

Efficiency of Development of Economic Potential of Textile Industry Enterprises

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Abstract

This article highlights the global problem is that the essential characteristic of the economic potential in relation to the enterprise of the textile industry is radically changing in market conditions, and in particular in a transitional economy.

KEYWORDS: Case, possible, to design, the normative parameters, business, the results, structure internal resources, divisions and organize activities, quality.

INTRODUCTION

The effectiveness of the development of the economic potential of textile industry enterprises has intensified in Uzbekistan during the transition period to market relations, when entrepreneurship was rapidly developing as an attribute and a natural format for the behavior of market entities. It is in the context of the liberalization of economic relations in terms of central planning and management, the problem of the initial assessment of the potential capabilities of the enterprise was updated, and consequently, the expected ones, i.e. planned and controlled business results.

Moreover, the main goal and practical task of management in this period is precisely the creation and building the economic potential of the company or corporations as the basis of their economic stability in the strategic period. To achieve these rational goals and objectives management should not operate with abstract concepts, but specific indicators and indicators that adequately assess the economic potential of the business and its dynamics.

Only in this case it is possible to design the normative parameters of the business, plan the end results structure internal resources and divisions and organize activities, stimulating and controlling the actions of personnel based on the degree of completeness and the quality of its implementation of specific target plans and programs.

Currently, the business environment is characterized by particularly high dynamism and intensifying competition, which is a logical consequence of the systemic economic crisis.[1] However, the latter should not be viewed as a random period in the development of the world and national economy, but as a natural permanent state of rigidly interconnected and contradictory processes, requiring from each market entity, first of all, high-quality strategic business management, content-oriented systematic monitoring of the economic potential of the firm (corporation).



Concretizing what has been said, it can be concluded that that in market conditions, textile enterprises set themselves two priority strategic tasks:

- firstly, a constant increase in functioning capital firms, which is the main condition for increasing property, as business target;

- secondly, ensuring financial and economic stability firms in an unregulated and fluctuating business environment, those purposeful management efforts to prevent potential bankruptcy.

The analysis shows that according to the majority of scientists, exactly the solution of these problems requires the introduction into science and business practice of the concept "economic potential" using certain combinations as indicators, relevant to the specific situation material, labor and financial indicators. Based on them, economic forecasts should be built, strategic plans and programs.

Depending on the latter, organizational structures, operational and tactical decisions are made and business performance is monitored.[2] The foregoing emphasizes the timeliness and the relevance of the scientific and theoretical study of the category "economic potential" with the subsequent development of practical mechanisms for its use in business management.

The logic of scientific research assumes the following structure:

1. Analysis of the conceptual apparatus, which allows us to formulate a generalized definition of economic potential as a category. At the same time, various interpretations are subjected to critical analysis of this concept and an attempt is made to systematize the author's approaches, which makes it possible to identify the essential aspects of the economic potential and propose quantitative methods for its evaluation.

2. Classification of types and constituent elements of economic potential.

3. Systematization and evaluation of methodological approaches as a theoretical basis for the quantitative assessment of economic potential, which is essential for business practice.

4. Structuring the economic potential as a comprehensive analytical indicator of the effectiveness of strategic business management.

5. Analysis of the economic potential as a system of interrelated and interdependent elements (subsystems).

6. Conditions and mechanism for the formation and growth of economic potential as a key function of business.

Study of scientific publications that use the concept "economic potential", shows, that carries a certain semantic load, this category is interpreted by the author and perceived by the reader in different ways, depending on the original author's context. Thus, the category "economic potential" in the well-known degree is abstracted and, by virtue of what has been said, has a universal character. There are four approaches to the definition and understanding of the essence of the concept of "economic potential" [3]:

1. Economic potential as a macroeconomic category, those as the total capacity of the branches of the national economy (Molchanov). Thus, the economic potential determines the ability to produce material goods. A characteristic feature is the connection between the concepts of "national wealth", "level of economic development".

2. Economic potential as a set of available resources. (A. Todaysechuk, B. Plyshevsky, Yu. Lychkin). This approach is a prerequisite for the emergence of economic potential components:



investment potential, production potential, human resources potential, natural resource potential.

3. Identification of the terms "economic potential", "economic power" and "national economic potential". (E.P. Gorbunov) This approach has significant drawbacks. Since the concept of "national economy" is broader than "economy", then the national economic potential should include economic, but not be equal to it. The concept of "economic power" is applicable to the accumulated economic resources, while the potential determines only the possible.

4. Economic potential as a result of economic and production relations between business entities (table 1).

II. ANALYSIS AND RESULTS DISCUSSION AND RESULTS

Another classification of approaches to the definition of "economic potential" can be proposed, which allows for a more rational and pragmatic use of it in the theory of economic analysis and business practice. A critical leads to the conclusion that the concepts of "potential" and "resources" should not be opposed. Any kind of potential is a generalized, collective characteristic of resources, tied to place and time. When the potential is considered as a set of resources, its assessment consists in establishing the qualitative and quantitative characteristics of the values of individual types of resources, and their mutual influence is not taken into account and is not measured. When it comes to a resource system, the characteristics of its individual components should be supplemented by indicators that describe the system as a whole [4].

Looking at potential from a performance perspective, it is necessary to take into account and quantify all the factors that determine the ability to ensure the functioning of the system. To do this, it is necessary to determine the system (resulting) characteristics of all types of resources, to know how to use and manage them, i.e. it is necessary to take into account not only resources, but also accumulated (not yet used) reserves. And in order for the textile industry enterprises to have a sufficient supply of reserves, they need to be created. This is the fundamental issue of the formation of economic potential. [5] The reserve approach explains that it is necessary to distinguish between the concepts of "potential" and "reserves". The "potential" reflects both the existing and the possible (potential), and the "reserves" reflect only the possible, unused. Thus, the used reserves are an essential, but not the only part of the economic potential. In the textile industry, there are always deviations between the opportunities created and their actual use. Unused opportunities act as production reserves, which ultimately reflect the extent to which the economic potential is used. We can say that potential is the unity of temporal and spatial characteristics.

