

## THE IMPORTANCE OF THE CLUSTER SYSTEM IN THE AGRICULTURAL FIELD.

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### **Abstract**

*The cluster principle of formation of new economic structures is justified in the article. The conditions, reasons and mechanisms for the creation of network structures are analyzed. On the basis of the cluster scheme, the characteristics and advantages of production, as well as the factors hindering the development of their activity, were analyzed.*

### **Key words**

*cluster, innovation, cluster approach, innovative activity.*

### **Introduction.**

In our country, consistent measures are being taken to reform the agrarian sector, introduce market mechanisms and modern technologies to it. In particular, the cluster method was introduced, the types of crops were changed based on the needs of the times. As a result, both productivity and income are increasing.

More than 80 types of agricultural products grown in our country are exported to 66 countries. By the decree of the head of our state on October 23, 2019, the strategy for the development of agriculture of the Republic of Uzbekistan for 2020-2030 was adopted. In accordance with it, fruit and vegetable clusters are being organized in order to produce products with high added value.

On December 11, 2019, the President's decision in this regard was adopted, and all organizational and legal foundations were created. What is the advantage of the Cluster system for the establishment of 86 such clusters by local governments in the past short time? It allows to sell and export not only raw materials, but finished products that are useful for both the state and the manufacturer.

Another advantage of the cluster system is that enterprises freely use the products produced and independently determine prices and sales volumes, taking into account the interests of all employees.

At all stages of socio-economic development, in all countries, the basis of human life is the production of material goods and the provision of services. Because without the processes of production and service, there would be no goods

to be exchanged, distributed and consumed. Humanity in any society cannot live without consumption, nor can it live without production. This issue has become a big problem of the countries of the world today.

Every company tries to reduce its costs. At the current stage of our country's development, increasing the export potential and increasing the competitiveness of our national economy largely depends on achieving savings and reducing the cost of products and services. Accordingly, in 2020, "We continue our studies and research on increasing the interests of farmers and peasants in agriculture. Advanced technologies and a cluster system are being introduced into the industry," it was rightly emphasized.

The use of advanced techniques and technologies in the production process is important not only through the development of a cluster system in the economy of Uzbekistan, but also for the effective operation of entrepreneurs and the agricultural sector. In the current conditions, production efficiency is the main factor in the development of the economy of Uzbekistan. Effective use of this factor is one of the main ways to ensure the stable development of the cluster system in our country.

In the context of accelerating reforms and increasing globalization of the world economy, our country should make a quick transition to the innovative way of developing the cluster system in the short term, bring this strategically important branch of the economy to a level that meets the requirements of the time. Otherwise, the cluster system will lag behind development and cannot be competitive.

#### **Analysis of literature on the topic.**

Many scientists in foreign countries and in our country deal with the issue of managing the competitiveness of countries' economies. Although it was not long ago that the cluster approach to the organization of production began to be used in our country, the founders of the theory of competition abroad have been developing this direction for a long time. The scientific basis of ensuring the competitiveness of countries in international trade was developed by Adam Smith, the founder of the classical school, in his theory of absolute superiority, and later his student D. Ricardo developed the theory of relative advantage. Michael Porter is the founder of the theory of using cluster schemes in competitive management. According to Michael Porter, the competitiveness of the economy of a country or region depends not on factors such as the exchange rate, interest rate, budget deficit, cheap labor, natural resources, but on production productivity. As the growth of productivity in production enterprises requires the regular development

of the economy, it is necessary for enterprises of various sectors to improve the production process by increasing the quality of products, expanding consumer properties, developing technologies, and increasing production efficiency. Porter developed the determinants of the country's competitive advantages by combining the competitive advantages of countries into four groups (conditions for factors, the state of demand, interrelated industries, sustainable strategy, structure and competition). There is a correlation and a direct proportional relationship between the factors. As a unique instrument for ensuring competitiveness, cluster schemes are proposed, which are defined as a group of closely related companies and related organizations that operate together and complement each other within the same field. Later, this theory was developed in the studies of F. Raines. F. Raines's economic views on competitiveness, like M. Porter's, are mainly based on developing the quality indicators of the production process and the product. In this case, the practice of creating cluster schemes was developed on the example of countries where the market economy has been operating for a long time. Various aspects of increasing the competitiveness of the national economy and its sectors in Uzbekistan, the theoretical and methodological bases of cluster formation and organizational issues were studied in the scientific researches of G. Zakhidov. In these studies, the cluster scheme of production organization was analyzed as an important instrument for implementing the country's regional policy and increasing the competitiveness of various sectors of the economy.

