# FORMATION OF KEY BASIC ELEMENTS OF THE RESOURCE POTENTIAL OF AGRICULTURAL ENTERPRISES OF THE REPUBLIC OF KAZAKHSTAN

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**Abstract:** Development of the economy's agricultural sector depends in large part on the effective use of its resources. At the same time, now in the research conducted by the domestic and foreign scientists-economists the theoretical approaches to determining a category of the resource potential are interpreted by a lot of definitions and notions: "potential", "resources", "resource potential". Those circumstances determined the current importance of the scientific research avenue. A goal and tasks of the research are the study and formation of the key basic elements of the resource potential of agricultural enterprises of the Republic of Kazakhstan, with account taken of the current market relations. It is implemented on the basis of solving a number of tasks: generalization of the domestic and foreign experience, opening of the economic content and essence of the notion "resource potential", specifying of the content of the economic category and its interrelation with such notions as "resource availability", "productive potential" etc. The papers by the domestic and foreign scientists on the researched problem, legislative and regulatory acts of the Government of the Republic of Kazakhstan on the problems of the Agro-Industrial Complex are the theoretical and methodological basis of the research. The research applied a monographic method, economical and statistical methods as well as an abstract-logical method. The article outlines the main theoretical and methodological provisions on the composition and structure of the productive potential of agricultural enterprises. It allows you to get a general idea of the productive potential of agriculture of the Republic of Kazakhstan. The agriculture of the Republic of Kazakhstan has a significant productive potential, which, with rational and efficient use, can ensure the sustainable development of the territory, a high level of employment and the quality of life of the rural population. The paper considers the resource potential as a totality of a certain quantity and quality of resources necessary for reproduction driven by both the specificity and features of the modern state of agriculture in Kazakhstan, taking into account the regional aspect, as well as their ability to maximize the economic effect with the optimal combination. The article is prepared according to the results of a research within grant project No. AP05130910 of "Committee of science", the Ministry of Education and Sciences of the Republic of Kazakhstan on a subject: "Information Technologies and Mathematical Methods in effective management of the resource potential of agricultural enterprises of the Republic of Kazakhstan".

**Keywords**: potential of resources totality, land resources, soil fertility, labor resources, financial resources, productive potential, economic potential, resource, potential,



resource potential, natural resources, economic resources, agroclimatic resources, bioclimatic potential, agricultural enterprises, methodical approaches, efficiency, factors.

#### 1. INTRODUCTION

Modern condition of the resource potential of the agricultural enterprises of the Republic of Kazakhstan do not meet the requirements of carrying out the agricultural production and it is characterized by reduction of planted areas, an insufficient level of applying fertilizers, the equipment ageing, heavy expenditures of living labor, which does not make the production more efficient. In recent years the scientists-agronomists pay great attention to the research of reasons for low efficiency of the use of the agrarian resources separately as well as the agriculture on the whole on the basis of appropriateness and necessity to improve the agrarian relations in the market economy. A necessity to take into account the regional peculiarities as fully as possible is of paramount importance to Kazakhstan too. Many papers cover the research of state and efficiency of the resource potential's use. At the same time, the notion of resource potential itself, its structure, methods of assessment of its use are not completed yet. Some aspects of the effective use of the resource potential require further research with account taken of the current market conditions and the future development of the market production in Kazakhstan. A goal and tasks of the research are the study and formation of the key basic elements of the resource potential of the agricultural enterprises of the Republic of Kazakhstan with account taken of the current market relations. The following tasks are accomplished: on the basis of generalization of the domestic and foreign experience, the economic content and essence of the notion "resource potential" are opened, there are specified the content of its economic category and its interrelation with such notions as "resource availability" and "productive potential"; there are revealed factors and peculiarities of its use with account taken of a specific character of the agricultural production; a system analysis is carried out, an interrelation of the resource potential with the production efficiency is assessed.

#### 2. MATERIALS AND METHODS

The theoretical and methodological background to the research is the essential concepts and methodological approaches, which are opened in the fundamental papers by the leading domestic and foreign scientists in respect to making the production more efficient economically. The research applied various methods: a monographic method, economical and statistical methods, an abstract-logical method and a method of econometric modeling.

