Methodology Assessment of Economic Potential of Regions and Economic Growth

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Abstract
This article describes the issues of assessing the economic potential of the region, the views of economists, the methodology for assessing the level of economic potential of the region, the system of calculating potential indicators, the scientific basis for assessing the impact of factors on economic potential.

Keywords
region, economic potential of the region, assessment of existing potential, statistical approach, systematic approach, economic potential rating, factors influencing economic potential.

Introduction
Sustainable economic development of the region, economic growth is largely determined by the existing economic potential and efficiency of its use. The formation, analysis and practical application of scientific methods and approaches to assessing the economic potential of the region is the basis for ensuring the development of the regions, which is now a priority for the country’s economy. Studies show that the issue of assessing the economic potential of the region is still controversial, local authorities do not have a common opinion on this issue, and in practice there is no clear system for its implementation. Proof of our opinion is the adoption of the Resolution of the President of the Republic of Uzbekistan dated May 1, 2020 No PP-4702 “On the introduction of a rating system of socio-economic development of the regions.” The resolution emphasizes the need for a unified system for assessing the complex and balanced socio-economic development of the regions, the efficiency of use of natural resources, economic and investment potential, as well as other comparative advantages of the regions for sustainable and dynamic development.

Literature review
While the main goal of each country is to ensure economic growth, one of the urgent tasks facing the economy is to directly assess the existing economic potential and analyze its effective use, to identify untapped opportunities. R. from world scientists on the methodology of assessing the economic potential of the region. Breyli, A. Damodaran, T. Koller, T. Koupled, S.; Mayers, Sh. Pratt, Dj. Fishmen, G.G. Azgaldov, N.N. Karpova, M.A. Foreign scientists such as Fedotova conducted research. The methods of assessing the economic potential of the region by KO Vinogradov and OA Lomovtseva are grouped as follows: Valuation of resources by the method of value; Index analysis; Construction of optimization models; Correlation-regression methods. [1]

VS Nemchinov studied the concept of “expanded production potential”, which describes the resource potential of national economic growth, and the volume and use of general qualitative and quantitative characteristics of all economic resources at the disposal of the region (national economy), aimed at ensuring gross economic potential - sustainable economic growth. concluded that it is directly related to the level.

According to L.R. Slepneva, the amount of economic potential of the region is determined by indicators that can be divided into two groups:
1. Absolute indicators, expressed in value and in kind;
2. Relative indicators of economic potential.

Value and physical indicators include GRP, the value of gross production costs, relative indicators of the dynamics of GRP over the years, the efficiency of the use of economic potential in the region in the network structure of GRP. [2]

Methodology for assessment the efficiency of production capacities management at textile enterprises were investigated by Tursunov B.[6; 7], Innovative development of Uzbekistan agroindustrial complex were researched by Yuldashev, N., Nabokov, V., Nekrasov, K. [9]. Use of artificial intelligence methods in operational planning of textile production were studied by Ergashxodjaeva S., Tursunov, B. [8;10]

I.Akperov and N.Kuryanov noted that there are a number of shortcomings in the above methods, including the omission of elements of complex valuation of intangible resources, and the fact that the growth potential of reserves is not taken into account in the assessment process. offered. They proposed to assess the economic potential of the region as a sum of available resources, opportunities to attract additional resources, as well as a mechanism for managing these resources and opportunities. Due to the existence of some quantitatively non-quantitative parameters that represent economic potential, the economic potential of the region is assessed on the basis of the theory of uncertain sets, put forward by L. Zade in the assessment process. In the evaluation process, the available resources are assessed as sufficient, insufficient and redundant resources, the ability to attract additional resources and the mechanism for managing these resources and opportunities - as low, average and high. [3]

Doctor of Economics Sh.Mustafakulov considers it expedient to study the methods of complex assessment of the potential of the regions, to establish a system of calculation of indicators in the following sectors of the economy in determining the socio-economic potential of the regions of Uzbekistan:
1. Labor (population, share of economically active population, segment of the population with higher education).
2. Production (production volume, residual value of fixed assets available at enterprises).
3. Financial (taxes, non-tax revenues of the budget, budget expenditures, investments in fixed assets).
4. Natural (agricultural lands, goods and services created in agriculture, minerals).
5. Transport (length of roads and railways, volume of transported goods).

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6. Infrastructure (sewage, electricity, the level of natural gas supply to the population).
Assessing the economic potential of the regions on these indicators will serve to facilitate the rapid decision-making of regional governments, as well as the development of regional programs, as well as to ensure the integrated development of the regions. [4]

Research methodology
The economic potential of the region requires an assessment of its network structure, growth dynamics, as well as the available resources in terms of quantity and quality.
The application of a comparative approach to the assessment of economic potential is convenient due to the simplicity of the absence of complex calculations. Using this approach, it is possible to estimate the economic potential of the region. The disadvantage of this method is the inability to perform in-depth analysis and the need to rely on official statistics. This means that primary data can be obtained quickly using this method.

