

THE ROLE AND NEED OF FINANCIAL RESOURCES IN THE DEVELOPMENT OF REGIONS

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Currently, in the conditions of transformational changes in the economy of Uzbekistan, financial support for its competitive development is of great importance. In order to create a favorable environment for economic growth, the integration of the financial system of the country with the European countries will lead to many conveniences.

Financial resources are funds and assets that finance the organization's activities and investments. In simple terms, financial resources are the money that keeps a business running, and there are several ways a business can raise and use its financial resources.

Every organization has a framework or process for planning, organizing, managing, controlling and monitoring its financial resources and activities to achieve business goals²⁶. This is known as financial resource management or financial management.

There are also two types of financial resources:

- Internal financial resources

Internal sources of finance are funds originating from within the enterprise. Examples include profits earned by the business, retained earnings, equity financing, and liquid assets. Liquid assets are business assets that can be easily converted into cash.

Since internal financial resources are generated from within the organization, they are interest-free. This is generally more cost-effective from a business perspective, as it means the organization does not have to pay interest - which applies to both equity and debt - giving the business a stronger financial position²⁷.

- External financial resources

External financing sources are funds that come from outside the enterprise. For example, loans and borrowings from external sources such as banks.

External sources of finance are especially useful for new businesses, organizations looking to grow and expand, and businesses looking for new investors to provide funding and even guidance and expertise within the organization. It should be noted that these sources of financing may mean a partial loss of ownership in the business, as well as additional costs for interest payments.

²⁶ J.G.Gurley, E.S.Shaw, Financial structure and economic development, Econ.dev.cult.chang.15(1967)257-268.

²⁷ J.Y.Lin, G.Wan, P.J.Morgan, Prospects for area cceleration of economic growth in the PRC, J.Comp.Econ.44(2016)802-813

At the same time, it is necessary to solve problematic issues in the field of attracting financial resources by combining sources of income in order to increase the efficiency of financial capacity management within the framework of the implementation of the state's financial policy.

The actualization of the development of an effective mechanism for the formation of financial potential and its use, the study of its impact on ensuring the balanced development of the regional economic system requires the scientific justification of its implementation, as well as the determination of theoretical and practical approaches.

Differentiation of regional development is the basis for monitoring the components of sustainable development, including the financial component, in order to take into account territorial characteristics in the process of forming the financial resources of the regions. At the same time, it is necessary to ensure the socio-economic development of the regions of the state by forming an effective policy²⁸. It should be said that regional finance is an integral part of state finance. The basis of the formation of financial potential is the income and profits of enterprises and residents located in the territory.

Taking into account that each participant in the process of formation of financial resources is simultaneously a participant in financial relations outside their scope, it should be assumed that they direct only a part of their financial resources to ensure the socio-economic development of the region. The aforementioned fact determines the need to study the resource potential of each of the sources of filling the financial potential based on the following initial positions, in particular:

- ✚ all entities belonging to the country's economy, that is, participating in the creation of the country's financial potential, must be registered, located or reside in its territory;

- ✚ the constituent elements of the grouping of the sources of the formation of the country's financial potential adopted general legal requirements for them in connection with the formation and distribution of financial resources;

- ✚ the financial power of the country depends on the efficiency of the financial and economic activities of the participants in the process of forming the financial potential. At the same time, the potential of economic entities largely depends on the country's financial strength.

Currently, the financial potential of the regions of our country is formed not only at the expense of budget funds, but also state, private entrepreneurship, and joint entrepreneurship with the population. In addition, important sources of formation of financial resources, their relative distribution, irregularity of movement and interaction predetermine the diversity of subjects of the market economy.

Sufficient financial resources to fulfill the tasks assigned to the state government and local government bodies is one of the main conditions for ensuring the balanced

²⁸ R.Levine, Financial development and economic growth: Views and agenda, J.Econ.Lit.35(1997)608-614.

development of the country and its territories. Therefore, one of the priorities of the regional budget policy is the formation of financially self-sufficient regional communities, each of whose members can increase their financial capacity, turn potential financial resources into real, effective use. are interested in finding and the availability of available cash funds for financing important socio-economic programs, the effectiveness of spending budget funds by the regional community, and the compliance of the amount of taxes paid with the amount of public goods that should be received by the subjects of economic relations is control. Consequently, the management of the economic development of the country will rise to a qualitatively new level, in which each member of the regional community will become a full and active participant in the economic relations in the country (region) formed on the basis of the principles of participation²⁹.

In conclusion, it can be said that the financial self-sufficiency of the country depends on the availability of financial resources, stable financial potential, and ensuring the balanced socio-economic development of the regional economic system largely depends on the effective use of these resources. will remain.

²⁹ S.Wang, H.Ma, Y.Zhao, Exploring the relationship between urbanization and the eco-environment - A case study of Beijing-Tianjin-Hebei region, *Ecol.Indic.*45(2014)137-139.