



ACADEMICIA
**An International
 Multidisciplinary
 Research Journal**
 (Double Blind Refereed & Peer Reviewed Journal)



DOI: 10.5958/2249-7137.2021.01157.5

THE CONCEPT OF «BUSINESS POTENTIAL»: ESSENCE, ECONOMIC SIGNIFICANCE

Bozorova Muborak Sharopovna*

*Senior Lecturer at the Department of Foreign Languages,
 Tashkent Financial Institute,
 UZBEKISTAN

ABSTRACT

This article discusses existing approaches to entrepreneurial potential. The term entrepreneurial potential is analyzed by the author, on the basis of which he formulates an integrated definition of the studied concept, takes an attempt to apply a systematic approach to solving the problem.

KEYWORDS: *Entrepreneurship, Entrepreneur, Innovation, Entrepreneurial Potential, Entrepreneurial Activity, Opportunities, Risk, Economic Growth, Business.*

INTRODUCTION

The emergence of various forms of ownership in the economy, development of small business and private entrepreneurship has been identified as a priority of the economic policy of the country since the early days of independence.

The essence of the Decree of the President of the Republic of Uzbekistan “On the Strategy of Action for the Further Development of the Republic of Uzbekistan” also envisages the acceleration of socio-economic development and liberalization of the economy, further development of entrepreneurship[15]. One of the most important objectives of the Strategy is to continue institutional and structural reforms aimed at reducing the government’s involvement in the economy, protecting its private property and strengthening its prestige, and stimulating the development of small business and private entrepreneurship. Entrepreneurship, as a type of activity, implies that entrepreneurs have a certain way of thinking, a special style and type of economic behavior, expressed in a creative attitude to the matter, free manifestation of initiative, a constant desire for innovation, the search for innovative solutions and opportunities, expanding the scope and scope of activities and, which is especially important, constant readiness for risk and finding ways to overcome it.

In economically developed and developing countries, entrepreneurship is recognized as the driving force of the economy, and the degree of its development depends on the formation and implementation of entrepreneurial potential. Being a kind of labor potential, it has specific features, determined both by the nature of a particular type of entrepreneurial activity, and by the characteristics of a particular economic system. Entrepreneurial potential is a complex economic category, the study of which is extremely important in terms of assessing the reserves of entrepreneurship development. The latter, in turn, is the result of the realization of the potential under consideration, a source of economic growth, and the strengthening of the national economic system as a whole.

LITERATURE REVIEW

Entrepreneurial potential of innovations, role implementation form functions, the final product of economic creativity, etc. At the beginning of the 18th century, R. Cantillon and his followers J. Thünen, G. Mangoldt, and F. Knight singled out risk ability as one of the elements of entrepreneurial potential. J. Schumpeter considered innovation, creativity as the leading ability of an entrepreneur. L. Mises, F. Hayek, I. Kirtsner focused on such individual psychological characteristics of the entrepreneur as managerial abilities, independence in choosing and decision making, the ability to respond to changes in economic and social situation [1]. Leading economists of the country Gulyamov SS [13], HodiyeV.B. Yu., Kasimova MS [14] Other scientific and theoretical works and theoretical and practical aspects of business development were analyzed in detail.

Stepanov A. Ya .. and Ivanov N. V. considering the entrepreneurial potential of the organization, understand it as “the combined capabilities of the enterprise to determine, shape and maximize the needs of consumers in goods and services in the process of optimal interaction with the environment and rational use of resources” [10]. The most comprehensive assessment of entrepreneurial potential is given by P.V. Zhuravlev [6], which includes its structure are elements such as professional knowledge, innate and acquired abilities, innovative potential, as well as extra functional qualifications. To the memory of Cheplyaeva I. E. entrepreneurial potential - an economic category, “representing a socially determined set of opportunities and abilities for organization and implementation entrepreneurial activity by its carriers ” [12].

