

## MODERN APPROACHES TO DEVELOPING THE FINANCIAL POTENTIAL OF THE REGION

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**Abstract.** The article examines modern approaches to the development of the financial potential of the region. In particular, scientific proposals and practical recommendations have been developed on important issues such as revealing the economic and social essence of the concept of financial potential, factors affecting the formation of regional gross domestic product, determining the synergistic effect of inter-budgetary relations in the region, rational use of financial resources.

**Key words:** financial potential, synergetic effect, gross regional product, financial resource, budget integration.

The process of monitoring the formation of financial potential of the region and its use is of particular importance in ensuring the stability of the region's economy, preventing crisis situations, ensuring the proportionality and balance of the activities of various sectors of the economy. In connection with external and internal factors, the problematic situations observed in the country's economy, and the growing state budget deficit, taking into account the complexity of attracting and using financial resources from external sources, it is of urgent importance to find and use internal sources to finance the economic development of the country and regions.

The ever-increasing role and importance of local government shows that it is an urgent task to study and analyze the issues related to distinguishing the concept of territory, clarifying its structure, nature and content.

It should be noted that the regional policy is the leading factor in the successful elimination of crisis socio-economic events and the formation of financial potential. Therefore, the need to develop modern mechanisms and algorithms for using and strengthening the financial potential, adapted to the differences in the development of the regional economy and the prospective stages of its development, is increasing more and more.

According to the theory of regional economy, four main paradigms of the regional approach are studied:

- the region as a quasi-state, in this case it is considered as a relatively separate subsystem of the state and national economy;
- the region as a quasi-corporation, in which it appears as a large property entity and competes with other regions for goods, services, and capital;
- the region as a market implies the use of the characteristics of regional markets, for example, commodity markets, credit and financial resources, securities in the general conditions of economic activity;
- the region as a separate society, where the region is evaluated in terms of the level and quality of life of the population; it includes cultural, educational, medical and other aspects [1].

A large number of studies testify that today the territory is becoming the main topic of economic and political relations. In order to clarify the nature of regional finance, it is appropriate to clarify the concept of "territory". This is due to the fact that this concept is important not only in geography, but also in all areas of the economy, which are related to the territorial aspects of the activities of most areas of economic life. In scientific literature, the problems of regional economic



systems are considered from such aspects as world economy, geopolitical, administrative and territorial.

Uzbek language, the concept of "territory" is interpreted as "a large taxonomic unit in any territorial division system, a territory separated according to the totality of any interrelated events and processes" [2].

The term "territory" has many interpretations. One of them defines the territory as "a socio-economic space with a production structure, the presence of all forms of ownership, the concentration of the population in a certain place, the creation of appropriate conditions for jobs and human survival, local self-government bodies" [3].

Each region of our country is unique. The capabilities of districts within the same region are also different. Such a difference must be eliminated at the expense of increasing human potential. In 2022, the city of Tashkent made the biggest contribution to the formation of the GDP of the Republic with a share of 16.6%. Tashkent and Navoi regions occupy the next places with indicators of 10.5% and 7.5%. The smallest share in the formation of the republic's GDP was given to Syrdaryo (2.0%) and Jizzakh (3.1%) regions. [3].

Therefore, the issues of economic development of the Republic of Karakalpakstan, Tashkent city and regions are being discussed in a separate, targeted manner. President's in the regions social-economic of reforms the progress of our people life level and quality more to increase directed creativity and beautification works with closely get to know people with to meet and communication to do purpose to regions in their visits the first in line regions in the economy points designation and that's it through social economic development to taste separately attention is being directed.

Last six year inside region industry products almost six equal to 3.5 trillion . 12 trillion soums increased. Territory of the economy of possibilities fruitful use at the expense of gross territorial 6 trillion in production in 2016 . from 18 trillion in 2022 sumga did , the province all districts big - small industry of projects to work lowering as a result New York in the city industry products work release size 10 times , Mirzaabad 6 times in the district , edge districts countable Sardoba , Khovos districts almost 2 times increased .

Hovs in the district Turkey with 220 MW in partnership powerful heat electricity station to use submitted if so , in 2023 Sweet city and Boyovut 1500 MW in the districts to power have was modern heat electricity stations to work drop off planned .

