

ORGANIZATIONAL AND ECONOMIC PROBLEMS OF CLUSTERIZATION IN AGRICULTURE

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Abstract

The article analyzes the role and importance of cluster structures in the development of the agricultural sector and foreign experience in organizing their activities. The authors also assessed the organizational mechanisms of agro-clusters and their role in improving the efficiency of cluster performance. From a methodological point of view, the “face” of a cluster, its specialization and name are formed by the cluster core companies, and this is of fundamental importance. Companies that belong to one cluster core cannot access the core of another cluster, but can participate in another cluster at the second or third level of the cluster structure. As a result of the research, recommendations have been developed to improve the organizational and economic mechanisms of agro-clusters in Uzbekistan.

Keywords: Innovation economy, economic efficiency, cluster management, modernized technologies, food products, agro-cluster

Introduction. The place of agriculture in the world economy as the main food potential is very great. To achieve high innovation and competitiveness, digitalization of this industry is relevant. The agricultural reform of the Republic of Uzbekistan is aimed primarily at its integration with industry, which is based on clustering. For the first time, a proposal for cluster reform of agriculture in Uzbekistan was put forward by the President of the Republic of Uzbekistan Sh. Mirziyayev in 2017, during a visit to the Bukhara region, where the idea was stated: “the cotton industry has invested heavily in the industry, and now we need a guaranteed amount of raw materials for the textile industry. Businessmen in the textile industry can easily get involved in this” [1]. The correctness of the choice of the course of agricultural reform has been confirmed by time; if in 2017 there was one cluster operating in Uzbekistan, then in 2018 there were already 16 of them, and in 2019 - 77, in 2020 - 99, in 2021 - 122, and today Every day, 134 cotton and textile clusters operate in the republic on an area of 1,034 thousand hectares. [2]

Despite the above achievements, there are some disadvantages of the clustering process associated with contractual relations between its participants.

Materials and methods. Food and goods for human needs are essential for a healthy lifestyle for the entire population of the globe, and year after year the demand for them in the world market is steadily growing. This situation makes it necessary to develop the agricultural sector. There is not much experience in creating agricultural clusters in Uzbekistan, but there are already positive results from their activities.

In this regard, the introduction of a cluster system in the republic, especially in cotton, grain, horticultural production, as well as in other areas of agriculture, is of great importance. The system mainly consists of clusters of cotton growing areas.

A study of the activities of cotton-textile clusters for 2018-2022 showed a stable growth in their activities (Table 1).

Over the past five years, the volume of cotton production has increased almost 4 times, cotton yield per hectare has increased from 25.9 to 36.6 centners per hectare, and the number of employees in the industry has increased 3 times. There is also an increase in the export of cotton textile products by 2.8 times over the period under study.

Discussion. Along with the above positive results in the activities of clusters, there are a number of omissions that

need to be addressed. During the research conducted by the Ministry of Justice of the Republic of Uzbekistan in 2021 as part of the “Support for Farmers” campaign, errors were discovered in the concluded agreements between farmers and purchasing organizations, clusters and suppliers that owed farms over 180 billion soums. [4]

Also, over 156 thousand errors and shortcomings were identified in contractual relations between farmers and purchasing, supply and service organizations. The study found that in 565 cases a land lease agreement was not concluded with farmers, and in 794 cases a copy of this document was not provided to farmers, 34,861 cases where agreements between producers, service providers and farmers were concluded late. There were cases of untimely payments to farmers; over 24 thousand farms across the republic were not paid more than 180 billion soums of funds on a timely basis; in particular, cotton and textile clusters had debts to farmers of 39 billion soums. [4]

Our study of the results of the activities of cotton-textile classers showed that unforeseen losses incurred in 2022 amounted to 6 trillion soums, due to the identified difference between the domestic and world prices for cotton raw materials. The price set by the Ministry of Agriculture of the Republic of Uzbekistan in 2022 for medium-fiber raw cotton was 10,025 soums per 1 kg, while world prices were two times lower.

In this regard, the Government of Uzbekistan has taken a number of measures to expand state support for clusters:

- cluster debts on loans worth 3 trillion soums will be repaid for a period of 1.5 years;

- 50% of transportation costs for the delivery of cotton and artificial fiber will be covered;

- exempt from paying customs duties for a period of three years, expenses for raw materials and supplies;

The Decree of the President of the Republic of Uzbekistan “On additional measures to support the activities of cotton raw material producers” dated January 26, 2023 No. PP-23 was adopted. In accordance with it, starting from the 2023 harvest, every year until October 1, cotton-textile clusters enter into futures contracts with farms to grow raw cotton for the next year’s harvest.

Conclusions. World experience has shown that farming through clustering indicates the effectiveness of horizontal integration with the formation of network structures. Clustering ensures the sustainable development of agricultural production on the principles of self-development and improving the conditions for organizing and managing various forms of management.

Analysis of the activities of cotton-textile clusters

Performance indicators	Single change						In 2022 to 2018, %
		2018	2019	2020	2021	2022	
Cotton production volume	Billion soum	127,2	1436,3	3944,4	4693,7	4909,8	3,9 times
Cotton yield	quintal, hectare	25,9	26,9	29,0	35,2	36,6	141,3 %
Number of employees	person	452,1	567,3	843,9	1134,4	1506,5	3,3 times
Export	Million dollar USA	239,0	246,0	391,6	786,7	664,8	2,8 times
Import	Million dollar USA	148,5	259,5	258,8	246,0	285,3	192,3 %

Source: Initial indicators according to the Statistics Agency under the President of the Republic of Uzbekistan [3].

Developed countries of the world, such as Great Britain, Sweden, the Netherlands, Austria, Norway, the USA, Japan, have achieved innovative development of agriculture through clustering and achieved positive results. A study of the experience of these countries showed that innovation, the development of mutual assistance between cluster participants, the combination of cooperation with competition, the openness of the exchange of information, knowledge, know-how and patents are the key elements of clustering.

An important component and advantageous aspect of clustering is the improvement of relations between the enterprises and institutions that are part of it. It is effective

connections between partners that ensure further innovation and commercialization [3].

Using the example of Uzbekistan, one can see the purposefully pursued state policy of financial support for cluster associations, which will undoubtedly lead to an increase in the quality of life and employment of the rural population, an increase in the role of agriculture in the structure of the state, an increase in export potential and an increase in the level of competitiveness in the agricultural market.

Based on the above, the following is proposed:

- improving market mechanisms in the agricultural sector, reducing the methods of administrative management of farms by local authorities;
 - improving contractual relations and strengthening control over their compliance by the production participants themselves;
 - concluding contracts based on current market relations;
 - widespread introduction of digital management to increase the information content of cluster activities.
- Improving legal documents on the main tasks and activities of agricultural departments, the Council of farmers, dekhkan farms and owners of household lands of Uzbekistan.

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