## 3. RESULTS AND DISCUSSIONS

The potential of a specific resource is determined by a totality of key characteristics. The potential of the resource's totality is of importance in real operation of an enterprise. The used resources can decrease or increase the potential of each other sufficiently. Determination of the optimal resource proportions and a choice of the resource potential can be successful only in holding a set of events, which, in an unstable environment of the agricultural sector's functioning, assure its efficient and sustainable development. Above all, stability of the agroeconomic systems is assured due to creation of compensation mechanisms. They make it possible to adapt to the predicted changes



of conditions of the activities. Adjustment of the resource proportions and the resources redistribution are the main tool of adaptation. They are implemented within the concept of the use of the potential and the strategic management of the resources of an economic player.

At an enterprise the resource potential is structured. *The land resources* for an agricultural enterprise hold a special place in the resource potential. It is impossible to implement the agriculture without this constituent part. The land resources are the main source of production in the agricultural sphere. They are forming the basis of the whole agro-industrial complex. Essence of the land resources can be opened differently: as an integral part of the investment and financial process; as means and a factor of production; as a natural resource. The land is a particular object of the nature, which was formed without participation of the people. It is particular because of a number of unique traits. Capacity for fertility is the land's main feature. Due to it, the land resources in the agricultural process are the main means of production.

First and foremost, the land is a natural resource. The land becomes an object of social and economic relations as the production forces are developing. In the agriculture the land is the main means of production, the spatial basis of placement for all the economic branches, and the territorial basis for the existence on the whole. The land is immovable as an object of management. The same land masses are used in the process of management. As it is impossible to move the land areas, the possibilities of using them are restricted and determined by urbanistic, hydrologic, seismic, environmental, climatic and other conditions of the region of location. As the land surface is spatially confined, it is impossible to increase it intentionally, depending on the people's demands. It gives rise to social needs to use the available land resources rationally. The land is not homogeneous in terms of geography (natural and climatic features of a territory, relief) and in terms of quality (salinity, soil constitution, fertility). The soil fertility is the most important feature of the land. Its essence is characterized by the soil capacity for supplying the plants with water and food in each period of their development and growth. The worked soil fertility depends not only on natural factors, which include its structure, water content, quantity of nutrients etc., but also on what additional contributions were made. The soil fertility can change under the influence of various factors.

Kazakhstan is a country with great land resources. When intensifying the agriculture and implementing an innovation this makes it possible to yield much more products that it is necessary for domestic consumption. The key condition of forming the efficient reproduction in the agricultural sphere is creation of the *material and technical* basis of agricultural enterprises, which is adequate to this process' demands. To a crucial degree, the material and technical basis is determined by the industry, since it is the material and technical basis that supplies necessary means of production. For the majority of the Kazakh agricultural enterprises, depreciation of the basic equipment is of importance now. In light of this, it is especially important that an enterprise can show its potential possibilities, through which it is possible to increase the incomes and to overcome the crisis. Formation of technical resources depends on the following factors: timely writing off and repair of the technical equipment; the use of new equipment and correct choice of the equipment. In specific farms, regions and economic districts, the indicators of provision of the enterprises with material and technical resources are varying greatly. This is explained by the fact that in terms of a level of the mechanization, the labor-intensiveness of growing separate crops, the culture of agricultural production, the population density, the land areas are quite different in different



regions. No agricultural enterprise can withstand the competition, unless the enterprise supports its use of the material and technical and land resources with the labor resources.

The labor resources are a complicated socio-economic category. Under certain conditions of the production, people constitute their social essence. Their operation time, which can be applied in the socially useful labor, constitutes the economic essence. The process of formation of labor resources differs from the formation of other resources significantly. The demographic situation exerts particularly great influence upon that. At present the mankind experiences the demographic transition on a worldwide basis. S.P. Kapitsa [1] describes this situation as a dramatic increase of population, which is followed by its quick decrease, and later on the population size is getting stable. The developed countries have already undergone this stage. Now this process is in progress in all the developing countries. During the demographic transition the people are intensely migrating from villages to cities, the production forces are growing. The population's age composition changes drastically after the transition is completed.

