

APPLICATION OF THE FOREIGN CLUSTER METHOD IN THE TEXTILE INDUSTRY OF UZBEKISTAN

Kholikova Rukhsora Sanjarovna¹

¹PhD researcher, Tashkent State University of Economics
Uzbekistan, 100066, Tashkent, Islom Karimov street, 49

E-mail: rxoliqova@bk.ru

Abstract: The article examines the relevance of foreign cluster approach in increasing the competitiveness of entities in textile industry in producing competitive final products for the internal and foreign markets. There are also considered features of application of a cluster method in integration formation in industrial complex. Furthermore, the drawbacks of low clustering and precise solution for them are given.

Keywords: cluster, competitiveness, foreign experience, textile industry, entities, industrial structures, clustering, complex, production.

APPLICATION OF THE FOREIGN CLUSTER METHOD IN THE TEXTILE INDUSTRY OF UZBEKISTAN

Холиқова Рухсора Санжаровна¹

¹Тошкент давлат иқтисодиёт университети таянч докторанти
Ўзбекистон, 100066, Тошкент шаҳар, Ислом Каримов кўчаси, 49

E-mail: rxoliqova@bk.ru

Аннотация: Ушбу мақолада тўқимачилик саноати иқтисодий ўсишини таъминлашда хорижий кластер усулини қўллашнинг айрим хусусиятлари кўриб чиқилди ва таққосланди. Ривожланган давлатлар иқтисодчиларининг кластер усулини ривожлантириш йўналишлари бўйича илмий қарашлари ўрганildi ва таҳлил қилинди. Маҳаллий саноат корхоналарининг паст даражадаги кластерлашувининг баъзи камчиликлари аниқланди. Шунингдек, ушбу муаммоларни ҳал қилиш йўллари таклиф этилди.

Калит сўзлар: кластер, рақобатдошлик, хориж тажрибаси, тўқимачилик саноати, корхоналар, саноат ва саноат тузилмалари, кўп босқичли жараён, комплекс

Introduction

The economic system of any country represents as the complex of multilevel and multistage structure consisting of the interconnected objects performing a large number of functions. Efficiency in functioning of such difficult systems has to be satisfied with many directions including the correct organizational and administrative decisions. Hence at this stage of the country's development, the textile industry of Uzbekistan is the most important diversified and innovatively attractive sector of the economy. As it is widely considered, textile industry is one of the important components that contribute to the GDP of the country. The long-term development strategy of Uzbekistan suggests a transition to industrial-innovative development by 2030 [1].

Moreover, to textile industry as a major mechanized sphere is given a prior role in the national economy. Therefore, the sustainable innovative development of the sector is a key priority of any development strategy directed at economic progress and rising living

conditions. In recent years sector underwent serious reforms and achieved success. Efficient organization of well-maintained modern technologies, scientifically systematic approach to technical planning, and strong governmental support for entrepreneurs were the base for achieving best results. In one way, the works were performed to increase the efficiency of production of industrial enterprises through their modernization with modern machines and high technology, in other, to advance the quality and raise the competitiveness of manufactured textile products.

In his speech at the official meeting of the parliament, the President of Uzbekistan emphasized that country sees the future of its economy in a cluster method by covering all processes: from cultivation to the production of finished products. As he mentioned in his report speech to Oliy Majlis: "Today we decided to create 48 cotton-textile clusters in order to achieve high indicators in harvesting raw cotton at minimum 52 % with the help of cluster method next year. Accepting the fact that clusters are considered as new practice for our economy, it is necessary to revise procedures for governmental support, as well as expands funding system, landing and simplifying the credit system" [2]. In this case, appears the relevance of creation of economic integration inter-branch structures and close interrelations on production between the enterprises, companies and corporations.

Currently, innovation and research is a key factor in achieving high goals and creating healthy competition in all areas. The tasks of formation of the structuration mechanisms and increasing efficiency, realization of integrated organizational and production structures require the systematic and complex solution. In particular, reforming textile industry on the basis of the effective application of modern methods and technologies gives significant results. Indeed, the growth of national competitiveness in textile industry, increasing the efficiency of national enterprises in the global and local markets is the main purpose of economic policy of any state. Foreign experience shows that the cluster approach is recognized globally as a policy of improving the competitiveness of both the national and regional economies.

Literature review

Production clusters have been developed in many sectors of the economy of almost all countries, regardless of their level of economic development. In developed countries (EU, USA) they became a natural stage in the evolution of industrial production methods, and in developing countries (China, Argentina) clusters are the main way to achieve the world level of development of various sectors of the economy and access to international markets.

In the United States, which are among the founders of both the theory and practice of clustering the economy, clusters are consistently developed in many industries, where one of the most famous is information technology - Silicon Valley. As a country with the strongest agribusiness, the United States has a large number of agro-industrial clusters, the largest of which operate in the states of Washington, Oklahoma, Louisiana, as well as a wine cluster in California.

