



# THEORETICAL AND METHODOLOGICAL FUNDAMENTALS OF ECONOMIC POWER OF INDUSTRIAL ENTERPRISES

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## ANNOTATION

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*The article describes the concepts of potential, economic potential of the enterprise, scientific approaches, definitions, views, concepts of foreign and domestic scientists on their evaluation.*

**KEY WORDS:** *statistical assessment, economically active population, employment, enterprise, economic potential, economic cooperations, economic potential.*

## INTRODUCTION

Enterprises play an important role in the socio-economic development of the country. Indeed, the enterprise economy is the basis for ensuring sustainable economic growth, increasing export earnings, prioritizing the development of small business and private entrepreneurship, as well as social crisis, ie employment, increasing incomes and, ultimately, improving living standards.

Today, the company's economy is characterized not only by rapid growth, but also by steadily increasing exports, attracting foreign investment and modernization and radical technical and technological renewal of production processes.

It is known that many statistical studies have been conducted in foreign countries on the concept of economic potential of enterprises, their components, indicators of its assessment. However, at the local level, the real sector of the economy does not fully cover the specifics of development of industries, and

based on it, extensive research has not been conducted on the concept of economic potential of enterprises, its assessment indicators and mechanisms for economic capacity building.

Based on the above considerations, in our opinion, it is expedient to scientifically formulate and theoretically reveal the economic essence of the concept, structure and indicators of economic potential for enterprises, taking into account the organizational and economic essence, structure, specific features of development.

In order to reveal these aspects, it is first necessary to analyze the interpretations of economists on the concepts of "potential", "economic potential".

The concept of 'potential' is derived from the Latin 'potential', which means power, hidden opportunity. Here, from the point of view of the general economy, VM Arkhipov defines "potential" - "available means, resources and resources that can be involved in solving the set goals or objectives" [1].

The interpretation given by the scientist is "potential". Although the basis for the formation of a general understanding of, the influence of the factors that shape the "potential" is not economically justified.

The concept of "potential" at the enterprise level was introduced by G.B. Kleiner., B.I. Tambovtsev and R.M. Kachalov interpreted as follows [2], that is, in their opinion, the potential of a particular enterprise consists of components that characterize the resources, status and movement in the external socio-economic environment. In our opinion, this interpretation can scientifically and theoretically substantiate the essence of the economic potential of enterprises.

In this regard, the definition of the concept of "potential" by NK Temnova is noteworthy, that in her opinion: "potential" is not only resources, but also the opportunity to carry out some purposeful activity and get results. He also emphasizes the need for an energetic approach to "potential" [3]. B. Ryan defines enterprise potential in the following general terms, i.e., "enterprise potential refers to the actual and probable ability to perform targeted work" [4]. In this regard, from the point of view of financial and economic activity of the enterprise, I.N. Bogataya gave an accounting interpretation of the definition of enterprise potential. In his view, "the potential of the enterprise - the assets at the end of financial and economic activity, the sources of its formation and their ability to lead to certain financial results" [5].

In many cases, "potential" is equated with the concept of "reserve". In particular, economists S.B. Barngolts [6] and G.V. Savitskaya gave the following definition: the potential of the enterprise is the material resources that are constantly created to meet the additional demand under certain conditions, on the other hand, it is the untapped potential to increase production efficiency [7]".

In our opinion, this interpretation can play an important role in shaping the concept of economic potential of industrial enterprises, given the specific characteristics of the financial and economic activities of industrial enterprises.

Based on the above interpretations, in our opinion, "capacity" is correct to understand the set of tools, capabilities, capabilities, in particular, unrealized reserves of economic entities, which may reveal the hidden potential of the enterprise in real conditions with changes in existing conditions.

Broad interpretations of the concept of 'potential' also allow it to be applied to various fields

of science and economics, depending on what tools, resources and resources are thought to be powerful.

Such a definition of the essence of "potential" allows a wider application to various areas of economic activity of organizations and enterprises, and it can be called "economic potential".

As a result of studying and analyzing the concept of "economic potential" as an economic category, it can be said that it has not only theoretical but also practical character. Here we consider in detail the essence and composition of "economic potential".

According to economist MI Bukhalkov, "the economic potential of any enterprise reflects the structure of resources at the disposal of the organization for the production of planned works, services: labor, material, financial and others [8]". In our opinion, the concept given by MI Bukhalkov is interesting, but it is interpreted in a narrow sense.

According to B.C. Spirin's approach, "economic potential is determined by a set of resources that contain available and unused resources [9]".

According to B.A. Reisberg, "economic potential explains the efficient use of the total available limited resources of the enterprise to maximize profits and is a key component of the potential of the production and economic system [10]".

I.C. Sosnenko divides the study of "Economic potential" as an object into two directions [11]. On the one hand, economic potential is considered as the total resources of economic entities, on the other hand, the ability to absorb and process existing resources to meet the needs of society.

