



CLUSTERS AS A TOOL FOR PROVIDING HIGH RATES OF ECONOMIC GROWTH AND DIVERSIFICATION OF THE ECONOMY OF UZBEKISTAN

Ulashev Khubbim Askarovich.,

Ph.D. D., Assoc. Samarkand Institute of Economics and Service,
The Republic of Uzbekistan

Abstract

This article examines the theoretical and practical essence of clusters, studies the problems of cluster development in agricultural production of the Republic of Uzbekistan, proposals for further improving the implementation of the cluster approach in the agro-industrial complex of Uzbekistan

Keywords: agriculture, cluster, region, innovation, agrarian reform, cluster technology, cluster efficiency.

Agriculture is one of the key sectors of the economy of the Republic of Uzbekistan. Land used for agricultural production occupies 45% of the country's territory, about 50% of the population lives in rural areas.

Together with water and forestry, the industry provides employment for 3.6 million people. (27% of the employed in the economy as a whole) and 32.4% of the country's GDP. In addition, the owners of 4.7 million dekhkan farms, which produce a large share of fruit and vegetable and livestock products, are also considered to be employed in agriculture, although they are also often employed in other sectors of the economy. The export of agricultural products brings about 20-25% of the total export income to the Republic of Uzbekistan. More than 180 types of agri-food products, which account for 20% of the total export of goods, are exported to 80 countries of the world.

The implementation of the country's agrarian reforms provided the following main trends and results:

1. Sustainable development of the agricultural sector, growth in agricultural production.
2. Agricultural production, even without taking into account the products of its processing, is 32.4% in the structure of the country's economy, and taking into account the industries processing its products, it creates about 40% of GDP. The contribution of agriculture to the annual GDP growth is 1.1% on average (or 13.5% of the total growth).





3. Production growth is typical for all types of agricultural crops. The production of fruits and vegetables increased 1.5 times (average annual growth rate of 8.5%), meat and dairy products - 1.4 times (6.7%), grain - by 8% (2.2%). Poultry farming (12% of the annual growth) and fish farming (5.1 times) developed at a high rate, and the production of raw cotton decreased by 16.2% due to the reduction in acreage.

One of the innovative ideas of the President of the Republic of Uzbekistan is the introduction of a cluster system, which can significantly affect the well-being and well-being of the people. Clusters form complex production and technological packages for making profitable investment decisions, determine priority investment investments and create conditions for re-equipping industry.

World practice shows the high efficiency of cluster technology in increasing the competitiveness of enterprises. The cluster approach implies that one of the sectors of the national economy cannot be considered separately from the others, and contributes to the development of close ties between the sectors - suppliers and sectors - consumers.

The cluster method in agriculture combines such processes as plowing the land, sowing and caring for plants, the production of finished products from grown raw materials.

This single technological chain unites a complex of enterprises and makes it possible to deepen the integration of science, education and production, to introduce new technologies into practice.

For example, cotton-textile clusters cover not only light industry, but also dozens of other industries, including food processing, pharmaceuticals, construction materials and others.

The ultimate goals of such a system are the creation of high-quality products under the "Uzbekistan" brand, social protection of the population, employment, the creation of decent working conditions and other important tasks.

Clusters are a system that influences not only economic growth, but also an increase in the competitiveness of districts, regions and even countries.

A cluster is a group of interrelated services concentrated on a certain territory; infrastructure; universities and other organizations that complement each other and enhance the competitive advantages of individual companies and the cluster as a whole. World experience shows that a regional cluster is a growth point for an economy focused on innovation. The cluster creates a favorable environment for business development of various sizes and stimulates the development of a particular





region. Based on world experience, the main prerequisites for creating clusters can be identified:

- Presence of a group of interacting companies focused on dynamically developing market segments;
- The functioning of a large number of small and medium-sized enterprises with similar specialization;
- Availability of scientific organizations that freely provide equipment and laboratories for joint use;
- The presence of a developed innovation infrastructure that supports industrial development and includes technology parks, business incubators, etc .;
- Active participation of auxiliary organizations (chambers of commerce and industry, consulting firms) in R&D processes, development of innovative projects; the policy of regional authorities aimed at the development of innovation infrastructure.

For the successful development of regional clusters, many experts identify several key factors that make it possible to achieve high cluster efficiency, presented in Figure 1.

