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FINANCIAL CAPACITY AND DEFINITION METHODOLOGIES FOR ITS ASSESSMENT BY THE EXPERT METHOD

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Abstract:
This article, devoted to methodological approaches and practical implementation of financial potential and its impact on increasing state budget revenues, analyzes the methodology of financial potential using the analysis of budget indicators and the expert method. Attention is also paid to the influence of financial potential on the financing of social initiatives of the state. In conclusion, conclusions are given on increasing the prospects for the development of financial potential and increasing state budget revenues.

Keywords: *financial potential, analysis of budget indicators, social initiative, state budget revenues, expert method, financial stability, financial sustainability.*

INTRODUCTION. The category of financial potential can exist only in a system of mature commodity-money relations and a developed market economy, where complex mechanisms for the redistribution of financial resources, effective ownership and financial control institutions function. This implies a sustainable manufacturing sector, a diversified tax and financing system, and a balanced fiscal policy aimed at ensuring stable economic growth and development.

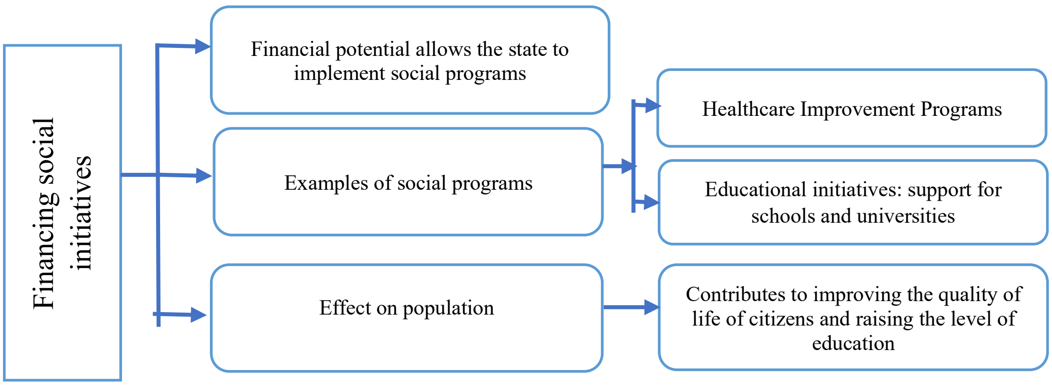

Figure-1. Impact of financial potential on financing of social initiatives of the state

Financial potential is one of the key factors determining the stability and efficiency of the formation of the revenue side of the state budget. In the current context of global economic instability and internal challenges, such as changes in the structure of the economy, fluctuations in world prices for resources and demographic factors, it is particularly important to properly assess and use the financial potential to ensure sustainable financing of government programs and commitments.

Financial potential has a great influence on the financing of social programs of the state.

Uzbekistan is pursuing a fair social policy to develop human capital, ensuring the development of the digital economy as the main "driver" with targeted and efficient spending of budget funds. Increase in the share of organizations providing non-state educational services in 2026 — by 8 percent by expanding their conditions and opportunities [2].

LITERATURE REVIEW. The issues of analysis, classification, assessment and management of financial potential have received a fairly wide coverage in modern economic literature, mainly at the micro level.

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Therefore, an urgent theoretical and scientific-practical task is the need to improve the efficiency of financial interrelations between different levels of economic entities, using a variety of methods at the expense of balancing and managing cash flows in the modern economy.

Polemics on the problem under study was conducted by many domestic and foreign authors. One of the world's leading experts in the field of competitiveness Michael Porter studied the analysis of financial and economic potential of regions based on the concept of competitive advantages of territories. John Friedmann developed theories of spatial development and management, which help to assess the potential of regions in the economic and financial context. Luz Anselin developed methodologies of spatial data analysis, which are used to assess the socio-economic and financial potential of territories.

A.G. Granberg (2010), a well-known economist, in his work "Economic and mathematical studies of spatial development of Russia on the basis of inter-sectoral models" considers the interrelationships between different sectors of the economy and assesses their impact on spatial development [4]. His works cover the issues of regional economy, development potential and spatial planning.

Methodological provisions of preparation of regional programs of different levels were studied by Doctor of Economics, Professor Shniper R.I. In his works he considered aspects of socio-economic and financial potential of regions, the relationship between budget planning and financial capabilities of territories [5].

In the monograph "Regional Pre-planning Studies" and subsequent works R.I.Shniper for the first time raises the issue of the need to approach the regional economy from the perspective of the theory of expanded reproduction and states that the subject of management at the regional level is the regional reproduction process, that the efficiency of the regional economy is determined by the totality of reproduction proportions and their balance, that the region of each rank is characterized by its own set of regional proportions of reproduction, that the region of each rank is characterized by its own set of regional proportions of reproduction, and that the region of each rank is characterized by its own set of regional proportions of reproduction. It is significant that the ideas outlined in his works are in demand just now, when regions of various ranks are looking for their place in the territorial system of the country and financial sources for their development.