Tikhonova N.E. and Chepurenko A. Yu. define entrepreneurial potential as “the totality of all individuals ready for occupation entrepreneurial activity” [11]. M.V. Grachev believes that “entrepreneurial potential is a combination of orientation to achieve success, personal and collective responsibility, freedom of expression and creativity” [4]. Thus, the entrepreneurial potential is identified by the authors, first of all, with a person as his carrier. As a result, the interpretation of the concept under consideration is limited, as a rule, to the structural level and subject of disciplinary research. At the same time, the concept under study, as we believe, is much broader. Indeed, the formation and realization of entrepreneurial potential is impossible to inhuman. However, man, existing in a real socio-economic reality cannot realize their entrepreneurial abilities without an appropriate educational level, resource, infrastructural, legal and other support, i.e., without adequate conditions. Moreover, the creation of the latter requires compliance with the principle of consistency, based on them utility levelness of the national economy, and therefore the concept of entrepreneurial potential is multilevel. Therefore, in our opinion, the above definitions need further determination. To this end, we analyze the concepts

of “entrepreneurship” and “potential” and formulate on this basis an integrated definition of entrepreneurial potential.

ANALYSIS AND RESULTS

The essence and content invested in the concept “entrepreneurship” in the development of economic theory changed and ordered. It is believed that A. Smith was one of those who first became involved in entrepreneurship. However, another ten years before him, these problems seriously R. Cantillon was interested, formulating the thesis according to which the difference between supply and demand in the market makes it possible individual market entities to buy goods cheaper and selling them more expensive. It was he who called these market entities “entrepreneurs, “that is, in translation from French, “intermediaries.”[3] There is no clear definition of entrepreneurship in modern economic literature. As a rule, in most cases, its essence is replaced by the goal of entrepreneurial activity, i.e., maximizing profits. However, as suggested by G. Bagiyev and Asaul A.N., this definition cannot be considered complete. “Most practitioners and researchers focus on making a profit, seeing it as the ultimate goal of entrepreneurship. However, entrepreneurship has as its ultimate goal not so much profit as the continuity of the reproduction process associated with the reproduction of demand and the satisfaction of constantly changing, constantly increasing needs of an individual or a social group, society as a whole. In this regard, entrepreneurship isomer correctly defined as a process of continuous search for changes in needs, end-user demand for products and services, satisfying this need by organizing production, marketing, marketing, logistics, management, focused on the best innovations that bring maximum productivity in each of stages of there production process” [1]. Thus, the authors focus on the consumer and his needs, the satisfaction of which can bring maximum profit. In our opinion, such a definition is most consistent with modern socioeconomic reality, reflecting the principle of the social orientation of market relations. Moreover, this approach does not at all deny the risk, initiative and innovativeness inherent in entrepreneurship.

As StepanovA.Ya.and Ivanov N.V., and does not exist unambiguous definition of the term “potential”[8]. At all, the potential comes from the Latin Potentialis - powerful, literally powerful [11]. In various sources, potential is defined as power, strength[5] or as “means, stocks, sources available and able to be mobilized, put into action, used to achieve certain goals, implement the plan; solving a problem; the possibilities of an individual, society, state in a certain area ” [2]. In other words, the potential characterizes real (and not theoretical) possibilities that currently cannot be implemented due to various reasons or lack of relevant conditions. For entrepreneurial activity as such conditions favors the business environment. Recall that the latter should be understood as “the prevailing in the country (region, municipality) favorable socio-economic, political, civil law situation that provides economic freedom for capable citizens to engage in entrepreneurial activities aimed at meeting the needs of all subjects of a market economy” [7].

Hence, the business environment, in our opinion, can be represented as a reflection of the totality of the real conditions and opportunities for doing business that are already implemented today. In our opinion, the entrepreneurial potential should be considered as a combination of real business opportunities that can be realized through providing a favorable entrepreneurial climate [8]. Note that by “real” we mean those economic, social, legal and other conditions in which entrepreneurship is currently functioning and developing. In this sense, speaking of entrepreneurial potential, we are talking about the current resource, infrastructural and other

support, its more efficient use, real people with relevant personal characteristics, ready to become subjects of the activity in question, but not able to do it by virtue of financial and other barriers, adverse conditions created [9]. From this, on the one hand, we can conclude that the "entrepreneurial potential" is logically regarded as a concept similar to the concept of "entrepreneurial resource", which means "the ability to efficiently organize economic resources for carrying out economic activities." On the other hand, the entrepreneurial potential, in addition to the efficient use of resources, also includes the totality of opportunities to do this, and therefore we consider this concept more complex and voluminous.

