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PECULIARITIES OF THE DEVELOPMENT OF THE TEXTILE INDUSTRY AND CLUSTERING OF ENTERPRISES IN UZBEKISTAN

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ABSTRACT

Functional efficiency of management processes of textile enterprises in the world is based on a sequence of production processes, the organization and management of integrated textile industry clusters, increasing management efficiency based on the use of internal capacity of enterprises, management mechanisms of enterprises included in the cluster, ready-to-eat textile products A number of scientific studies are being conducted to improve the value chain in production, increase the competitiveness of clusters through competitive advantages.

KEYWORDS

Cluster, industry, management, mechanisms, modern information, communication technologies.

INTRODUCTION

The history of the development of socio-economic systems shows that development occurs under the influence of changes based on certain laws. The theories of economic development that have been formed to date show that changes that have taken place over a period of time have taken place on the

basis of specific twists and turns in the development of the world economy.

The first form of theories of economic development is the classical theory, the founders of which have argued in their scientific views that economic growth and development occur on the basis of the ratio of

aggregate demand to aggregate supply. Representatives of neoclassical theory J. Keynes, R. Solow, R. Harrod and E. Domar expanded the approaches proposed in classical theory and theoretically studied the influence of different levels of factors on the balance of resources in modern conditions.

The post-industrial model, based on the industrial model of economic growth, focuses on the changes in the classical theory under the influence of globalization and scientific and technological progress. The new model of post-industrial and development focuses on material production and the concentration of the necessary structures around it, showing that the advantages of industries and sectors depend on the availability of resources and convenience of geographical location.

Today, in the development of material production industries in all countries of the world, special attention is paid to the organization of production enterprises in areas where the necessary resources are available and easy to supply to consumers, as well as in a complex way with the necessary structures.

Uzbekistan, one of the leading sectors of the national economy, in particular, the textile industry, is developing on the basis of competitive advantages based on theories of economic growth. The formation and development of the textile industry in our country

has a socio-economic, natural-climatic, geographical and historical basis. This will allow the country to establish enterprises with a large material and technical base.

The stages of gradual development of the textile industry in our country can be divided into the following 6 periods (Figure 1):

Phase 1 - From the 90s of the XIX century to 1917. At this stage, the formation of the first manufacturing enterprises for industrial processing of cotton, which is the main raw material for the textile industry, took place. As a result of the export of products produced by these enterprises to neighboring countries and Russia, a value chain was formed, which in turn led to the expansion of the area under cotton.

The main features of the development of the industry at this stage are the ownership of local and foreign entrepreneurs, competition at the regional level and the fact that the industry specializes only in primary processing of raw materials.

Phase 2 - From 1917 to 1941. At this stage, the first enterprises processing raw cotton in the country were formed first as artels, and then as industrial enterprises as a result of their expansion. During this period, the textile industry in the light industry was transformed into a one-way system of primary processing of raw cotton grown in the country to the textile complexes in the Central regions of the former Soviet Union. In the

second stage, the main features of the development of the industry are the transformation of enterprises into public property, the formation of a system of supply of raw materials to the textile complexes formed in the central regions of the former Soviet Union and the organization of production planning.

Phase 3 - 1941 to 1970s. At this stage, a textile complex was formed as a result of the relocation of textile enterprises of the secondary and subsequent deep processing of raw cotton from the Central Black Earth zones due to the Second World War. As a result of the relocation of more than 100 enterprises to the territory of the country during the war, a network of ready-to-eat textile products was formed. In the post-war years, the country's territory began to be transformed into a region that would meet the demand of the former Soviet Union for textiles. While this has led to the development and expansion of the network on the one

hand, on the other hand, only the primary and secondary processing of network enterprises has maintained the industry's one-way, i.e. raw material supply trend.

Phase 4 is the period from the 1970s to independence. At this stage, the country's agricultural cotton sector and textile industry have become the main raw material base of the textile industry of the former Soviet Union. The cultivation of raw cotton in more than 85% of agricultural lands has led to the rapid development of the industry. These changes are based on the fact that about 10% of raw materials in the industry are transferred to deep processing. The country has developed a network of textile machinery and improved the technology at existing enterprises. However, only the initial processing of the raw material led to a low growth of the value chain in the system.

