	1896	8365	1428	41145	38946	2199	8828	991
Surkhandarya	19639	19220	419	5035	912	26615	25367	1248	7666	722
Sirdarya	13949	13169	780	3269	478	16436	15425	1011	3011	547
Tashkent	44266	38523	5743	10037	1692	52239	46173	6066	8481	997
Fergana	35851	35379	472	7024	712	43529	42241	1288	8272	601
Khorezm	19605	18614	991	4843	1031	23462	21979	1483	4721	871
Tashkent city	87242	83846	3396	18894	2555	100539	95951	4588	14875	1158

From the data illustrated in the table it can be clearly seen that the total number of enterprises and organizations registered in the country in 2020 and 2021 has growth rates. The number of registered enterprises and organizations was 419,490 in 2020, while in 2021 there was a growth in this figure with 503,538. This shows that the total number of registered enterprises increased by 20.03% compared to 2020. Indeed, these enterprises have a positive impact on the creation of new jobs, increasing the value of GDP and a number of other macroeconomic indicators.

Based on the above-mentioned data, results of analysis and opinions, we can say that the organization of new enterprises and the effective organization of work on the basis of a truthful assessment of their economic potential is the driving force in the development of the country's economy.

Increasing the volume of production at the enterprise requires efficient use of resources. One of the priorities of the country's reforms is the effective use of available economic resources and the large-scale production of finished products with high added value. Finding ways of using economic resources rationally and putting them into practice is important in the development of the enterprise. In view of this, the financial support of enterprises, the use of modern techniques and technologies, the increase of innovative product types, the attraction of investments are the urgent tasks, which must be solved, that the enterprises face.



Analysis of indicators representing the economic potential of the enterprise allows to reduce costs, increase profits, efficient use of available production resources and identify untapped opportunities (reserves).

In theory of economics, the concept of **potential** is defined as the set of available resources, opportunities in any sphere. It means not only the opportunities that are being used, but also the opportunities that can be used in the future.

Potential (lat. potentia-power) is the means, reserves and resources that are available and mobilized, which can be put into action to achieve a specific goal, implement a plan, solve a problem. At the same time, it represents the capabilities of an individual, society, or state in a particular field.

According to A.P.Romanov and a number of other Russian economists, when "potential is considered as a set of resources, its assessment consists in determining the qualitative and quantitative characteristics of the value of individual types of resources. The interaction of these resources is not taken into account or measured. If the potential is considered as a resource system, it should be supplemented with indicators of individual components that describe the entire system to accurately reflect the characteristics of the system." [3].

Many economic sources have different views on economic potential, emphasizing the importance of economic potential and its effective use for the activities of the enterprise.

However, the results of the research carried out show that in the literature on the field as well as in practice, the indicators that represent economic potential are used in a confused manner with those that represent other different capacities.

In addition, it can be seen that there are serious flaws in the calculation of indicators reflecting economic potential, many factors shaped by the conditions of the digital economy are not taken into account in the calculation processes. The existence of different approaches to this issue among economic scientists makes it difficult to find a clear solution in this regard.

Based on the above mentioned views, we consider it is appropriate to scientifically formulate the concept of economic potential and related normative indicators for business entities and disclose its economic essence.

Discussion

The concept of economic potential was originally used to describe the economic power of a country. However, the use of this indicator has increased significantly as a result of the development of economic knowledge, the growing need for analytical data for valid management decisions and the need to address the problems of quantitative and qualitative assessment of business performance.

In the digital economy, the primary task facing each business entity is to determine the economic potential in order to ensure stability and direct it to effective use in the activities of the enterprise.

The National Encyclopedia of Uzbekistan also provides a dictionary meaning of the word potential, which states that it is a resource, an opportunity, a location, reserves that are used to solve the problem and achieve the intended goal. [4]



The term economic potential has also been defined by a number of local scholars. In particular, E.A. Nigmanov noted the economic potential of the enterprise as follows: ". is the possibility of maximum management of the existing level of fixed and circulating assets, labor and natural, scientific and information resources, providing maximum return, based on the highest demand for profit ".[6]

Pardaev M.K., Isroilov Y.I., Isroilov B.I. determined that the economic potential of an enterprise includes means of labor, objects of labor, labor itself and intangible assets. [5]

M.Y. Rakhimov, N.N. Kalandarova defined the economic potential of an enterprise as ". all material and labor resources and intangible assets that fully support the ongoing economic process". [6]

Results

In the study of the views of scientists, given the fact that the economic potential of the enterprise is seen as a set of sources of organization of the enterprise, it is recommended to classify its composition as follows.

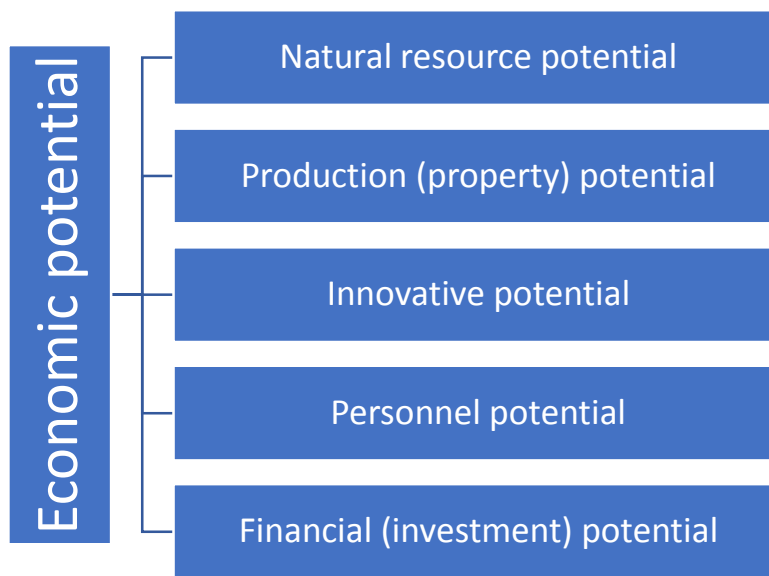


Figure 1. Structure of the economic potential of an enterprise (Author's elaboration)

Conclusion

Usually the term "potential" also refers to latent capabilities that can be exploited under certain conditions. For this reason, many economists use a mixture of the concepts of economic potential of an enterprise (potential) and unused opportunities (reserve), as determined by economic analysis. These concepts have different aspects. If economic potential represents the sum of all resources related to the organization of the enterprise, the unused opportunity (reserve) means a more efficient use of the current results of a particular source.



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Based on the results of scientific research of the concept of "economic potential", we consider it appropriate to give this term the following simple and clear definition. Economic potential is the capacity of available resources, that is, the ability of an enterprise to achieve its goals in a highly competitive environment.

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