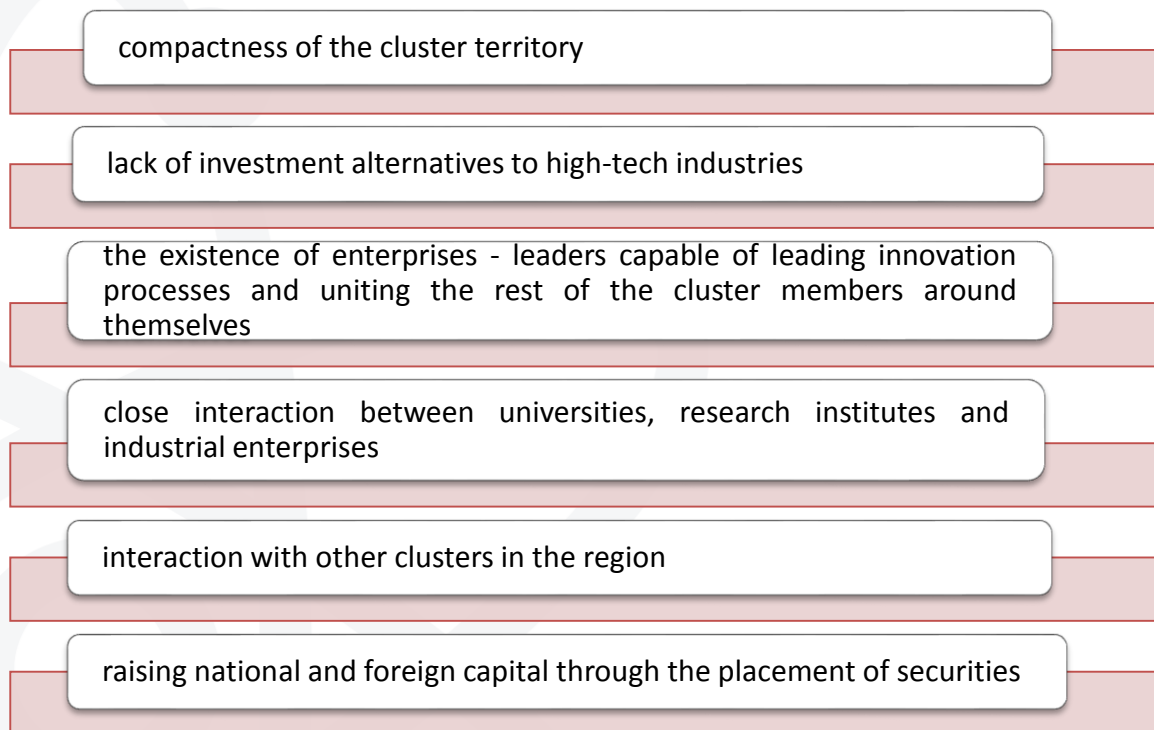


Fig. 1 - Factors of efficiency of functioning of clusters

As follows from the decree of the Cabinet of Ministers of the Republic of Uzbekistan dated September 19, 2018 "On additional measures for the further development of



cotton - textile industries", cotton - textile clusters in our country will occupy 300 thousand hectares of cultivated areas. Their number will increase to 44. A number of conditions have been additionally introduced for the organizers of cotton - textile production. Recall that back in 2018, the cluster form of organizing cotton - textile production to form market relations between farms and textile enterprises was experimentally introduced in 20 regions of the republic on the territory of 160 thousand hectares. Its essence lies in the fact that domestic textile enterprises have the opportunity to order and advance production of raw cotton directly from farms and other agricultural producers.

These organizations promote the efficient and rational use of land, water and other resources, increase yields and timely collection of grown raw cotton, as well as ensure its further in-depth processing and increase in production of products with high added value.

They are subject to the conditions and procedure for the acquisition of agricultural machinery on lease, the supply of mineral fertilizers, sowing seeds, fuel and lubricants, chemical plant protection products and other material resources provided for by farms. Cotton fiber produced for own use within the cotton-textile industry is certified on a voluntary basis.

In general, cotton fiber is subject to mandatory certification. The organizer of cotton - textile production can sell volumes of cotton fiber produced in excess of the needs of its own production facilities to other domestic consumers under direct contracts or through exchange trading.

According to the State Statistics Committee, in January-June 2020, there were 21 special economic zones (SEZ), 143 directorates of small industrial zones (MPZ), 3 technoparks and 259 clusters in the country. Official statistics recorded that the FEZ included more than 462 enterprises, industrial plants - 1473, technoparks - 48 and clusters - 259 enterprises.

The analysis of open information showed that a significant part of free economic zones and small industrial zones is accumulated by the capital region. 18 small industrial and 4 special economic zones are concentrated in the Tashkent region.

As for technoparks, they function in Bukhara, Khorezm regions and the city of Tashkent.

In the first half of the year, FEZ, MPZ, technoparks and clusters produced industrial products for 10, 8 trillion. soums. At the same time, 4, 9 trillion. soums account for





special economic zones, 4.8 trillion soums - for clusters, 1 trillion soums. - for small industrial zones, 69.4 billion soums - for technoparks.

This is twice as much compared to the first half of 2019. In January-June 2019, the volume of industrial production amounted to only 5.2 trillion soums, of which: in FEZ - 3 trillion soums, in clusters - 1.1 trillion soums, MPZ - 1 trillion soums, technoparks - 69.9 billion . soums.

Official statistics recorded that the volume of investments in fixed assets from all sources of financing amounted to only 1.28 trillion soums. A significant share - 956 billion soums - falls on special economic zones, 236.7 billion soums - in clusters, 87.3 billion soums - in small industrial zones and 0.4 billion soums - in technology parks. As for the clusters, if in 2017 there was one cluster in Uzbekistan, then in 2018 there were already 15, and in 2019 their number reached 75.