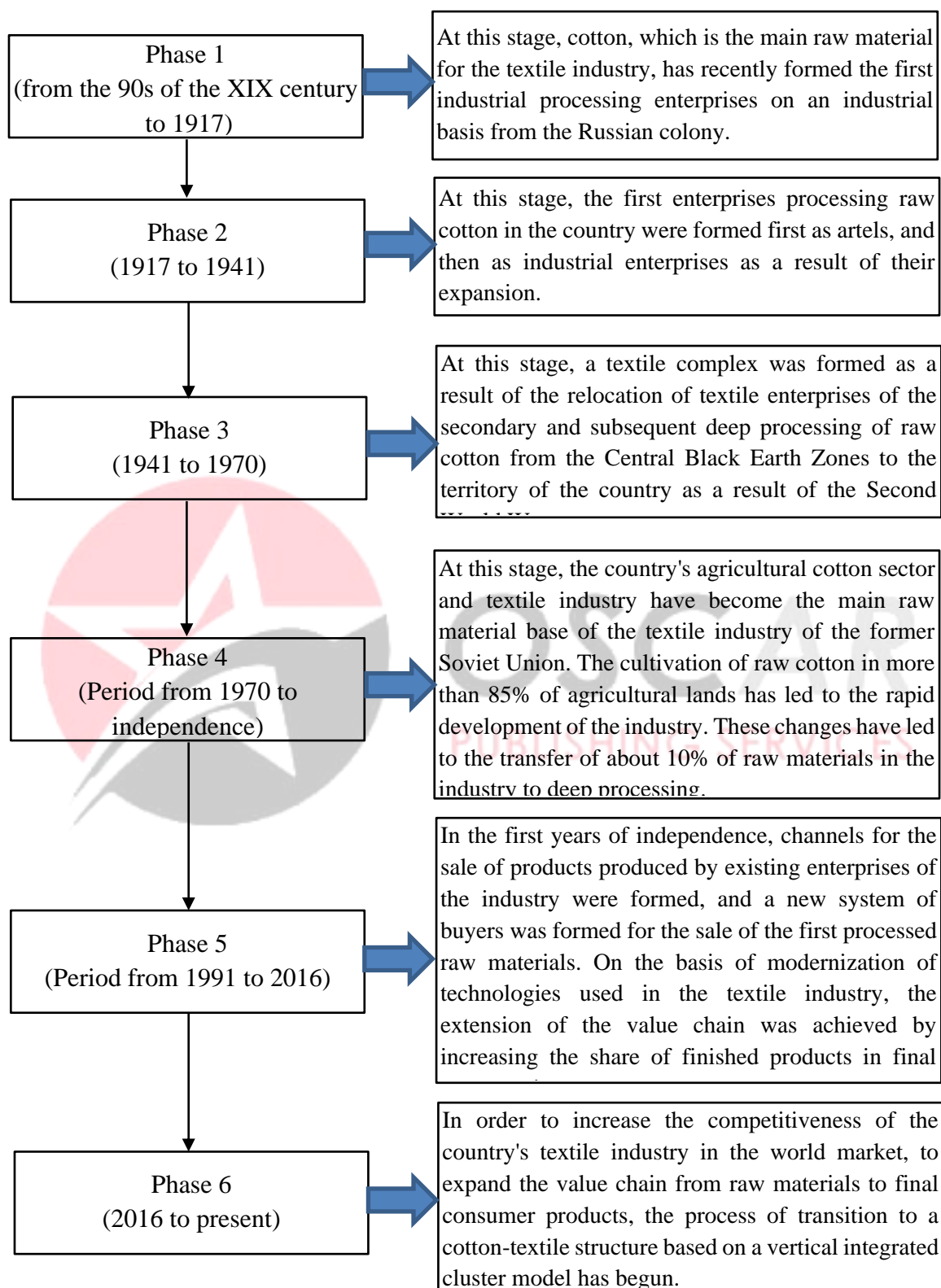


Figure 1. Stages of formation of the textile industry in Uzbekistan

Phase 5 is the period from 1991 to 2016. In the first years after the independence of the Republic of Uzbekistan, channels for the sale of products produced by existing enterprises of the industry were formed, and a new system of buyers was formed for the sale of the first processed raw materials. At this stage, on the basis of modernization of technologies used in the textile industry, the extension of the value chain was achieved by increasing the share of finished products in final consumption. The enterprises of the sector have been gradually privatized, the share of the state has been reduced, and the volume of textile products produced and their share in exports have increased.