An analysis of the foreign and domestic literature, which describes the labor market problems, shows that there are several approaches to this situation. A.I. Rofe and A.L. Zhukov [2] determine the labor market as a system of social relations, which are connected with the purchase and sale, the labor supply and hire. They emphasize that in this case the labor is an object of the purchase and sale. V.V. Adamchuk, O.V. Romanov and M.E. Sorokina [3] understand the labor market as a system of socio-economic relations, which appears in using the labor force in the social production, between the hired employees, the businessmen and the state. The labor market in general terms can be defined as a system of social institutions and standards, public relations, which are linked with a full cycle of the labor force reproduction.

The unemployment has been growing in the agricultural sphere in Kazakhstan for a long time. Decrease in the salaries, spread of part-time employment and various forms of the working time reduction assured a low elasticity of the unemployment increase and the decline in employment in comparison with the current drop in production. Functioning of the modern labor market can be analyzed by means of four conceptual approaches. Supporters of a neoclassical approach believe that all the markets, including the labor market, are acting on the basis of the price equilibrium. The price is the main market regulator. In this case, this is salary, or the labor force price. They believe that, by means of the salary, it is possible to maintain equilibrium and to regulate the supply and demand of the labor force. In this case the investments in qualification and education are analogues of the investments in the equipment and machines. The investments are made till the rate of return on those investments decreases. It is impossible to receive and adequate and complete idea of a mechanism of functioning of the labor force market when using any of the approaches. In the agricultural production the formation of the labor force market is influenced by the following factors:

- size of the economically active population;
- financial standing of the enterprises;
- provision with the land, material and technical resources, raw materials;
- specialization of the enterprise;

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- development of a social infrastructure, attractiveness of territories.

The efficiency of using the labor resources is expressed by the level of labor productivity. Now the problems of efficiency of the agricultural production and *the labor* 

productivity are of paramount importance. The current market relations create quite a new economic environment for the labor productivity functioning. Firstly, the economic basis, which is the foundation of forming the labor effectiveness, is changed; secondly, the behavioral situation was rebuilt after the agricultural business had come to exist; thirdly, the labor motivation is reoriented to intensification of the market stimulators; fourthly, the labor market in the rural enterprises came to play a key role; fifthly, the rural population faces a concealed unemployment. The labor productivity depends on many factors. They influence its dynamics and they are the main driving forces. The productivity factors are divided into the following groups:

- 1. Socio-economic groups. The employees make different contributions to the common combined labor, the labor productivity of each person depends on the state of health, knowledge, faculties and other reasons. This is not taken into account in methods of the productivity calculation, which are applied practically.
- 2. Organizational-technological groups. They cover a range of measures concerning the implementation of the innovation technologies, the work with the staff, the management of the production process, etc. The process discipline of labor, the efficient interpersonal communications, the improvement of professional skills are of great importance.

For increase of the labor productivity, a strategic task is the revival and the introduction into full-fledged scientific circulation of the relevant indicators, as well as the necessity to make them efficient operating tools, which would make it possible to keep checking the economic growth path in the agriculture. The point is that in order to manage the labor productivity it is necessary to form a multilevel integral management system. Apart from that, the higher labor productivity also reflects a degree of the activity's progressiveness in management, or a higher form of management in terms of economy. The material resources movement is organically related to *the financial resources' management*. The financial resources imply the money, which the trade enterprises have. They also include the money reserves. At enterprises the finances are a system of economic relations, which are implemented through a real money turnover. Those economic relations include the processes of use, distribution and formation of the money in accordance with the enterprise's plans of economic activities.

The primary purpose of the finance functioning is to supply an enterprise with the necessary financial resources so that it was possible to assure the permanent circular movement of funds, rise in the commodity turnover and the incomes from business. The fixed assets' circular movement is intended to create the conditions, under which the reproduction of the basic funds is enlarged. In order to assure the receipt of the proceeds, which exceed the advance money, the circular movement of the current assets is used. As a composite element in the economic mechanism of the organization management, the finances are the basis of forming the necessary money funds: the business risk fund, the repair and amortization funds, the salary fund, the consumption and accumulation funds, the reserve fund, the authorized capital etc.

