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FINANCIAL POTENTIAL: CONTENT AND ESSENCE

Turdieva D.
bachelor's degree, Tajik National University (Dushanbe, Tajikistan)

ФИНАНСОВЫЙ ПОТЕНЦИАЛ: СОДЕРЖАНИЕ И СУЩНОСТЬ

Турдиева Д.
бакалавр, Таджикский национальный университет (Душанбе, Таджикистан)

Abstract

The article analyzes the concept of «financial potential» in economic science and its significance in managing regional economies. Financial potential is defined as the totality of monetary and other financial resources that can be used to achieve economic growth and sustainable development in a region. The study includes an analysis of various theoretical approaches to understanding financial potential, examines its classifications and methods of analysis, and discusses its importance for regional and national economies. The article emphasizes that effective management of financial potential plays a key role in strategic management and achieving socio-economic goals. Based on the analysis of existing concepts and studies, the author provides recommendations for managing a region's financial potential and its strategic use for sustainable development and growth.

Keywords: financial potential, regional economy, sustainable development, economic growth, financial management.

Аннотация

Статья посвящена анализу понятия «финансовый потенциал» в экономической науке и его значению в управлении региональной экономикой. Финансовый потенциал определяется как совокупность денежных и иных финансовых ресурсов, которые могут быть использованы для достижения экономического роста и устойчивого развития региона. Исследование включает анализ различных теоретических подходов к пониманию финансового потенциала, рассмотрение его классификаций и методов анализа, а также его значения для региональной и национальной экономики. В статье подчеркивается, что эффективное управление финансовым потенциалом играет ключевую роль в стратегическом управлении и достижении социально-экономических целей. На основе анализа существующих концепций и исследований, автор дает рекомендации по управлению финансовым потенциалом региона и его стратегическому использованию для устойчивого развития и роста.

Ключевые слова: финансовый потенциал, региональная экономика, устойчивое развитие, экономический рост, управление финансами.

Introduction

This article examines the concept and essence of «financial potential» within the context of regional economics. Financial potential is defined as the totality of accumulated, attracted, and generated resources and funds during the region's economic activities. These resources include both monetary and non-monetary elements that are at the disposal of economic agents and influence the formation and development of the regional economy. It is important to note that the financial potential of a region consists of two main types of resources – internal and external. Effective use of these resources plays a key role in strategic management and long-term planning of the region's socio-economic development. Analyzing the financial potential of the Republic of Crimea allows for an assessment of current challenges and growth opportunities, taking into account specific issues such as the shadow economy and systemic tax evasion. These problems require a detailed analysis of financial indicators and their impact on the dynamics of socio-economic development.

Main part

Financial potential plays a significant role in ensuring the sustainable development of the regional economy. Several approaches exist to understand and classify this concept. In one theory, financial potential is defined as the totality of financial resources, including tax revenues, enterprise income, and attracted investments. Figure 1 illustrates the structure of financial potential in the Republic of Crimea, showing the proportions of internal and external resources.

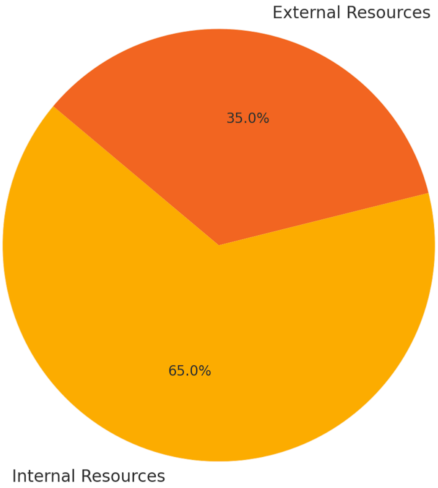

Figure 1. Structure of financial potential in the republic of crimea

Additionally, Table 1 presents key financial indicators related to the region's economic activity, including tax revenues, enterprise income, and investment levels over recent years.

Table 1

Key Financial Indicators in the Republic of Crimea (2020-2023)

Year	Tax revenue (billion rubles)	Enterprise income (billion rubles)	Investment level (billion rubles)
2020	85	70	40
2021	90	72	45
2022	95	74	48
2023	100	78	50

These data demonstrate the balance between internal and external resources that form the region's financial potential. Figure 1 shows that internal resources, such as tax revenues and enterprise income, constitute a substantial portion of the financial potential. Table 1 reveals positive trends in investment levels, which reflect an ongoing interest in the region's economic development. Such indicators highlight the importance of balanced resource management and the role of government programs in fostering economic stability.

Another approach considers it as a set of financial management opportunities that ensure the effective use of financial resources to achieve strategic goals. It is important to consider that financial potential can vary depending on economic conditions and resource management, necessitating constant monitoring and strategy adjustments [1].

Financial potential is closely linked to macroeconomic growth opportunities and regional development. In some economic studies, financial potential is assessed based on liquidity, stability, and the region's ability to attract investments [2]. These parameters allow for a more accurate modeling and forecasting of economic activity and regional gross domestic product (RGDP) growth.

An important task is the balanced management of resources, which takes into account the region's short-term and long-term financial goals.

Theoretical foundations and classification of financial potential

The financial potential of a region can be classified based on several criteria, including its structure and sources of formation. One approach divides financial potential into internal and external resources, allowing for the consideration of both revenues generated within the region and attracted investments [2, 3]. Another approach separates financial potential into short-term and long-term resources, which allows for the consideration of time horizons in managing regional finances. It is important to note that managing financial potential requires a comprehensive approach, which includes the use of various financial instruments and strategies to achieve economic growth and development.

In the context of strategic management, a key element is the development of a system for monitoring and analyzing the region's financial indicators. The use of methods such as econometric modeling and data analysis allows for a more accurate assessment of the financial potential and the identification of measures for its improvement. Strategic management should focus on maintaining a balance between short-term and long-term resources, which is an important condition for sustainable socio-economic development [3].

The impact of government regulation on the region's financial potential

Government regulation plays a key role in managing and developing the financial potential of a region. It includes a set of measures aimed at ensuring the stability of the financial system, creating favorable conditions for attracting investments, and maintaining the tax base. Regional and federal support programs, such as tax incentives for businesses, subsidies for the development of priority economic sectors, and investment funds, contribute to increasing the financial potential of regions. These measures help mobilize resources and optimize their use within socio-economic programs [4, 5].

Special attention is given to the development of financial infrastructure, which includes the creation and support of credit institutions, entrepreneurship support funds, and other financial institutions that contribute to the sustainable development of the regional economy [6]. In the context of international sanctions and economic instability, government regulation becomes especially important as it allows for minimizing negative consequences and stimulating economic activity in the region. Effective management of financial resources through state and municipal programs provides support for small and medium-sized businesses, which, in turn, promotes economic growth and increases tax revenues [7].

Conclusion

The financial potential of a region is a central element influencing its socio-economic development and sustainability. The study revealed that financial potential consists of a set of internal and external resources that are formed under the influence of various factors, including government regulation, economic activity, and investment attraction. Government programs and support measures play a crucial role in creating favorable conditions for the effective use of financial potential, which contributes to economic growth and improves the quality of life of the population.

The prospects for utilizing and developing the financial potential of a region largely depend on its ability to adapt to changes in the economic environment, effectively manage resources, and use strategic planning and modeling tools. Econometric modeling and systematic analysis of financial indicators allow for assessing the current state and developing long-term strategies aimed at sustainable development of the region. In the future, it is necessary to strengthen cooperation between government structures, businesses, and financial institutions to enhance the efficiency of using financial potential, thereby creating a foundation for long-term economic stability and growth.

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