### Analysis and results.

Cotton-textile clusters located in Tashkent region

No	Пахта-тўқимачилик ишлаб чиқариш ва кластерлари	Name of districts Area of cotton, hectares, ha	Area of cotton, hectares
1	“Oqqorgon Agro Cluster” МЧЖ	Okkurgon	5407,0
2	“АРК Бекобод” МЧЖ	Bekabad	12000,0
3	“АРК Бўка” МЧЖ	Boka	12131,0
4	“ТСТ Agro Clustr” МЧЖ	Kuyichirchik	10000,0
5	«Textile Technologies Group» ХК	Chinaz	6200,0
6	“Kokcha Tekstil” МЧЖ	Ortachirchik	9270,0
	<b>Total</b>		<b>55008,0</b>

Today, a total of 96 cotton-textile production and clusters are operating in the republic in 2020. Of these, 6 agro-industrial enterprises were established in Tashkent region, clusters that attracted foreign investment.

In 2020, 906,313 hectares of land will be cultivated with raw cotton by cotton-textile production and clusters. This is 87.7% of the total land area where raw cotton is grown in the Republic. Cotton-textile production and clusters will increase cotton productivity by 10 centners by involving advanced modern innovative technologies during the cultivation of raw cotton.

Why in cotton farming? It is natural that the question arises. Cotton products make up almost half of the gross product produced in the agricultural sector. But the analyzes show that there are great untapped opportunities and unresolved issues in cotton farming. It can be said that cotton production has the lowest profitability among all branches of agriculture. The rate of cotton yield in our republic is much lower compared to other cotton-growing countries. But analysis shows that there is a huge potential to increase the productivity of each hectare of irrigated cotton areas. The need to search for effective methods of cotton raw material production is again explained by the fact that the productive potential of the land in Uzbekistan is not fully used. This is confirmed once again if some agricultural indicators of Uzbekistan and developed foreign countries are compared. For example, it has a population of 16 million people and 1,038 million hectares of cultivated land (60 percent of which is developed land near the sea). In the Netherlands, agricultural products worth 131 billion dollars are produced, and in Uzbekistan, which has a population of 32 million and cultivated areas of 4.4 million hectares. This figure is only 13.2 billion dollars. The main consumer of raw cotton in Uzbekistan is the textile industry, which occupies an important place in the industrial complex of the republic. Based on this, the development of textiles is directly related to the state of the cotton industry.

Kuyi Chirchik district is located in the remotest, lowest area of the region, similar to its name. Therefore, underground seepage from neighboring and surrounding districts seeps and collects here. Due to these factors, the lands of the district are fertile. 1.5-2 meters of water comes out of some areas. Based on the current conditions, rice farming and fishing industries in the region will give some results. However, cotton and grain are constantly lagging behind in the district. 12 years ago, the plan for cotton growing was implemented for the first time, since then the district was lagging behind in all areas of agriculture. Last year, the district was the first in the region to implement the plan for cotton growing. In particular, with the efforts of the "TCT Agrocluster" cluster, a total of 30 thousand 13 tons of

raw cotton was grown in 2019, and the state contractual plan was fulfilled by 111 percent. The average yield was 32 centners per hectare.

### Summary

In general, the advantage of the cluster system is that it allows the sale and export of finished products, which are useful for both the state and the manufacturer, rather than raw materials. Another advantage of the cluster system is that enterprises freely use the products produced and independently determine prices and sales volumes, taking into account the interests of all employees. Both the raw materials preparers and the processors are responsible for the quality of the product, because part of the added value generated by the sold product is shared among all the workers who contribute to the overall process. Also, jobs are created in the production process. Practice shows that the formation of clusters contributes to the active development of regions and the deepening of interregional integration. The cluster is "attached" to a specific area and relies on its resource potential. A eponymous cluster in one region differs in form and content from an eponymous cluster in another region. From this point of view, clusters are unique economic structures.

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