It should be emphasized that it was in the works of R.I. Shniper that the functions of regions of different ranks were first considered in interdependence with their budgets, which should be the financial basis for the implementation of these functions.

Thus, the issues of financial potential in the context of tax and budgetary policy, paying special attention to the revenue base of regions can be pointed out by V.N. Leksin, A.N. Shvetsov, A.I. Tatarkin, Y.V. Drachuk.

In Uzbekistan, the issues of economic and mathematical studies of spatial development of regions and application of inter-sectoral models are actively studied by scientists engaged in regional economics, mathematical modeling and economic forecasting.

The purpose of this study is to propose and justify the matrix for assessing the financial potential of economic entities, through the characterization of the mechanism of financial interrelationships and flows of monetary resources. Let us consider the matrix for assessing the financial potential of economic entities according to the following hierarchy: person, organization, region, state.

The matrix of financial potential assessment allows us to identify at different levels the key points of growth and risk, as well as to adapt the economic entity for a specific task.

The matrix of the hierarchy of assessment of financial potential of economic entities is as follows[9]:

Person Organization
Region State

Figure-2. The matrix of the hierarchy of assessment of financial potential of economic entities

Person: an economic entity whose financial potential is determined by its ability to generate income, effectively allocate resources and plan its own strategy.

Organization: an economic entity whose financial potential is assessed through the efficiency of financial resources management and resistance to external risks.

Region: objective assessment and development of forecast indicators are aimed at strengthening the revenue base of regions, reducing dependence on high-income budget allocations, investments and budget policy.

State: at the state level it is important to take into account complex economic and social aspects, including international relations and national priorities [9].

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METHODOLOGY. Based on the above, financial potential has a multilevel concept, as it can be determined at the level of the state, region, industry, economic entity and individual. The definition of the financial potential was carried out at the regional level and noted that the financial potential of regions - as a part of the produced national income is a set of created at the current moment of time and previously accumulated financial resources of the state (as income of local budgets), economic entities (participating in all stages of reproduction), financial and banking institutions (borrowed and own funds) and the population (real gross income) aimed at the realization of the goals of the strategy of social and economic development. The financial potential of enterprises and organizations is determined by a complex of measures to manage the financial resources of the enterprise in order to obtain economic benefits and continuous vital activity of the enterprise.

EMPIRICAL FINDINGS AND DISCUSSION. At the current stage of development of fundamental finance, there is no research into the economic category "Financial Potential" in economic literature. In encyclopedic publications it is mentioned as an integral part of the economic potential of a subject.

In our opinion, the financial potential is a part of the generated national income, which is a set of currently created and previously accumulated financial resources of the state (as revenues of local budgets), economic entities (participating in all stages of reproduction), financial and banking institutions (borrowed and own funds) and the population (real gross income). aimed at achieving the goals of the socio-economic development strategy [6].

Financial potential covers all the economic resources available to the State, including tax potential, income from foreign economic activity, investment and capital raising opportunities. Its proper assessment and management make it possible not only to form a balanced budget, but also to create prerequisites for economic growth, improving the welfare of the population and reducing the debt burden on the economy.

Defining a methodology for assessing financial potential includes the use of big data analysis, analytics, econometrics, scenario analysis, where economists and financiers play a key role in assessing and predicting financial potential. The generally accepted methodology for assessing financial potential is the analysis of budget indicators (comparison with previous periods of identifying trends) and the expert method (forecasting financial potential).

The assessment of financial potential using the analysis of budget indicators reflects the ability of the economy to generate revenues and finance government obligations. Analysis of these indicators makes it possible to assess not only current financial opportunities, but also potential risks to the budget sustainability in the future. The most important indicators of budget analysis include:

- State budget revenues
- State budget expenditures
- Budget deficit/surplus
- Public debt and its servicing
- Share of budget revenues in GDP
- Structure of budget revenues
- Assessment of financial reserves
- Debt coverage ratio
- Efficiency of budget management

This analysis of budget indicators will help identify possible reserves and risks for future development, effective revenue and expenditure management, as well as public debt management, and create the basis for stability and growth of the state economy.

Assessment of financial potential by the expert method involves collecting, analyzing and summarizing the views of a group of experts in order to obtain an objective and balanced assessment of various indicators that affect financial stability. The main stages of applying the expert method are:

- Formation of a group of experts with deep knowledge in the field of economics, finance, budget planning, analysts, tax consultants and representatives of financial institutions.
- Develop evaluation criteria that can be evaluated on a scale from 1 to 10, depending on the impact on financial potential. These may include:

a) Structure of budget revenues and expenditures.
b) Efficiency of the tax system.
c) The volume of public debt and its ratio to GDP.
d) The country's ability to attract investment.
e) Socio-economic conditions.

- Collect expert opinions. To increase objectivity, you can use the method of questionnaires or interviews with experts.
- Data processing using statistical and mathematical methods such as arithmetic mean scores, median, estimation of opinion variability, etc.
- Form conclusions and recommendations on improving financial policy, optimizing budget processes, managing public debt, and increasing the budget revenue base.