The main distinctive feature of American clusters that, they mainly focused on export or import substitution. This cluster development model is aimed at increasing competitiveness in the global scale based on scientific and technological achievements, innovations. New high technology, high R&D costs and, as a result, growth, production efficiency increase allow to produce products that meet requirements of world markets, which is the main criterion of national and regional competitiveness. Federal R&D support is

provided in universities, where most scientific and technological research is carried out. Therefore universities ensure the formation of national human capital in scientific and technological areas, preparing qualified personnel. The strength of the American model of competitiveness consists in joint activities of government agencies, industrial enterprises and academic organizations [3].

At present, the theory of Michael Eugene Porter, Professor of Harvard Business School, is the most recognized and successful. As a matter of fact, he can be considered as a founder of cluster theory in its modern understanding [4].

Thus, in his work "On Competition", the professor distinguishes the following main definitions of the category of "cluster":

- geographically concentrated groups of related companies, specialized suppliers, service providers, and companies in allied spheres, as well as organizations related to their activity (e.g., universities, standardization agencies, trade unions) in the spheres which compete, but are involved in the cooperative work;

- a group of geographically close interconnected companies and related organizations which work in a certain sphere and are characterized by the community of activities and which supplies one another;

- a system of interconnected companies and organizations, the value of which as a single whole exceeds the simple sum of its parts;

- a space organization form, which by its internal essence may be more effective as to the arrangement of production factors if the local competitive suppliers are available [5].

However, there are still unresolved problems in creations of effective models of formation of organizational structures in inter-branch mechanism considering features of interaction in management of agrarian industrial complex.

The existing researches, despite the big scientific and practical importance, have the incomplete character which is expressed in consideration of one or several regulating mechanisms that confirm need of further researches in the field of state regulation of the agrarian in modern conditions of inter-branch communications on a full technological chain of production of a finished product.

Research methodology

During our research we have used a number of methods, including comparative analysis, logical analysis, analysis and synthesis, induction, deduction methods. The research methodology of given article is conducted with quantitative data. It can be seen, the article is written to prove basic fundamental-theoretical aspects of the cotton industry entities and how to manage them in order to minimize the expenses and receive more profit for the company. Furthermore, quantitative methods are based on data that can be 'objectively' measured with numbers.

Analysis and results

According to facts of the European Cluster Observatory [6], today in 28 countries of Western and Eastern Europe, there are 2101 clusters in various sectors of the economy with a total of 42 million employees. At the same time, 11.5% of them operate in the agro-industrial complex, giving work to 4.5 million people. Most of the clusters are functioning in the national economy of Germany, followed by Italy, Great Britain, France, Poland and Spain — that is, the largest, economically and industrially developed states. The same countries,

as well as Romania, Holland and Portugal, are much more numerous than other countries in the number of employed workers in these clusters.

As well, in Scotland, the formation of integrated enterprises and the preparation of sheets are carried out through the creation of networks of local initiative enterprises that control local infrastructure, including marketing, investment programs, etc. Around a large enterprise activate to form smaller structures, forming a cluster. The cluster in Scotland is based on three key programs: skill enhancement, industry ties with universities, and the competitiveness of small businesses [6].

In the UK, a so-called forecast technology program has been formulated, based on a constantly growing competition in world market; a mixed sector-cluster approach was laid. For more than 10 years, Wales, Northern Ireland, and the Northeast of England have demonstrated successful regional dynamic development in the manufacture of automobiles, electronics, chemicals, and more traditional sectors such as food and beverage, clothing, and textiles [6].

In addition, in Russia clustering of industry strengthening gradually, which resulted in the creation of a large-scale Russian integration project "IARC: industrial-agricultural regional clusters" under the auspices of the Center for Innovations Non-Profit Partnership. The main objective of the project is to create a modern innovation-technological structure of a full cycle of raw material processing, with maximum use of energy-saving, bio-and nanotechnologies. The project structure unites 4 clusters: agribusiness, petrochemical, silicon and timber industry, which are closely interrelated and provide each other with raw materials and products necessary for work. The agro-industrial bio cluster will include a plant for the deep processing of grain crops and biomass, a feed mill, a pig and poultry complex, a meat processing plant, as well as a number of enterprises producing enzymes, acids and amino acids [7].

Moreover, economic integrations become stronger among members of CIS countries, in particular in Kazakhstan. The textile industry takes the leading place in the structure of the textile and clothing industry of Kazakhstan. The final products of the textile industry are: cotton yarn, cotton fabrics, clothing and cotton fiber textiles. South Kazakhstan Region and Almaty are priority regions for the development of a cluster for the production of fabric and cotton processing. Currently, there are 9 cotton plants in the Makhtaaral district of the South Kazakhstan region, which is specialized in growing cotton. The largest enterprises are LLC Textile Company and the operating haberdashery factory Elastic in Shymkent [8].

An important direction in increasing the economic efficiency of the cotton processing industry in Kazakhstan is the integration of all links based on the in-depth specialization of cotton production. For these purposes, it was expedient to form a cotton-textile cluster, representing a spatial-organizational form of interaction between independent specialized industries and complementary enterprises and organizations, aimed at creating competitive high-value cotton products [9].