In the works of local scholars, economic potential is also interpreted as "economic potential is the resources, opportunities, means and resources that can be used by an organization to achieve goals in a particular field, to solve defined tasks" [12].

Uzbek scholars have also approached the concept of "economic potential" as follows: "The economic potential of an enterprise means all the material and labor resources and intangible assets that fully support the economic process that takes place in it" [13].

Based on the interpretations given to the definition of economic potential above, economic potential can be divided into two areas, such as the set of available resources and economic potential, the ability of these productive forces to achieve certain results.

In the first case, the concept of “economic potential” is approached only in terms of resources. This does not allow to fully reveal the comprehensive economic essence of economic potential. In the second case, the focus is only on the results of the use of economic potential.

In the theory and practice of any business entity, the target direction is mandatory, but it can not be achieved without economic growth and development, efficiency and competitiveness, resource capacity, which are the sources and means of achieving the set goals. In this context, we believe that a third distinct approach to the concept of economic potential of industrial enterprises can be given by combining the above directions. In this approach, it is advisable to take into account the ability of industrial enterprises to make maximum use of available resources and achieve the specified efficiency.

In some scientific and economic studies, there are similar interpretations of this approach to the economic potential of the enterprise. In particular, Professor VV Kovalev understood the economic potential of the enterprise as the ability of the enterprise to achieve its goals using the available material, labor and financial resources [11].

In his research, RV Marushkov interprets economic potential as the ability of an enterprise to operate long-term and achieve strategic goals using the existing system of resources [5]. In a research paper on the economic potential of industrial enterprises, the following approach is given: “The economic potential of an enterprise reflects the ‘capacity’ formed as a result of the interaction between labor assets, fixed assets, working capital, intangible assets and land resources.

According to EV Joglina, “economic potential is a set of specific systems of economic and production activities (production of goods, services, meeting the needs of the population, ensuring the development of production and consumption) based on natural, material, financial, labor and intellectual resources.” represents the general ability reflected in itself [6].

The approach given to the economic potential of the enterprise by O.A. Jigunova is noteworthy. In defining the concept of economic potential of the enterprise, the first priority is the sustainable operation of the enterprise, its ability to withstand adverse conditions, as well as the development tasks of the enterprise.

Based on the above, it is defined as follows: “The economic potential of an enterprise is a feature

of the overall ability and available capabilities, characterized by the interaction of external and internal environment, sustainable growth and achievement of strategic goals, using available resources wisely.”

Economist VN Shchepetova gives the following approach in terms of economic potential of commercial enterprises: “Economic potential is the ability of an enterprise to achieve its goals based on the effective use of all available resources in the context of the interaction of external and internal environmental factors [4]”.

From the analysis of theoretical views and scientific ideas given by economists on the concepts of “potential”, “economic potential”, “economic potential of enterprises” mentioned above, it can be concluded that:

so far no scientifically and economically based holistic concept of “economic potential of enterprises” has been provided;

the concept of “economic potential of enterprises” should be formed on the basis of the specific characteristics of each industry;

Thus, taking into account the above theoretical and scientific ideas on the concepts of “potential”, “economic potential”, “economic potential of the enterprise” and the specific development and operation of the industry, the following definition of the economic potential of industrial enterprises.

The economic potential of an industrial enterprise is the ability to ensure long-term sustainable development through the efficient and rational use of available resources and to form, identify and meet the demand for industrial products in the market in the process of interaction with the external environment. In international practice, methodological rules have been developed for the formation, statistical assessment, analysis and forecasting of the economic potential of enterprises based on different ownership based on a systematic approach, which ensures the interdependence of different scientific schools and areas and the reliability of the results.