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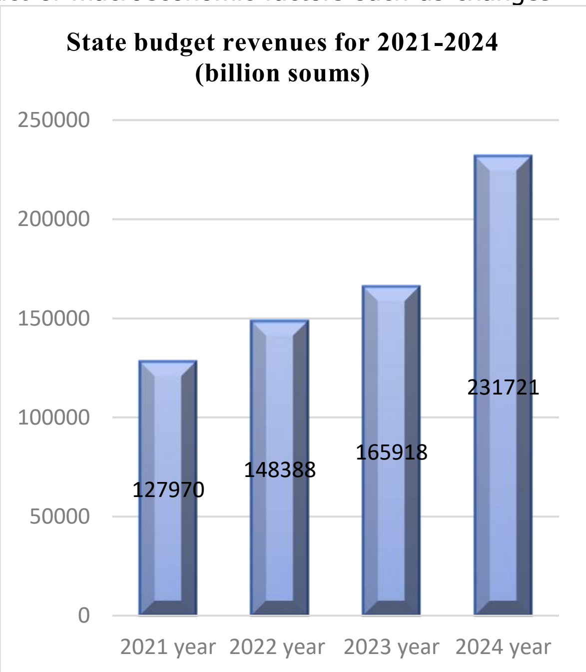
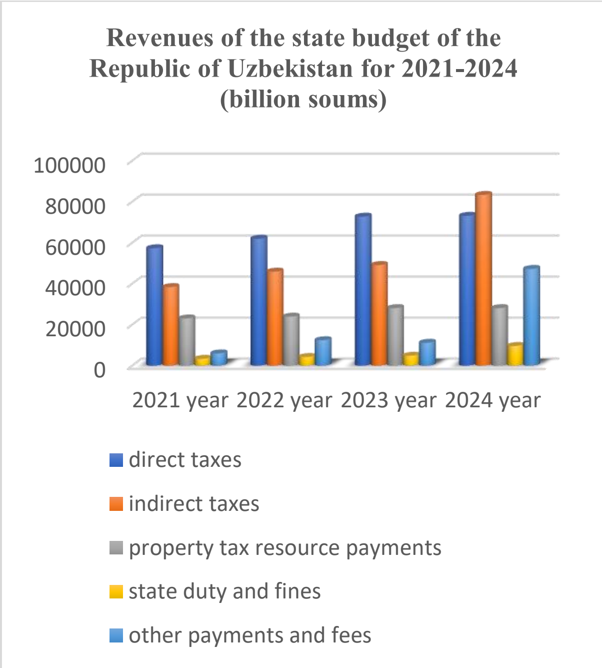
Advantages of the expert method	Disadvantages of the expert method
Deep understanding of the problem	Subjectivity
Flexibility and adaptability	Limited number of experts
Wide coverage of evaluation aspects	Dependence on the qualification of experts
Interdisciplinary approach	Labor intensity and time consumption

The expert method can be used to assess the tax potential of a region. Experts assess the economic activity, income level of the population, infrastructure and investment attractiveness of the region, as well as the effectiveness of tax policy [3].

The expert method can also be used to analyze the impact of macroeconomic factors such as changes in exchange rates, fluctuations in oil prices, population migration, financial crises, etc. [4].

Using expert opinions, you can assess the financial stability of the budget in the context of an economic crisis, changes in the tax base, or an increase in state revenues. [5].





Based on the state budget revenue charts of the Republic of Uzbekistan, we can see a positive trend in total revenue receipts and components consisting of direct taxes, indirect taxes, state duty, payments and fees. A detailed description can be determined by considering the share of each income in the total income of the Republic of Uzbekistan and determining the level of each income.

The financial potential of the state is largely determined by the structure of its revenues, which represents the ratio of various sources of budget revenues. The state ensures stability, minimizes budget risks and supports the stability of the economy in the face of unfavorable external factors by effectively distributing and managing these revenues. The main sources of state budget revenues are tax revenues defined in Article 17 of the Tax Code of the Republic of Uzbekistan, which are currently in force [1].

A balanced income structure, where the share of taxes, non-tax revenues and revenues from natural resources is relatively even, indicates a greater stability of financial potential.

In the context of increasing competition for international investment, the need to diversify the economy and increase budget expenditures on social and infrastructure programs, the role of financial potential in ensuring state budget revenues is increasing.

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Research has shown that there are various factors that can limit fiscal capacity, with impacts on tax revenues, declining incomes, increasing social spending and the need to support the population in difficult times. Such factors include economic and financial crises. In addition to the above factors, changes in tax policy affect the limited financial potential, since changes in tax legislation can increase or decrease the financial potential of the state.

In order to improve the prospects for developing the financial potential and increase state budget revenues, the following conclusions can be drawn:

1. Identify trends in state financial management. It is necessary to improve the transparency of budget processes and actively implement digitalization.
2. Introduction of electronic systems.
3. Simplification of tax administration
4. Improving the availability of information.
5. Simplify citizens' access to budget data.

We believe that increasing transparency in budget processes contributes to increasing citizens ' confidence in state institutions.

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