Phase 6 is the period from 2016 to the present. In order to increase the competitiveness of the country's textile industry in the world market, to expand the value chain from raw materials to final consumer products, the process of transition to a cotton-textile structure based on a vertical integrated cluster model has begun. As a result of reforms initiated by the state on the integration of regional production capacities and the establishment of clusters based on the principles of corporate governance, 96 cotton-textile clusters were established in 2016-2020. a deep processing process was carried out.

As a result of structural changes in the above stages, today the textile industry in our country has been

formed as a whole complex of organizational structures, from the supplier of raw materials to the sale of finished products.

Today, the light industry, which includes the textile, clothing and leather and footwear industries, accounts for 15.8% of total industrial output, 13% of fixed assets and more than 13% of employment. It is also necessary to have rich raw material bases (cotton, wool, astrakhan, silk, oil, gas, etc.) for the development and supply of all branches of light industry, as well as sufficient conditions for the rapid development of the economy (natural-climatic, regional and labor resources). If we digitally refer to the growth rates of industrial production in the industry, in 1991, 7% of cotton fiber grown in the country was processed, and today 40% of this product is processed by light industry enterprises. By 2030, it is planned to process 100% of raw cotton grown in the country and increase production by 5.6 times.

Although significant progress has been made in the textile industry as a result of the above-mentioned structural changes, there are still many unresolved issues in the sector. Today, the industry and the supplier of raw materials to agricultural production have the following main problems:

in cotton growing:

- Modernization of the existing material and technical base of enterprises on the basis of advanced technologies in order to ensure speed in production processes;
- slow pace of implementation of modern methods of corporate governance;
- Untimely measures to diversify the production activities of ginneries, the idleness of most of the production capacity;
- Lack of a healthy competitive environment between industrial enterprises and agricultural producers and the lack of favorable legal and organizational conditions for their effective operation, resulting in a decrease in the investment attractiveness of the industry.

in the textile industry:

- non-compliance of the industry management system with modern development trends of the industry;
- The introduction of modern quality management systems in the laboratories of enterprises is low, which hinders the export of domestic products to major foreign markets, increasing the export potential of the industry and increasing confidence in the quality and safety of products;
- low share of the industry in the country's GDP.

At the same time, the presence of the following common problems in all sectors necessitates their implementation, including the following important structural changes in the structure of the textile industry and its activities:

- adequate introduction of modern information and communication technologies; At the same time, a system of control over the processes of receipt, transportation and processing of raw materials and sale of finished products will be formed;
- rational distribution of raw materials and production resources, otherwise shortcomings in the organization of logistics and engineering infrastructure can lead to a significant stagnation of production capacity, increase in production costs due to economic losses and decrease in profitability;
- Ensuring a stable dominance of production and export of semi-finished products in the enterprises of the sector, the organization of the production of high value-added finished products and the formation of national brands capable of competing in world markets will increase the income of industrial enterprises;
- Paying special attention to the system of training, the introduction of innovative areas of training on current issues of development of the industry and the establishment of international cooperation to deepen research, etc.

The purpose of the clusters is to focus on the creation of competitive goods based on the organization of innovative production - the integration of enterprises of the same industry located in the city, district and region and with them in a single technological chain of education, science, engineering, consulting, standardization, certification and other services. consists of. An important aspect of this is the employment of the population in our economy.

The globalization and deepening of integration processes in the world economy requires a comprehensive study of both the internal strengths and weaknesses of agribusiness, as well as its external opportunities and risks in the market. One of these opportunities is to organize an agro-industrial group on a cluster model.

The cluster model is widely used in world practice as a tool to increase the level of competitiveness of the economic group, the region, the whole country. The main features of the cluster model are:

- the possibility of increasing the group's share in foreign markets; availability of favorable conditions (raw materials, qualified personnel, infrastructure, training centers, scientific institutions, etc.) in the area where the enterprise is located;
- the breadth of opportunities for participants to effectively participate in the group due to the strong use of the group by the state, etc.