30 trillion in the region in 2017-2022. investments amounting to soums were absorbed. As a result, 6,640 new enterprises were launched, 55,000 permanent jobs were created, and 17,000 families were lifted out of poverty.

In 2022 alone, 250 million will be allocated to Syrdarya region. Chinese investments were attracted, which means 90% of the total volume of investments.

2 trillion soms have been allocated for the "unemployment-free region" program of Sirdarya. At the expense of these funds, preferential loans were given to 20,000 residents, subsidies for equipment were allocated to 5,000 young people, 2,000 artisans were established, 1,200 young people were trained in professions, 10,000 people were given jobs due to the allocation of 5,000 hectares of land to the population. provided with As a result of paying special attention to the employment of the population, in 2016, 41,000 people were employed, and this indicator is expected to reach 125,000 in 2023.

As a result of a special focus on the social sector, the coverage rate of only children with preschool education increased from 26 percent in 2016 to 70.1 percent in 2022. 165,000 residents were provided with centralized drinking water.



As a positive result of the work carried out in the past six years on the socio-economic development of the Syrdarya region, the volume of the gross regional product per capita is 22 million. 14.2 million soums, industrial products. agricultural products 13.1 million soums. soums, budget receipts 1.2 trillion. is making soums.

The agricultural sector occupies an important place in the economy of Syrdarya region. In particular, in 2022, the volume of GNP in Syrdarya region will be 18,136.8 billion. amounting to soums, 103.3% in agriculture, forestry and fisheries (39.4% in GNP), 109.5% (24.9%) in industry, 100.5% (8.0%) in construction ) and 105.0% (27.7%) were affected by positive growth rates observed in the services sector [3]. Today, a third of the country's electricity, 16% of leather products, and 10% of pharmaceutical products are produced in Syrdarya region, but the share of agriculture in the region's economy.

The gross regional product of Syrdarya region recorded an increase of 103.4% in 2018, 109.5% in 2019, 101.8% in 2020, 109.0% in 2021, and 105% in 2022. we can see that industry and agriculture contribute the largest share to the growth ( Fig. 1, 2 ). For example, in 2021, agriculture contributed 1.3 percent to the 5 percent growth of the gross regional product, while the contribution of industry was 2.2 percent. In the next five years, the total contribution of agriculture, forestry and fisheries to the growth of the gross regional product was 5.5 percent, the contribution of industry was 8.0 percent.

In addition to the positive developments observed in the economy of Syrdarya region, the region has many untapped opportunities, including:

- The land, water and natural resources of Syrdarya are rich. Cultivated land per capita is 2-3 times more than in other regions. The level of water supply for agriculture in the region is also high, there are opportunities to increase the production volume of agricultural products by 2-2.5 times, export volume by 5-7 times;
- Syrdarya region serves as a unique bridge connecting the regions of the republic with Tashkent, the proximity of Tashkent city and Tashkent region alone is about 5 million. enables the creation of an existing consumer market;
- an important condition of the innovative economy is the mutual harmony and cooperation of education, science and production, but today this cooperation is not showing itself sufficiently;
- The proximity of the Syrdarya region to 2 neighboring countries, Kazakhstan and Tajikistan, gives the region additional advantages from the point of view of logistics;
- At least one and a half thousand citizens of the neighboring republics visit the Syrdarya region for treatment in a month, which shows that the region has great potential in the development of medical tourism and the medical field in general;
- The importance of higher education in turning Syrdarya into an innovative region, the presence of great potential in Gulistan State University, which has been operating as the only higher education institution in the region, and so on.

A.M Volkov, in the 1970s, when the concept of "territory financial potential" was introduced into scientific circulation in the CIS [ 4 ] introduced by It connects financial potential with the growth of financial resources. In other words, the financial potential is reflected in the material structure of the growth of means of production after the processes of redistribution of financial resources of the created national income. The author emphasizes the stimulating role of financial potential in the creation of new production flows. Researcher F. Yoldoshev touches on the category of financial stability in his research and defines that " financial stability is the stability of the company's

financial situation, the ability to successfully work and develop by maintaining a constant balance between own and debt funds" [5] .

In the textbook "Finance and Taxes" published under the general editorship of Professor B.A Khasanov, financial potential is interpreted as a result indicator of financial policy, a source of economic growth.