At the enterprise, the finances fulfill two important functions: a control function and a distribution function. The distribution function, which is inherent in the finances, is related to the fact that the financial resources are distributed for special purposes in accordance with the established plans, the reserve and different special money funds are created. The control function makes it possible to implement a day-to-day control over all the sides of the activities, to influence the processes, which are in progress in the company's economic life. In particular, the finance control over the trade proceeds,



which come to an enterprise, makes it possible to reveal the shortcomings in the enterprise production too. The control over the economical expense of the funds, the safety of commodity and material valuables, the use of the current assets to purchase the goods, is assured by means of the finances.

The financial resources are the economic basis in the economic activities on the self-financing principle. The development rates and the ranges of economic activities are determined, above all, by the availability of necessary financial resources. But strengthening of the financial standing and increase in the financial resources are assured by the successful accomplishment of the plans and rise in the commodity turnover. In this case, the profits from the economic activities are increasing. A qualitatively new approach is required to management of the financial resources when the financial market is functioning and the market relations are developing. The procedure of using and forming the financial resources is changed, the relations between the enterprises and the credit and financial systems are changed too. For the effective use and formation of the financial resources it is necessary:

- to correctly choose the rational financial sources and to use them properly with account taken of the analysis of options and their assessment;
- to predict the enterprise's profits and to maximize them, to determine the limiting (critical) characteristics to decrease or to prevent the financial risks;
- to orient the process of management of the available financial resources to achievement of the long-term goals;
- to control the fulfillment of the financial obligations towards other enterprises, banks, the budget and other creditors.

**Productive potential.** When opening the content of the resource potential it is also necessary to consider the *productive potential*, which is the most complicated socioeconomic category. *Now there is not a generally accepted scientific definition for the productive potential*. The academic papers are using the notion widely. The problem of the productive potential and its explanation are getting the high-priority tasks.

It is possible to sort out two concepts in substantiation of essence of the productive potential when studying the literature sources: an "efficient" concept and a "resource" concept. A.I. Nichushkin was one of the first to use the notion of the productive potential [4]. He believes that the productive potential includes a set of resources, which take the form of the production factors in the process of production. This resource approach could be widespread among the scientists. It is possible to sort out two theories out of all the "resource" theories. The first one says that the productive potential is a totality of the resources without account take of their participation and interaction in the production process. In particular, I.I. Lukianova, A.M. Onishchenko and B.I. Pushover [5] understand this term as an amount of resources, which an economical system has, with account taken of their qualitative and quantitative characteristics. Yu.M. Kalygin [6], V. Naydenov [7] and others share this theory. They regard the productive potential as the whole totality of resources necessary for the efficient functioning. L.I. Abalkin also supports this theory [8]. He believes that the potential is a collective or generalized characteristic of the resources, which an enterprise has.

There is another "resource" theory, where the productive potential is understood as a totality of resources, by means of which it is possible to produce a certain quantity of material wealth. In particular, V.G. Andreichuk defines the productive potential as a totality of resources of the agricultural production, which are organically linked with



each other, which makes it possible, under specified conditions, to reach an objectively conditional level in the economic results [9]. V.L. Svobodin also holds the same point of view [10]. He regards the productive potential as a totality of resources, which are able to yield a certain volume of products, and which are technologically balanced.

V.A. Kotlov and V.I. Avdeenko define the productive potential as a totality of resources, which are given to an economic system for the constructive activities, while a productive ability of a link is determined by qualitative and quantitative parameters of those resources and by their integration [11]. D.K. Shevchenko regards the potential as a totality of the production resources, which have certain possibilities to produce material wealth [12]. When considering the both "resource" theories it is necessary to say that no such a theory opens essence of the productive potential completely and clearly. On the one side, the first theory does not show a difference of the productive potential from a totality of the resources, which an enterprise has. The production resources cannot be considered without account taken of real interrelations, which appear during the production process, and their interaction. The second "resource theory" interprets the productive potential as a totality of the resources, which are able to produce material wealth.

Some authors believe that the abovementioned views are identical with the content of another notion – the resource potential. The "total resource potential" is a notion, which K.M. Misko uses [13]. It includes a potential of resources of the intellectual activities; the fund potential; the labor potential of the population; the mineral resources; the forest resources; the land resources of urbanized areas; the animal resources; the land resources. V.V. Kuzmenko and I.V. Taran [14] believe that the both concepts do not reflect the true content of the productive potential. The supporters of the both positions identify the productive potential with a totality of resources, but they ignore the fact that some other factors also influence the productive potential. This is the labor productivity, the specialization, the scale of production etc. It is necessary to divide notions of the resource potential and the productive potential because the resource potential is a constituent part of the productive potential.