CONCLUSIONS AND SUGGESTIONS

1. The formation of entrepreneurial potential is the most important factor in the development of the business sphere, and entrepreneurial potential is its key element. Business sphere also includes the entrepreneurial environment as a condition for the realization of entrepreneurial potential and entrepreneurial activity.
2. To determine the nature and structure of entrepreneurial potential, we propose a multi-level approach, according to which entrepreneurial potential is necessary considered as a system with complex hierarchical and socio-economic structures.
3. To date, there is no single methodology, and also scorecards for assessing entrepreneurial potential. we consider it appropriate to use the three-component method assessments involving the inclusion in the system of indicators of such factor variables as a socio-economic state subject, socioeconomic aging of the subject and its economic performance.
4. In order to improve the qualitative and quantitative characteristics human component of entrepreneurial potential, and also ensuring a positive perception of entrepreneurial potential.

So, the analysis allows us to conclude that entrepreneurial potential must be seen as a multi-level system of resources and real business opportunities that can be realized through risky, innovative activities and the organization of favorable business environment in order to ensure socio-economic the effectiveness of the functioning of the business sector.

REFERENCES:

1. Asaul, A. (2008). *Patterns and trends in the development of modern entrepreneurship*.(p.280). Moscow: ANO "IPEV".
2. Bagiev, G.L., &Asaul, A.N. (n.d.).*Organization of entrepreneurial activity: The content of entrepreneurial activity*. Retrieved from http://www.aup.ru/books/m72/1_1.html
3. Vasyukova, I.A. (2005). *Dictionary of foreign words*. (p.992). Moscow: Astrel; AST:Transitbook.
4. Grachev, M.V. (1998). *Innovative Economics: Monograph P.V.Zhuravlev. Personnel Management in Entrepreneurial Organizations /P.V.Zhuravlev*. (p.224). Moscow: Russian Academy of Economics.
5. Grachev, M.V. (1993). Entrepreneur in themodern economy. *Society and Economics*, No.4, pp.28–40

6. Zhuravlev, P.V. (1998). *Human Resource Management in Entrepreneurship organizations*. (p.224). Moscow: Russian Academy of Economics.
7. Lapusta, M.G. (2000). *Entrepreneurship*. (p.448) Moscow: INFRA-M.
8. Likhanos, E.V., & Baidakov, A.N. (2011) *Entrepreneurial potential. Formation entrepreneurial potential as a factor in the development of the business sphere*. (p.178). LAP LAMBERT Academic Publishing GmbH & CO. KG.
9. Likhanos, E.V. (2010). The resource base of entrepreneurial potential region. *Economic vector of the region StGAU*, No. 1 (5), pp. 48-53.
10. Stepanov, A.Ya., & Ivanov, N.V. (n.d.). *Category "potential" in the economy*. Encyclopedia of Marketing. Retrieved from <http://www.marketing.spb.ru/read/article/a66.html>
11. Chepurenko, A.Yu. (2004). *Small business in a social context*. (p.480). Moscow: Nauka.
12. Cheplyaeva, I.Ye. (1999). *Entrepreneurial potential: Problems formation and use in the Russian economy*: dis. ... cand. econ. Sciences:08.00.07. (p.168). Saratov.
13. Gulyamov, S.S. (2008). *Entrepreneurship and small business*. (p.365). Tashkent.
14. Kasymova, M.S., et al. (2003). *Small Business Management*. (p.253). Tashkent.
15. (2017). Decree of the President of the Republic of Uzbekistan "On the Strategy of Action for the Further Development of the Republic of Uzbekistan". "People's Word" G//// 08.02.2017y. No. 28.
16. Ilkhom Abdirakhimov. Development of effective demulsifiers on the basis of local raw materials // *Universum: технически науки: научный журнал*. – № 2(83). Часть [4] М., Изд. «МЦНО», 2021. DOI: 10.32743/UniTech.2021.83.2-4.36-39.