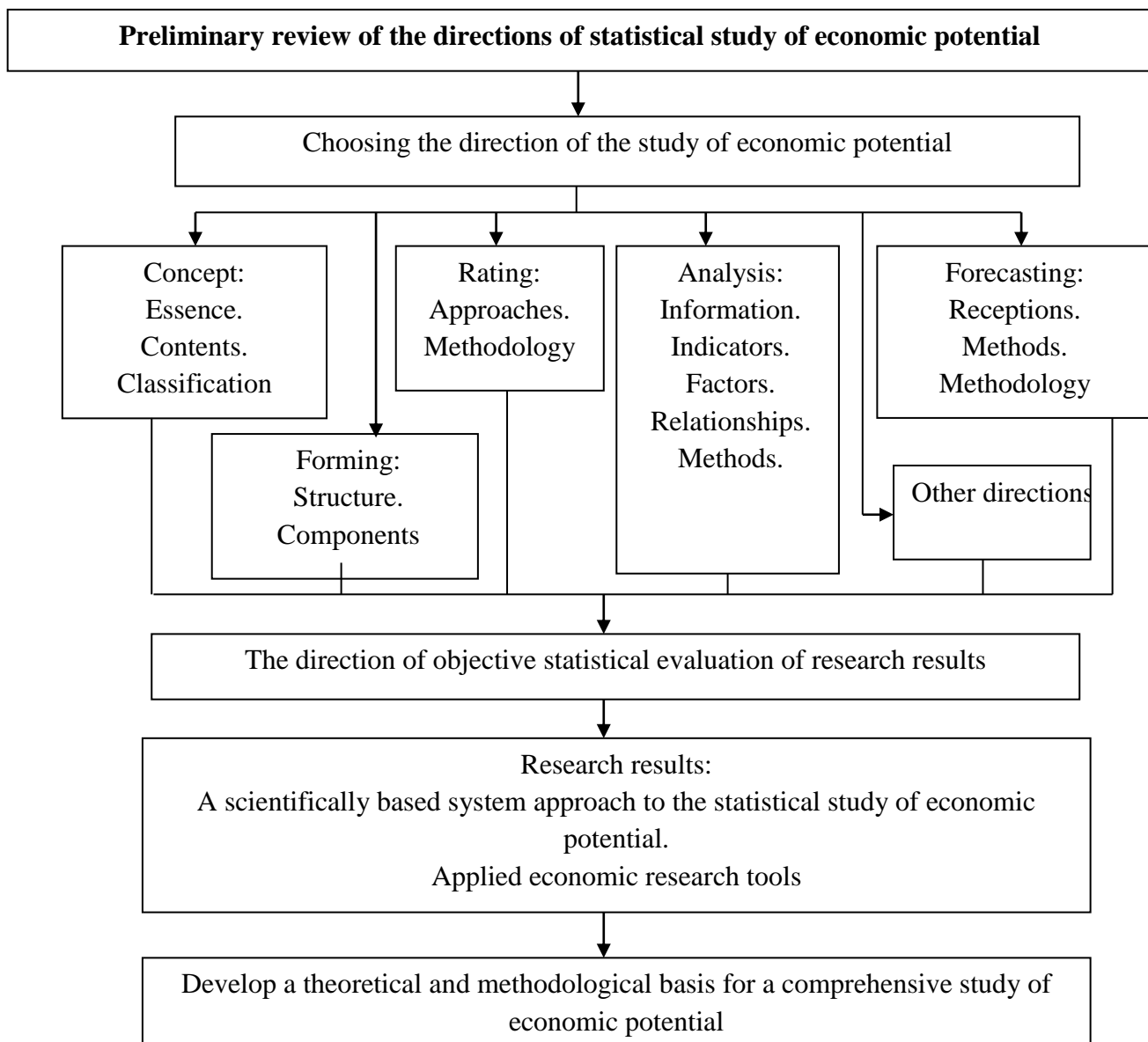
The “Strategy for Further Development of the Republic of Uzbekistan for 2017-2021” also identifies priorities such as effective use of the potential of enterprises of different ownership, ensuring the production of competitive products and increasing export potential [8]. The analysis of existing approaches to the statistical study of the economic potential of the enterprise is the most objective systematic approach among them. In its

implementation, there are systematic analyzes such as special systems, a set of methods, the analysis of systems and the study of objects through the analysis of these systems [9].

In the process of analyzing economic potential, an expanded logical-methodological scheme of research is proposed, which allows to visualize the

opportunities, directions, tasks and objectives of the research.

The proposed scheme allows to take into account the interdependence of research directions and their results, and each direction also stems from the state of the systematic statistical approach.



**Picture. Extended logical-methodological scheme of studying economic potential**

The essence of the studied concept is multifaceted and multidimensional, and the lack of disclosure of its components, significant differences in the interpretation of this category, and insufficient development of the terminological base require clarification of the conceptual basis of the study of economic potential of the enterprise.

According to our analysis, there are two important areas for studying economic potential:

resource and outcome. However, it is a complex process to work on the basis of only one of the approaches, because most of the definitions are reflected in the characteristics of the source and outcome directions. Summarizing the features of the latter, we can alternatively cite a “mixed approach” to defining the concept of “potential”. Clear results can be achieved based on the organization of efficient use of enterprise resources.

In our opinion, the category called “Economic potential of the enterprise” is manifested as a complex and diverse phenomenon, the essence of which does not consist of a random set of elements. In our opinion, in defining economic potential, it is necessary to take into account and link the following basic concepts: ability - individual characteristics that are subjective conditions for the successful realization of something; opportunity is the tool needed to accomplish what it is; system of resources (labor, material, natural, financial, information) required for the production of products, services, works available at the enterprise; the interaction of internal and external environment; results.

Taking all of the above into account, we propose the following definition: “The economic potential of an enterprise depends on the interdependence of the external and internal environment, the existence of common and real opportunities (as a result of the creation or emergence of certain conditions) to achieve strategic goals through sustainable development and rational use of available resources described.”

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