V.S. Losev [15] defines the productive potential as an overall qualitative assessment of the maximum efficiency of applying the resources with the interaction of resources and their rational use. The Americal scientists Stanley L. Brue and Campbell R. McConnell [16] also take the productive potential essence in the same way. They believe that by the productive potential it is necessary to understand a real volume of products, which the economy is able to produce when the available resources are used in full. The American sciences also say that the productive potential has an efficient and quantitative expression. The supporters of the "efficient" approach exist in the agricultural science too. D.B. Epshtein believes that the potential reflects real possibilities of a specific national economy asset for yielding a certain volume of the products in natural calculation [17].

S.S. Sergeev interprets the notion of productive potential as an integral capability of the enterprise to yield some quantity of certain products for a period of time [18]. L.I. Ushvitsky fairly says in his papers that the possibility to produce a certain quantity of the goods for a certain period of time depends on the availability of the material and technical, labor and labor resources [19]. Yu.V. Vasilenko gives a more precise definition. He defines the productive potential of an agricultural enterprise as an objective capacity to yield the products. It depends on the correlation of natural, material and labor resources, their quality, and on the level of efficiency, which is determined by the objective conditions of functioning, for instance, on the area of specialization [20]. Thus,



this group of researchers interprets the productive potential as certain production possibilities of a branch or an enterprise. The authors of this article adopt the following decisions on the basis of the papers written by the abovementioned authors:

- The authors of this article divide the productive and resource potentials;
- They consider the resources as the material basis of the production till the resources are used in the production process;
- they believe that the resources are an expense part of the production process, which characterizes what can be used, but not what can be received in the process of production;
- They characterize the resource potential of an agricultural enterprise by the parameters of cost of the material and technical assets (current and fixed assets), the land area, the availability of agricultural laborers or the authors boil down those three kinds of resources in monetary terms to a total resource potential, or to the resource potential index;
- they consider the productive potential in terms of a resultative part of the production process, or its completive moment, its result. They say what kind of the products was received when using certain resources: grain, meat, milk, etc. or to what amount, in monetary terms, the gross agricultural products were yielded.

The both concepts should be compared in order to study the productive potential's essence comprehensively and to the fullest extent possible. It is necessary to formulate the vision of this problem on the basis of the obtained results. The foregoing *suggests* that productive potential of an agricultural enterprise is an ability of this enterprise to yield services and products. This ability is based on the efficiency and the balance of using the resources, the interaction and interrelation of elements, which are involved in production process.

**Economic potential.** It is necessary to consider the economic potential to open the notion of the resource potential in full. It is difficult to determine a difference of those notions within the natural and material aspect of studying the resources. Especially as because the economic and resource potentials have the measurement units, which are identical in terms of their form (they are expressed in the monetary units – a universal equivalent, conventional natural and real exponents, material and real exponents). But there are certain differences in the internal content of the said categories.

In the general case, the economic potential can be interpreted as the ability to yield the agricultural and industrial products of the branches of national economy. It is determined by the industrial possibilities of the agriculture, the industry's production capacities, the quantity and quality of the professional training of the labor resources, the quantity of land. S. Muravsky [21] and A.A. Bugutsky [22] hold a similar opinion. It is necessary to supplement and to specify the said definition. The economic potential's essence could be reflected in the ability to yield the branches' products, if it corresponded to their full ability to render a certain quantity of services, to produce a certain volume of welfare, which is built into the potential bearers themselves. A definition of the economic potential in the modern economic dictionary is the following: "a total ability of the economy, its branches, enterprises, farms to implement the productive-economic activities, to yield the products, goods, services, to meet the population's demands, public demands, to assure the development of the production and consumption".

Some publications equate the economic potential and dynamics with the level of growth of production of the national income, and the most important kinds of the agriculture and the industry. However, with the whole dynamism of the production growth, the volume of the consumer values, which are produced in the country, does not reflect the full use of the economic potential. The return on total assets is decreased with the available potential possibilities, the rates of increase in labor productivity are lower than real possibilities, new equipment is introduced into production insufficiently, the other economies are changed slowly.