Despite the rapid development of economic scientific views, it should be noted that at the current stage there is no comprehensive definition of the concept of "financial potential of the region" and its components.

As a basis for researching the category of financial potential, "first, to reveal that it has its own content as a special, independent form of the economic potential of the state, region and administrative units; secondly, we can agree with the view that it is necessary to express the financial potential through the financial system, its links and financial flows, secondly, as an important source of financial potential, the integrity of financial relations regarding the renewal and development of financial resources.

Today, various interpretations of the concept of "competence" are reflected in specialized scientific literature. This, in turn, is explained by the widespread use of this term in various spheres of activity. In the framework of the research, we will give some interpretations used in philosophy, sociology, psychology, social science and economics.

The fact that this concept has a wide meaning allows it to be used in various fields of science. In the explanatory dictionary of the Uzbek language, the concept of " potential " is interpreted as " authority, fitness, full power, talent, ability " [3]. The interpretation of the concept of "authority" is "resources, opportunities, means, resources that can be used to solve any task, to achieve a certain goal; represents the capabilities of a person, society or state in a certain field.

Tad Qiqotchi F. Yoldoshev, " the development potential of the enterprise is a complex system with its own components (elements and organizers), and its effective management largely depends on how well this system is studied " [5]. Agreeing with the views of the authors regarding the systematic description of the potential , we emphasize that the potential is a system with a complex structure characterized by the presence of resources, opportunities and abilities.

In our opinion, we can solve the problem of characterizing potential by clarifying its characteristic " characteristics " . Since each system is represented by the integrity of its own characteristics, potential is described as a " resources-opportunities-abilities " system with the following characteristics:

- feature of accumulation and optimization of resources - shows that the resource organizer is important;
- the feature of adapting the operating mechanism to existing external and internal conditions determines the capabilities of the system;
- the ability to realize unique qualities - clearly shows the category of " ability " .

Thus, as a system with a complex structure, it is necessary to emphasize the importance of the role of various specific aspects in determining the potential, such a feature reflects the manifestation of the quality of the potential.

All these features aim to achieve a single direction - the long-term development of the system. Based on this, we can define the concept of "competence" as the ability to use available resources, opportunities and abilities to achieve the long-term goals of the system.

The financial potential of the region, which is an important component of the national financial system and is used to solve the complex socio-economic needs of the region, is of particular importance from the point of view of using the potential of a specific region.



In particular, the researcher J. Ergashev interprets the financial potential of the region as "the formation of a general mechanism for the regulation of financial capabilities, the mutual integration of the economic and financial capabilities of the regions, their interrelationship with the state budget" [8]. The author proposes to distinguish three main features of financial potential:

- a separate independent form of the economic potential of the state or region;
- their settlement and development within the unity of financial relations and financial resources ;
- the concept expressed with the support of the financial system and its links .

According to L. Buranova, the financial potential of the region represents "a set of accumulated financial resources expressed in the form of monetary capital that an economic entity can allocate in order to ensure the investment process" [9].

In his research, H. Kobulov distinguishes three main aspects in revealing the economic content of the region's financial potential:

- the ability of the region to create resources and reserves in terms of implementing production and economic activities, solving social tasks and ensuring sustainable regional development;
- a set of financial and monetary resources available in the region to support the stability of economic activity in the region;
- economic relations of the region. Financial potential as a set of financial resources that make up money capital, can be directed to the implementation of the investment process by society, capital reproduction [10].

According to the approach of L. Khazratkulova, the financial infrastructure of the region is an important source of financial resources formation [11].

According to A. Abduvokhidov, in order to have a complete picture of the financial potential of the region, it is necessary to consider the whole set of financial flows:

- production of goods and services;
- material costs for the production of goods and services that form the demand for other goods and services in the description of production;
- investments of enterprises;
- household incomes from various sources;
- taxes, including state and local taxes;
- budget costs, including state and local budget costs [12].

Analyzing the existing scientific views in the field of studying the essence of the concept of "Financial potential of the region", we put forward the opinion that only the part of financial resources directed to expanded reproduction should be used in the description of financial potential. For example, only after simple reproduction is done, does enhanced reproduction take place. In this case, there are financial flows that create opportunities for taxpayers and other economic entities, households and serve the implementation of state functions. Therefore, the financial potential should include not only the investment process, but also all financial resources.