On the basis of the Resolution of the President of the Republic of Uzbekistan dated December 21, 2016 No PP-2687 "On the program of measures for the development of the textile and garment industry for 2017-2021" was carried out. In accordance with the Resolution of the President of the Republic of Uzbekistan dated September 15, 2017 No PQ-3279 "On measures to establish a modern cotton and textile cluster in the Syrdarya region", developed as a logical continuation of this normative document for the accelerated development of the textile and clothing industry. the first step was taken to cluster the textile industry.

Also, in accordance with the Decree of the President of the Republic of Uzbekistan dated December 14, 2017 No PF-5285 "On measures to accelerate the development of the textile and garment industry" to organize the production of a wide range of quality textiles and garments in the country. Comprehensive measures are being taken to increase the export potential of producers.

The next stage of reforms to develop the activities of cotton and textile clusters is the decision of the President of the Republic of Uzbekistan dated September 16, 2019 No PP-4453 "On measures to further develop the light industry and stimulate the production of finished products" It began with the adoption of Resolution No. PP-4633 of March 6, 2020 "On measures to widely introduce market principles in

the cotton sector," which provides organizational and legal aspects of the process of transfer of processing systems to clusters and private entrepreneurship.

A cluster can be described as “development that revolves around a single chain”. It was acknowledged that the process consisted of four stages:

The first stage is the agricultural sector, which is the main source of industrial raw materials, and this sector includes the process from preparing the land for planting to harvesting.

The second stage - the primary processing of raw materials involves the conversion of the crop into products such as fiber, seeds, seeds, as well as the preparation of construction materials for the construction industry from cotton stalks.

The third stage is a deep processing process, in which the primary products obtained from raw cotton become finished products for consumption. In particular, fiber is used to make yarn and fabrics, ready-made clothes, vegetable oil from seeds, household soap, animal feed, pharmaceutical products.

In the fourth stage, the first and fourth stages are interconnected - a real chain is formed.

As a result of the process of clustering of cotton and cotton processing industries, as well as the infrastructure systems associated with the

organization of their activities, today in the country there are a total of 94 cotton and textile clusters.

Cotton-textile clusters cultivated 906,313 hectares of land in 2020, which is 87.7% of the total area under cotton in the country. In the past period of cultivation of raw cotton in agricultural enterprises within the existing cotton-textile clusters, due to the involvement of advanced modern innovative technologies, cotton yield has increased by an additional 10 quintals per hectare.

Currently, the main activities of cotton and textile clusters to obtain high-yield cotton are as follows (Figure 1.2):

- Phosphorus fertilizers and chemicals used in pest control during agro-technical processing are purchased from abroad (Russia, Kazakhstan) to feed the sown areas, as well as from China, Turkey, Russia, USA, Australia, Sweden and other countries;
- Seed sowing is carried out on modern 6, 8, 10, 12 rows of special pneumatic seed drills made in China, USA, Turkey, France, Germany, Sweden;
- In areas where cotton is difficult to irrigate, the work is carried out with the introduction of modern drip irrigation technologies and the production of raw cotton from 50 to 60 quintals per hectare;
- Cotton-textile production and clusters use modern methods of cotton picking, including harvesting on

cotton picking machines manufactured in the USA (John Deere), Germany (Case), China and other countries.

Significant changes in the quantity and quality of the textile industry were observed in a short period of time as a result of the establishment and development of cotton-textile clusters, which produce textiles and raw materials, as well as integrate the infrastructure systems associated with the activities of both sectors.

In particular, the share of the industry in the country's industrial production will increase from 12.4% in 2016 to 14.7% in 2020, with industrial revenues reaching 1.5

billion. \$ 4.2 billion. dollars. According to the analysis, in 2021 this figure will reach 5.9 billion. dollars.

As a result of structural changes, the redistribution of income in the textile processing system in 2016 accounted for 51.8% of the second redistribution, 16.5% of the third redistribution and 31.7% of the fourth redistribution. , 2%, 19.8%, and 42.3%, respectively. In other words, with the organization of activities based on a cluster approach, the share of the finished product in the value chain in the value chain has increased.