The cluster system is organized in two directions. The first is a direct agreement between farmers and the textile business. Second, textile enterprises with great potential form farming themselves. An example is the "TCT cluster" in Kuyi Chirchik region

The greatest number of clusters is concentrated in Kashkadarya (42), Bukhara (35) and Jizzakh (30) regions.

In the Syrdarya region, as an experiment in the agro-industrial sphere, the first cluster was organized - an Uzbek-British joint venture in the form of a limited liability company "Bek cluster". This experience has spread throughout the country. In short, a new structure in the economy of our country - cotton and textile clusters - began to achieve high results.

In 2018, 14 cotton and textile clusters were organized in the Republic of Karakalpakstan and regions of the country. They have grown and processed 368 thousand tons of raw cotton. This year, 48 cotton and textile clusters have been organized across the country.

On the basis of the resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to create a modern cotton and textile production by the Indorama company (Singapore) in the Republic of Uzbekistan" dated August 8, 2018, the Singaporean Indorama company contributes \$ 340 million to organize a cotton textile cluster in our country . The Indorama Group's cotton and textile cluster project for 2019-2023 consists of two stages. Work has begun in the Syrdarya and Kashkadarya regions, then in Fergana and Jizzakh. \$ 225 million will be spent on growing raw cotton, corn and other products. In addition, the company will direct another \$ 115





million of investments for deep processing of raw cotton (second stage) - yarn production. The factories are located at the existing facilities of the “Indorama Kokand Textile” joint venture.

The presence of a high natural resource and established production potential can ensure the production of many types of industrial products, the development of import-substituting industries and cooperation ties.

The republic has good prerequisites for the accelerated development of the agrarian sector and processing industries, which are important sources of export products. For the production of fruits and vegetables, fruits and grapes, cocoons, astrakhan fur and wool, the country occupies a leading position in the CIS.

It should also be noted the tendencies of increasing the area for grain and fruit and vegetable crops, the formation of textile and fruit and vegetable clusters, improving the infrastructure of the agricultural sector and creating favorable conditions for farms and dekhkan farms.

To improve the efficiency of the national economy, it is necessary to develop industrial clusters. As the President of the Republic of Uzbekistan Sh.M. Mirziyoyev to the message to the Oliy Majlis “At present, industrial clusters for the production of decorative stone in Gazgan, ready-made clothes in Namangan, a technopark in the Yashnabad district of Tashkent city and others demonstrate their effectiveness and advantages of this system. The government is instructed to draw up a list of promising clusters and develop a special program for their accelerated development by April 1 of next year ”

The problems of the development of industrial clusters in Uzbekistan associated with the production of products from individual components include:

- the lack of highly qualified personnel associated with the weak participation of business representatives in the formation of professional and educational standards, and bringing their content in line with the modern needs of the economy, as well as the weak level of development of tools and mechanisms of continuous education;
- low level of generation and susceptibility of industrial enterprises to innovations and weak modernization of the model range of manufactured products with its low competitiveness;
- a weak level of development of the logistics infrastructure and a modern network of engineering and technical support;
- insufficient level of organizational development of the cluster, including the lack of a system of effective mechanisms for information communications between all factors





of the cluster, as well as the practice of applying strategic planning for the development of clusters;

- restrictions on the exits of enterprises (for very many reasons) to foreign markets.

Based on the analysis of the experience of foreign countries, we believe that the following areas of cluster development in Uzbekistan can be identified:

1. Improving the efficiency of using investment resources, investment projects.
2. Development of mediation aimed at creating conditions for constructive dialogue within the cluster and strengthening cooperation between its members.
3. Improving the stimulation of demand - the formation of consumer preferences in the region, the development of related and supporting sectors of the economy, government orders.
4. Training of highly qualified personnel in accordance with the modern needs of the economy.
5. Improving the stimulation of external relations, which consists in eliminating trade barriers, protecting intellectual property rights, implementing infrastructure and investment projects.
6. Policy for creating favorable structural conditions (macroeconomic, institutional, etc.).

The cluster approach can become a tool for ensuring high rates of economic growth and economic diversification. Obtaining the status of a cluster is of great economic importance for the region, as it attracts the attention of investors and promotes the development of trade operations. The state is ready to provide financial support to the regions in the creation of clusters. The authorities in the regions need to form and legislate mechanisms aimed at the formation of a cluster policy of the state.

Literature

1. Message from the President of the Republic of Uzbekistan Sh.M. Mirziyoyev to the Oliy Majlis. Truth of the East, January 30, 2020
2. Suleimanov M., Baratov U. Clusters are the locomotive of agricultural development. Truth of the East, July, 2019.
3. Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On additional measures for the further development of cotton - textile industries", Tashkent, September 19, 2018
4. Concept of integrated socio-economic development of the Republic of Uzbekistan until 2030, Tashkent, ID-8839
5. www.stat.uz