It simultaneously coordinates three levels of connections and relationships:

1. Reflects the past, i.e. is a set of properties accumulated by the system in the process of its formation and determining its ability to function and develop. In this regard, the concept of "potential" is actually identified with the concept of "resource". Thus, when assessing the economic potential, textile industry enterprises are based on the indicators of the previous period and state an increase in this category. This is inefficient, since, first of all, the enterprise



should not start from its own indicators, which may not meet the requirements of the current market situation, but from the average indicators for the industry or the whole country.

2. Characterizes the present in terms of practical application and use of opportunities. The concept of “realized” and “unrealized” arises opportunities, and the concept of "potential" partly coincides with the concept of "reserve".

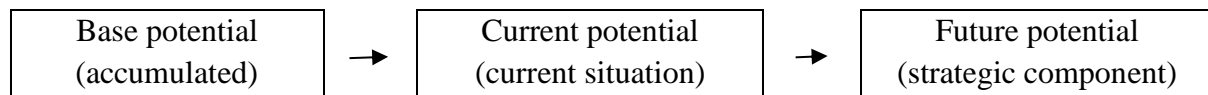


Table 1. Temporary factors of economic potential

It should be noted here that, that the unrealized capabilities of the elements of the potential reduce the effectiveness of its functioning, for example, labor skills not used in work are lost, unrealized personal abilities are destroyed. Conversely, optimally realized opportunities provide flexibility and agility of development enterprises in a changing business environment.

3. Development-oriented (future): potential contains elements of future development. Belonging of the economic potential to three temporary forms is shown in the form of a diagram.

We represent this scheme in the form of a model:

$$EP_{base} + EP_{cur} + EP_{strat}$$

The economic potential at the current moment can have both a positive (a tendency to increase) and a negative value (a tendency to decline), and the strategic potential assumes only reasonable build-up. The potential level, characterizing the current state of the system, is due to the close interaction of all three the above conditions, which distinguishes it from such at first glance close to him concepts as "resource" and "reserve". In addition to disagreements in the definitions of the category "economic potential", a number of authors are divided into opinions about the levels that characterize this concept.

Some researchers have come to the conclusion that the economic potential can exist and be assessed only in the present time and characterize in fact the achieved level of development of production.

According to another point of view, economic potential can be represented as:

- achieved (actual) potential a set of fixed assets and the value of gross output of industries created at the actually achieved organizational level of development of productive forces or the degree of use of the potential of textile enterprises
- promising economic potential, which reveals the maximum possibility of the economic system, which determines the maximum possible volume of production of material goods and services that can be achieved under ideal conditions for textile enterprises and the optimal use of resources[6].

According to the first three approaches (resource, performance and target), the assessment of economic potential is reduced to determining the ability of textile enterprises to carry out further activities and achieve their goals based on the use of a system of available resources.

Thus, as a result of analytical work, it becomes clear that all existing approaches to the definition of the category "economic potential" have both advantages and disadvantages and



are not absolutely correct. But the existence of each of them is vital important for determining the economic potential. Therefore, for this category it is necessary to develop a new approach, for example, a systematic one, which would include all currently existing approaches.

III. SUMMARY AND SUGGESTIONS CONCLUSION

Today, one of the global problems for modern Uzbek business is to remain competitive and maintain activity in a constantly changing external environment. One of the priority reasons for this problem is the inability to assess the economic potential at the disposal of the textile industry and manage its development. Economic potential is a complex multi-factor category, focused on the purposeful correlation of the internal and external in its object, i.e. with the binding of internal capabilities to the initial position of the enterprise in the external environment. The analysis of the economic potential of an enterprise should be comprehensive, since the potential is created through a combination of several factors (resources, reserves, results, entrepreneurial abilities), which act as objects of analysis. [7-9]

A comprehensive analysis will make it possible to give a general assessment of the effectiveness of the use of economic potential, the presence and growth of which determine the competitiveness of textile enterprises, serve as a guarantor of the effective implementation of management decisions.

The economic potential of an enterprise has two main components: objective, which is presented as a set of material, labor, financial and other resources; subjective - the ability of employees to use resources with maximum efficiency. This creates certain methodological problems in measuring economic potential.

In the economic literature, there have been and are different points of view on the category of "economic potential of an enterprise", which differ in approaches, depth, consistency and complexity of considering the problem. The global problem is that the essential characteristic of the economic potential in relation to the enterprise of the textile industry is radically changing in market conditions, and in particular in a transitional economy.

The economic potential of a particular enterprise in market conditions is not an absolute characteristic: it significantly depends on the state of the competitive environment. In domestic and foreign economic literature, the issues of a systematic approach to determining and assessing the economic potential of enterprises have not been worked out enough. This is explained as the theoretical complexity of these problems, and the need to take into account the industry specifics of enterprises. But with all the variety of works on economic analysis, the problem of managing and evaluating economic potential, and in particular the ability of textile enterprises, if necessary, to quickly and easily adapt to certain circumstances with its economic potential, remains unresolved at all levels.

In today's economic environment, simply having significant economic potential for the effective operation of textile enterprises is not enough. An enterprise must be market-oriented, respond flexibly and promptly to changes in demand and, in accordance with market requirements, be able to effectively use, evaluate, manage, predict and increase its economic potential.



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