The normative approach is convenient in that it does not require the comparison of indicators of several research objects. Commonly accepted norms, strategic goals, as well as economic development requirements can be considered as normative indicators. [5]

Analysis and results
The statistical approach is based on formal criteria that define the system of indicators that characterize the economic potential of the region. The source of information for this approach is the materials that are compatible with the MHT (Regional Accounting System). Important socio-economic indicators are selected on the basis of the main directions of economic activity, the state of industrial enterprises, the assessment and analysis of the employment structure. Formation of criterion values of selected indicators is carried out on the basis of setting the general or average level for all parameters. Through a statistical approach, weak, vulnerable regions can be identified, but their shortcomings require a great deal of effort and labor. [11]

In the reproduction approach, potential is mainly considered as the sum of productive forces and reserves, the components of which are determined by the stages of reproduction: Production potential; distribution potential; exchange potential; consumption potential. [5]

In a systemic approach, the economic problem in the region is analyzed as a special system in which foreign economic relations interact with different sectors. This approach determines the degree of asymmetry in the development of the regions, the characteristics of the economic and geographical location and the importance of the economic potential of the region not as a separate group, but as a whole, and determining the ranking of regions, they can be divided into moderately developed, problematic and leading regions. The economic potential of the region consists of all of the above factors, and the indicators for assessing the economic potential of the region are given in Table 1.

Table 1: Indicators for assessing the economic potential of the region

<table>
<thead>
<tr>
<th>Factors</th>
<th>Indicators</th>
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<tbody>
<tr>
<td><strong>Investment</strong></td>
<td>The share of investments in fixed assets in the region in total investments in fixed assets in the country.</td>
</tr>
<tr>
<td></td>
<td>The share of private funds in the region in the country’s sources of investment financing.</td>
</tr>
<tr>
<td></td>
<td>The share of foreign investment in the region in total foreign investment in the country.</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td>The share of regional credit institutions in the total credit institutions of the region.</td>
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<tr>
<td></td>
<td>The share of profitable enterprises in the region.</td>
</tr>
<tr>
<td></td>
<td>The share of deposits of legal entities and individuals in the total deposits of legal entities and individuals in the region.</td>
</tr>
<tr>
<td><strong>Economic factors</strong></td>
<td>The share of regional GRP in the country’s GDP.</td>
</tr>
<tr>
<td></td>
<td>The share of regional enterprises in the total number of enterprises in the country.</td>
</tr>
<tr>
<td></td>
<td>The share of regional fixed assets in the value of fixed assets of the country.</td>
</tr>
</tbody>
</table>

\[
R_r = \Pi^t - q_i \tag{2}
\]

\[
W_i = \frac{A_i}{A} \tag{3}
\]

\[
\sum_{i=1}^{n} W_i = 1
\]

\[
A_i = \frac{A_{re}}{A_r} \tag{4}
\]

\[
q_i = \frac{P_{ri}}{P_{st}} \tag{1}
\]

here \(R_r\) – the final economic potential rating of the region; 
\(n\) – comparative amount of socio-economic indicators. [4]

In assessing the economic potential of the region, it is necessary to take into account the factors that affect it. The economic potential of the region was taken as a set of investment, financial, economic, labor, market and innovation factors. Each group of factors consists of specific indicators, which are defined as follows:

\[
W_i = \frac{A_i}{A} \tag{3}
\]

here: \(W_i\) – expression of a specific indicator of a factor in a region; 
\(A_i\) – the share of the region in the relevant indicator; 
\(A\) – the value of the relevant indicator by region.

Total economic potential as a sum of specific indicators is determined by the following formula:

\[
\sum_{i=1}^{n} W_i = 1
\]

\[
A_i = \frac{A_{re}}{A_r} \tag{4}
\]

To ensure economic growth in the region, it is desirable to conduct a comprehensive study of its - investment, financial, economic, labor, market and innovation potential. After studying the potential of the region not as a separate group, but as a whole, and determining the ranking of regions, they can be divided into moderately developed, problematic and leading regions. The economic potential of the region consists of all of the above factors, and the indicators for assessing the economic potential of the region are given in Table 1.
### Labor
- The share of average per capita income in the region in the average per capita income in the country –
- The share of regional labor in the total labor force in the country –
- The share of the region’s average pension in the country’s average pension –

### Market or TIF
- The share of regional wholesale turnover in the country’s wholesale turnover –
- The share of the region’s total exports to the western countries of the region –
- The share of regional paid services in the total volume of paid services in the country –

### Innovative
- The share of regional innovative products in the total innovative products of the country –
- The share of research organizations in the region in the total number of research organizations in the country –
- The share of regional patents in the total patents of the country –

### Conclusions
At present, large-scale measures are being taken in our country to technically and technologically modernize and diversify production in the digital economy, create new capacities, take into account local resources and potential, intensify investment activity, small business and entrepreneurship, improve the quality and living conditions of the population. In addition to the economically developed regions, attention is paid to the wider involvement of local raw material resources in the production process, mainly in the agricultural sector and less developed regions. This method of assessing the economic potential of the region, first of all, determines the ranking of regions, “growth points” and “bottlenecks” of economic growth in the region, as well as in-depth analysis of the factors affecting it, strategies for economic growth and socio-economic development. economic development concepts are developed.

### References