In recent years, the effort to adopt best practices, agro-industrial cluster methods began to take root in our homeland, mostly in cotton processing and textile industry.

However, there are still unresolved problems in creations of effective models of formation of organizational structures in inter-branch mechanism considering features of interaction in management of textile complex.

The existing researches, despite the big scientific and practical importance, have the fragmentary character which is expressed in consideration of one or several regulating mechanisms that confirm need of further researches in the field of state regulation of the textile sector in modern conditions of inter economic communications on a full technological chain of production of a finished product. It is also important to recognize, that, it is necessary to create and provide new jobs especially in rural places of the republic. Taking into account regional conditions of the country and some other problems, slow formation and development of various forms of ownership gives defining character to task of ensuring sustainable development of the textile sector of economy. All this demonstrates relevance of this problem and requires its fastest solution.

Formation of cluster integration in the Republic of Uzbekistan is in a stage of formation and development. The solution that puts today for clusters requires existence of a number of the factors causing expediency and efficiency of formation these integrated structures. Being merging of the enterprises and organizations, the cluster has the following most characteristic features:

- Integration of productions, resources, other competitive advantages;
- Existence of certain interrelations rather than steady interrelations, including on a technological chain;
- Participants of a cluster from various economic branches, connected by some common goals, but at the same time keeping independence (autonomy in decision-making and ownership rights on assets);
- Existence of the large leading organization that defines long-term economic, investment and other strategy of whole cluster;
- Combination of internal cooperation with internal competition;
- Simultaneous existence of unity and contrast of interests of participants (that exists from their cooperation and the competition).

Conclusions and recommendations

From point of our view, for the effective solution above purposes, it is necessary to create new clusters and develop existing ones for the industry of Uzbekistan. Importance of clusters development in Uzbekistan is connected with existence of own source of raw materials and also existence direct production and technological communications and multistage process of production between participants estimated future (research and design institutions, farms, groups and separate machine-building, tractor farms the providing technical, transport, and other means of production) subjects of integration structures in industry.

As world practice shows, clusters rarely arise artificially and from scratch, they appear and evolve naturally where there are necessary conditions and prerequisites, including in the form of inter-sectorial production links.

Taking into account world experience, the improvement of the textile cluster in Uzbekistan should go in the direction of the development of inter territorial cooperation in the field of the textile and clothing industry. The inclusion of petrochemical complexes and the chemical industry in this cluster will make it possible to form a single technological chain for creating a new competitive textile product based on the use of chemical fibers and threads. In parallel, it is necessary to develop the Fashion Institute, the scientific and consulting centers of light industry and the Coordination Center of the cluster (according to

the experience of Turkey). These centers can provide such services as specialized training, research in the field of technology and materials, clothing market research, export development, intellectual property management, brand management, personnel development, quality management, mediation in the organization of joint ventures by small businesses.

To conclude, the unified concept of implementation of cluster policy at the state level in the developed countries led to a wide coverage of priority sectors of the economy by the clustering process, which became a tool for improving competitiveness and innovative development. The study showed, that the technological structure in the textile industry, as well as the experience of other countries on sectorial clustering, led to conclusions for Uzbekistan in terms of forming a single technological chain for the production of new competitive textile products based on the use of chemical fibers threads and so on.

The offered approach for cluster policy will allow creating innovative development model of agrarian and industrial complex both down, and across which is based on consolidation of two activities: optimization of the available resources usage and the state support of the innovative projects directed to support of development of the cotton industry of producers.

References

1. On Approval of Strategy for Innovative Development of the Republic of Uzbekistan for 2019-2021 Decree of the President of the Republic of Uzbekistan
2. Speech of President of the Republic of Uzbekistan to Oliy Majlis on December 29, 2018. Official press service of President of the Republic of Uzbekistan. <http://www.press-service.uz>.
3. M. Porter. International competition. M., 2005. 608p.
4. 3. Serdobintsev D.V. Matveeva O.V. Sorokina L.V. World, European and Russian experience in the development of cluster policy in the agro-industrial complex. // Fundamental research. - 2014. - № 9-8. P.1825-1830.
5. E.G. Popkova, I.A. Morozova, T.N. Litvinova and I.M. Kuzlaeva. Role of Clustering in Provision of Economic Growth. Cambridge Scholars Publishing Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK.2016.
6. Cluster Observatory. [URL:http://www.clusterobservatory.eu/index.html](http://www.clusterobservatory.eu/index.html) 15.05.2013.
7. PARK: industrial-agrarian regional clusters. URL: <http://www.center-inno.ru/park>
8. Kaupenbaeva S.M. Cluster - a method for solving competitiveness problems. http://www.rusnauka.com/12.APSN_2007/Economics/20662.doc.htm
9. Azimetova G.N. Cluster development of a cotton processing industry in Kazakhstan//Fundamental research. - 2011. - № 8-2. - p. 418-422.