It is necessary to consider the economic potential in a broad sense and in a narrow sense. The economic potential in a narrow sense is a totality of the living and embodied labor, scientific and technical knowledge. But the social development is not restricted with only those indicators, it is necessary to take into account the availability of natural resources. The natural resources (which are operated and used) in producing the material welfare are an integral element, so it is impossible to consider the economic potential without account taken of them. Some economists hold this view [23]. They consider the natural resources as an element of the total social product. It is necessary to attribute the educational level of the employees, who work in the social production, to the constituent parts of the economic potential. Their professional training and skills are linked with the level. The improvement and efficient use of the economic potential depend in large part on that. It is reasonable to take into account the climatic conditions of the country too.

Broadly speaking, the economic potential is a totality of the available mass of the embodied and living labor, the scientific and technical knowledge, the natural resources, the educational level of the employees, who work in social production. It is possible to say that this is the whole totality of the enterprise's resources for assuring the production activities and solving the social issues. By the economic potential V. Andreichuk [9] proposes understanding a totality of organically interrelated production resources, which are taken at all the stages of the circular movement. Those definitions are close to the definitions of a notion of the resource potential. As it appears from the definitions, the resource potential is the basis of the economic potential of an enterprise. The potential possibilities of the enterprise are reflected in it. But the economic potential also implies the implementation of potential possibilities, which is expressed in achieving a certain economic effect. When taking this statement as a basis, it is possible to say that the enterprise's economic potential is an integral assessment of the potential possibilities, which are enclosed in the resource potential, their implementation to achieve a necessary economic effect.

Therefore, the economic potential is determined by the efficiency of the use of resources, not only by their availability. The enterprise will have a higher economic potential, if it uses its possibilities more efficiently. In the economic science the ley problem is an assessment of efficiency of the production, measurement of its results and expenses. In view of this, it is necessary to find scientifically grounded approaches to the definition of the economic efficiency. The category "economic efficiency" and its essence are considered in the economic literature from different perspectives.

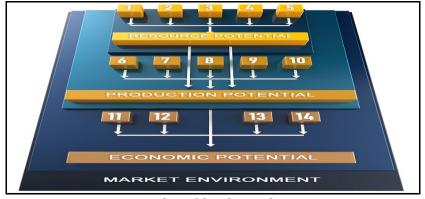
A.M. Zubakhin [24] determines the economic efficiency as a category, which reflects the efficiency of the activities of a business entity. An economic effect, which is achieved as a result of the rational use of all the factors of production and kinds of resources, is a form of expression of this efficiency. A large group of practitioners and scientists opens the content and essence of the economic efficiency as a correlation, on the one hand, of effects of the economic activities and, on the other hand, different



resources and expenses in total or separately. This view in one form or another was expressed by A. Shafronov [25], S. Sergeev [18] and others.

By the economic efficiency A. Shafronov understands a degree of the use of the resource potential of an enterprise in the products yielding and sale, its participation in receiving the constituent part (profits) or the gross income on the whole [25]. In essence, the economic efficiency growth is the maximum increase in an efficiency factor of the resources, which are used in the production. Firstly, this approach makes it possible to compare a possible and obtained result, to assess the productive-economic activities. Secondly, it favors the determination of a size of the lost opportunities, and the comprehensive study of reasons for their appearance. On the basis of the received data it is possible to develop the measures, which are aimed at using the production resources more completely. Thirdly, there appear conditions, under which it is possible to take an objective comparative assessment of the enterprise's activities regardless of its location, specialization and sizes. Thus, the economic efficiency of the agricultural production is determined by a ratio of the gross income (actual profit) of the enterprise per unit of the production expenses and other expenses to their regulatory level.