It should be noted that the financial potential of the region can be defined as the sum of all financial flows of the region: current and investment costs of firms, current consumption and household savings, budget revenues of the region. First, it appears as the volume of output produced, then as gross domestic product (GDP), which in turn is distributed and redistributed among businesses, households, and the state.

Researcher L. Buranova thinks about the target direction of resources mobilized. He defines the financial potential of the region as "the part of the mobilized financial resources that can be

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directed to its development" and distinguishes between tax and non-tax revenues to the budget, attracted funds, amortization allowances and profits of economic entities [13].

The financial potential of the region is understood in a narrow sense as "a set of financial resources attracted by the state and economic entities necessary to ensure normal reproduction and improve the quality of life of the population."

Most scientists and researchers recognize financial resources as the main aspect of clarifying the concept of "territory financial potential". This shows that the result of realizing the financial potential of the region is largely related to financial resources.

As can be seen from the above, since financial resources belong to an economic entity in a certain jurisdiction, financial capacity is always considered to be related to a certain economic entity.

The results of the analysis of the scientific works of scientists and researchers who conducted scientific research in this field allow to distinguish the following main aspects of the financial potential of the region:

- often (in 42% of cases) "competence" is understood in terms of natural conditions, opportunities, resources ;
- In 18% of cases, potential means production capacity, enterprise or region is provided with resources;
- sometimes (in 16% of cases) it is considered from the point of view of resource, economic, natural - geographical features;
- In the 8% case, the definition of potential comes close to the point of view used for the purposes of this research, that is, potential is considered as an opportunity to obtain a certain financial result that provides the possibility of sustainable growth for subjects of economic relations.

It is possible to systematize methodological approaches to clarify this concept in the process of studying the existing scientific views on the category of "Financial potential of the region". Resource and recycling approaches are often practiced. The diversity of views on the interpretation of the concept of "financial potential of the region" shows that this concept is multifaceted. In clarifying the financial potential of the region, the views of the authors can be divided into two large groups.

The first group considers the financial potential of the region without the resource component - funds that can be attracted to the budget, as well as funds that can be spent on the economic development of the region.

The second, describing the financial potential of the region, pays special attention to resource and recycling organizations. It should be noted that there is no clear delimiting difference between resource and reproduction organizers. Therefore, in our opinion, we should include in the approaches to the interpretation of the concept of "territory financial potential" those organizations that cannot be clearly linked to the first or second organization.

However, the mentioned methodological approaches do not allow a full description of the financial potential. It is considered appropriate to introduce an additional, effective approach that unites resource and reproduction organizations, as well as allows to form a fundamentally new definition of the concept of " financial potential of the territory " , which describes the ability of the territory to use resources effectively, unlike the previously existing ones.

Thus, compared to the existing approaches, the proposed result approach allows to describe the concept of "territory financial potential" not only from the point of view of using the resource organizer, but also to show the nature of its result.

Within the framework of this research, it is necessary to clarify the concept of "financial potential of the region" based on modern economic conditions.

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The financial potential of the region represents the ability to own and attract additional financial resources to ensure the economic security and competitiveness of the region, which in turn provides a synergistic effect.

This definition fully covers the set of measures to influence financial resources to ensure highly effective regional development.

On the other hand, it is appropriate to understand the management of the financial potential of the territory as the effective distribution, redistribution and use of the finances of the territory, which allows to achieve synergistic effect .

In the management of the financial potential of the region, firstly, the process of converting potential incomes into received incomes, and secondly, the specific forms of incomes of entities - the formation of financial resources are of great importance.

In terms of effective management of financial potential, it is important to clearly define the goals that allow to achieve high results of economic development. These goals include:

- providing regions with the necessary financial resources obtained in the form of private, debt and redistribution;
- encouraging financial system entities to increase financial flows;
- redistribution of resources between subjects of the regional economic system, as well as in favor of the state;
- control the process of formation, distribution and use of financial resources;
- insurance against possible threats.

Thus, a comprehensive analysis of approaches to the interpretation of the concepts of "territory", "territory potential" and "territory financial potential" allows us to conclude that it is necessary to pay attention to territorial organizers of financial potential based on the proposed result approach.

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