



## Clustering Activities of Subjects of the Cotton Textile Industry

**Khalikov Tolibjon Luptullaevich**

Assistant of the department "Accounting and audit in other industries" of the Samarkand Institute of Economics and Service

### ABSTRACT

The article discusses the theoretical issues and principles of the formation of agro-clusters, as well as the development trends of this system in the cotton-textile industry of the Republic of Uzbekistan, its features and advantages. The effective use and existence of business clusters are considered within the framework of such aspects as structural, functional, purposeful, evolutionary on the platform of categorical-system methodology.

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### Introduction.

Recently, the concept of business clusters has become the most widely used term in economic and legal practice. The emergence of the need for business clusters in the post-Soviet space is mainly due to the

movement of inefficient market relations between sectors of the economy. For the effective use and existence of business clusters, it is necessary to consider them within the framework of such aspects as structural, functional, purposeful, evolutionary, on the platform of a categorical-system methodology. Here, their main questions are the disclosure of the essence of clusters of an economic nature, their explanation as a category and definition, generalization of the characteristics of economic entities in comparison with other forms of integration associations. From the point of view of substantiating the effectiveness of their formation and existence, studying the structural and elemental composition, structure, mechanisms for setting goals and functioning, the evolutionary aspects of business clusters are the most pressing problems.

In the context of the development of a market economy, globalization and competition between market entities, there is an increasing need to increase the competitiveness of the country and individual regions, as well as the goals and objectives of the network economic complex, interconnected in the technological and economic chain, incoming enterprises and organizations.

### **Main part.**

Currently, the development of clusters is a recognized tool for sustainable innovative development and increasing the competitiveness of regional agriculture and the agro-industrial complex as a whole. The use of the cluster form of organization of agricultural activities is provided for in a number of legislative, regulatory and policy documents, the most important of which is: "The Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030", where one of the strategic priorities is to create an enabling environment for agribusiness and the value chain.

The cluster has effects that are not characteristic of other forms of spatial organization of production, including a synergistic effect, social capital, public-private partnerships, etc., which together give it additional competitiveness. The cluster approach is an integral part of the theory of the spatial organization of production. The cluster phenomenon is becoming the main component of the economic development of countries and regions. In the US, UK, France, Germany and other developed countries, more than half of industrial output is produced and exported through clusters.

"Development of the Republic of Uzbekistan for 2017-2021", approved by the Decree of the President of the Republic of Uzbekistan No. DP-4947 dated February 7, 2017 "On the Action Strategy for the Further Development of the Republic of Uzbekistan" modernization and accelerated development of agriculture in the Republic of Uzbekistan, deepening structural reforms and rapid development agricultural production, further strengthening the food security of our country, environmentally friendly products. It is planned to expand production, significantly increase exports, increase the potential of the agricultural sector, grow and process, harvest, store and sell agricultural products, engage in construction work and provide services, primarily to create favorable conditions for the promotion and development of diversified farms, for the implementation investment projects for the production of agricultural products; Construction of new processing facilities equipped with modern high-tech equipment for deeper processing of agricultural products, semi-finished and finished food products, as well as packaging products, reconstruction and modernization of existing ones, further expansion of production infrastructure; expansion of research work on the storage, transportation and sale of agricultural products, the provision of agrochemical, financial and other modern market services, the creation and introduction into production of new breeding varieties of agricultural crops that are resistant to diseases and pests; local soil-climatic and ecological conditions and highly productive breeds of animals.

In recent years, in the practice of many countries, including at the regional level, one of the main reserves for increasing competitiveness in the post-Soviet space is the creation of clusters linked by close economic ties and complementing each other. In the process of locating production and developing the region's economy, various forms of territorial organization have developed. Traditionally, free economic industrial regions, agglomerations, and regional production complexes are distinguished. Clusters are a modern, rapidly developing form of territorial organization of the regional economy. Taking into account their local advantages and peculiarities, the problems of forming clusters and realizing regional competitive advantages are usually considered at the regional level.

In some cases, the cluster is considered as a governing body or a superstructure over the entities included in the cluster for economic reasons. Western practice proves the opposite, that is, a cluster is a set of competing enterprises that cooperate, but are also interconnected by horizontal and vertical links, are formed on the basis of an institutional factor and unite economic institutions with each other through contractual mechanisms. The search for competitive advantages in the cluster focuses on external factors at the institutional level, such as public-private partnerships, social capital, synergy, cooperation between the state, business, science and education, which creates an additional competitive effect.

### **Results and analysis.**

The study of the approaches and views of scientists shows that there are different approaches to the problems of clustering. A regional cluster is a group of interconnected enterprises and organizations localized in a territory that interact in the process of production and sale of goods and services within the chain and value to achieve a certain economic effect, create and implement competitive advantages. Unlike other forms of territorial organization of the economy, a cluster is characterized by market relations based on competition and cooperation between members of a cluster association, the ability to adapt to changing environmental conditions. Clusters are formed in a market economy, when enterprises are interested in strengthening their competitive advantages and getting more benefits from joint activities in a particular area. At the same time, the regional cluster as a form of territorial organization of the economy is consistently developing not only in industry, but also in the service sector. The cluster method of territorial organization of the region's economy is aimed at studying the conditions for the functioning of specific enterprises and organizations.

An analysis of cluster theories has shown that the selected principles of cluster formation (geographical, qualitative, horizontal, vertical, focal and lateral) do not always adequately reflect the modern requirements for organizing cluster associations. The principles of organization and functioning of regional clusters include regional specificity, zonal specialization, regional localization, competition and cooperation within the cluster, interdependence, innovativeness, dynamism, multiplicity of participants, commonality of joint activities of companies, unity of the information space, corporate culture, commonality of the regional cluster structure.

### **Conclusion.**

The study of existing approaches to the classification of clusters allows us to conclude that at present in science and practice there is no generally accepted ordered system of criteria and indicators for classifying clusters. The development of a methodology for classifying and evaluating the effectiveness of cluster activities will allow, without hesitation, to develop a scheme for the formation and functioning of regional industrial clusters, which will ultimately make it possible to get rid of unprofitable agriculture, as well as significantly increase the export potential of the country and regions.

The cluster strategy of economic development in its most general form assumes the receipt of benefits associated with the geographical concentration of enterprises. The economic mechanism for obtaining such advantages, as a rule, is associated with an increase in the specialization of enterprises, an increase in sales and expansion of the sales market, maximization of efficiency and minimization of costs.

The concept of a cluster refers to a geographically limited concentration of interrelated firms and can be used as a keyword for older concepts such as industrial districts, specialized industrial agglomerations, and local production systems.

Despite the large number of definitions of the concept of "cluster", there are a number of common features, the mention of which makes it possible to single out this phenomenon of the economy:

- geographical localization of enterprises;
- interdependence of market entities on the final product;
- the impossibility of achieving ideal or expected production, social and economic results without clustering;
- the objective need for close economic ties between enterprises;
- availability of a common institutional and market infrastructure.

Successful implementation of these principles is observed in agro-clusters organized on the basis of the territorial concentration of specialized suppliers and producers, connected by a common technological chain, without administrative intervention by state authorities.

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