On the basis of the abovementioned theoretical concepts of the resource potential of the economic system, the authors formalized and determined the key basic elements of the resource potential of the Agricultural Enterprises of the Agro-industrial Complex of the Republic of Kazakhstan, which is presented in Figure 1 in a single form as a block diagram. This block diagram shows the interaction of the resource, production and economic potentials in the market environment. Each potential is formed from a lot of resources, which are marked by the numbered squares (Fig. 1). In this case, 1 – block (resource potential): 1-land, 2-labor, 3-basic funds, 4- current assets, 5-energetic, etc.; 2block (productive potential): 6-business, 7-management, 8-organizational, information, 10-innovation, etc.; 3-block (economic potential): 11-competitiveness of the yielded products, 12-marketing, 13-business planning, 14-financial, etc. Let's differentiate those notions. The authors believe that the differences between the resource, productive and economic potential are related, above all, to processes of the economic reproduction. Here the stage of provision with necessary material and monetary resources of an enterprise correlates with the notion of the resource potential. The process of combination of the production elements in the technological cycle correlates with the productive potential. The transition of the finished products to the circulation stage together with the previous stages correlates with the economic potential.



*Developed by the authors* 

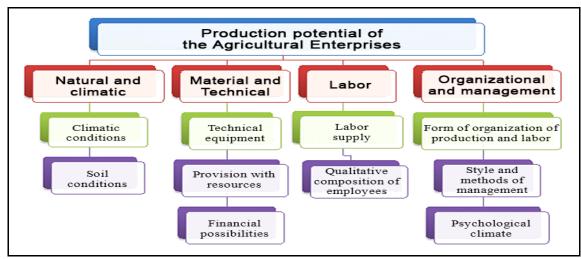
Figure 1 – Block diagram of interaction of the resource, productive and economic potentials in the market environment



The system, which is orientated for each level of using the potential, determines:

- for the resource level provision with necessary production resources;
- for the production level enhancement of economic efficiency;
- for the economic level meeting of demands for one or another service, product.

Then the authors divide the productive potential into four constituent parts in order to simplify the practical perception. Those are the labor, organizational and management, material and technical, natural and climatic potentials (Figure 2). For each agricultural enterprise, the natural and climatic (or bioclimatic) potential is objectively a system of factors and conditions; it is possible to regulate the labor potential and the material and technical potential, in other words, in relation to it they are subjective.



Developed by the authors

Figure 2 – Structure of the productive potential of the Agricultural Enterprises of the Republic of Kazakhstan

Conclusions: Proceeding from the definition of the productive potential, which the authors gave, its structure looks like it is presented in Figures 1 and 2. The productive potential is formed, above all, from the resources, which are the content of the resource potential. As the structure of the productive potential shows, all its elements cannot exist without each other. It is impossible to manage the production without the source of availability and proper informative training of the enterprise. The resource potential is useless without the modern, operating management, which corresponds to the market economy. It is also important to note that for the effective use of the productive potential it is necessary to establish the relations between all its elements, which would be as effective as possible.

### 4. CONCLUSIONS

The resource potential is objective possibilities of an organization for yielding the products and gaining the incomes, which are driven by a totality of organically interrelated production resources, which can be used in the production process with their standard efficiency with account taken of the natural and climatic conditions. The "resource availability", in terms of its content, is a narrower category and it belongs to the resource as well as productive potential. In its turn, "the resource potential" and



"productive potential" are quite independent and equivalent economic categories. Their difference is that the resource potential determines the possibility to yield the products with account taken of all the available production resources, while the productive potential determines the implemented possibility of its yielding with account taken of the resources involved in the production process.

It is reasonable to include any factors of the production, which are getting more important in a market economy, as a component of the resource potential along with classical factors of the production: the labor, land resources and the capital, when the agricultural organizations have to react to the changes of the environment quickly and flexibly. Some external and internal factors influence the efficiency of using the resource potential. The internal factors are divided into three groups: technical-technological, organizational, socio-economical. In view of a specific character of the agricultural production, it is reasonable to separately sort out the natural and climatic factors, which are at the junction of internal and external factors, which do not depend on the organizational factors. The external factors include a level of development of the country's economy, the state of the market, stability of the political system and others.

The value and structure of the resource potential predetermines the production results, so, it is necessary to consider the optimization of the resource potential as a promising area of making the agricultural production more efficient. The maximization of the total index of efficiency of using the resource potential should be a criterion of optimality. Generalization of the research results on optimizing the resource potential shows that the use of economic and mathematical models of the optimization will make it possible to make the resource potential's use much more efficient, to reveal the significant reserves of increase in yielding the products and to determine the priorities of development of the agricultural organizations. The authors will adopt this conclusion to continue the research work on the considered problem in the Agro-industrial Complex of Kazakhstan.

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