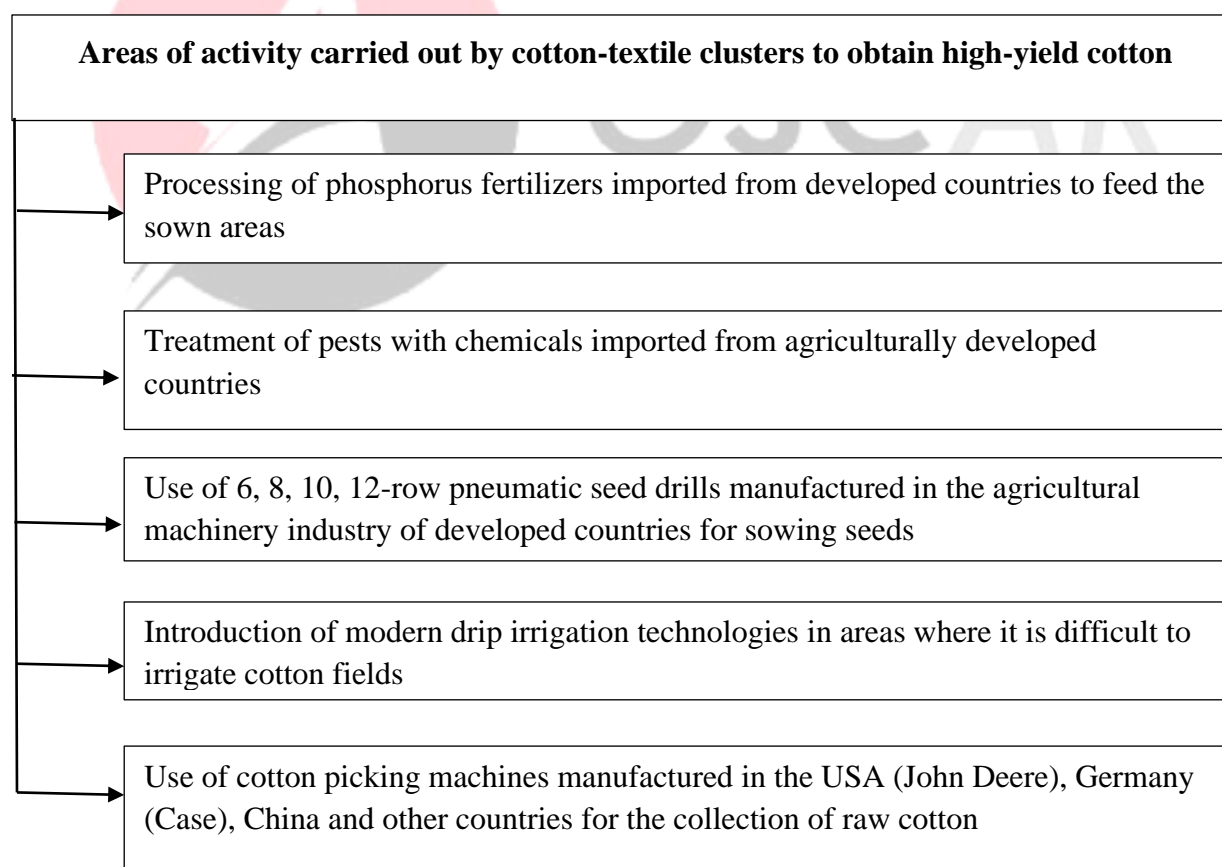


Figure 1.2. Areas of activity of cotton-textile clusters to increase the productivity of raw cotton

The development of the network on the basis of a cluster approach leads not only to economic efficiency, but also to an increase in social efficiency. If in 2016 there were a total of 100 thousand jobs in the industry, in 2020 this figure was 315 thousand jobs, an increase of 3.15 times compared to 2016. There is also a significant (4 times more) increase in the volume of payments to the budget of enterprises in the sector.

At the current stage of economic development in the country, regional cotton and textile clusters play an important role in determining the development of the entire agro-industrial complex. Because the cotton-textile cluster covers not only light industry, but also dozens of sectors such as agriculture, food industry, pharmaceuticals, construction products.

The fact that the formation of clusters in the light industry and textile system in Uzbekistan is carried out not on a national scale, but on the basis of specific socio-economic and natural conditions in the regions - is a factor of success in this area.

Today, the use of the cluster mechanism, which is a novelty for the national economy, an innovative type of modern industry, in particular, in cotton and textile clusters are being created production facilities for 100% processing in the form of "cultivation of raw cotton - processing - finished products." Because with the achievement of this process in the cotton-textile

clusters through the preparation of lands for the cultivation of raw cotton, planting, cultivating, harvesting, processing and deep processing of products from primary processing to produce high quality products that meet international standards and the enterprises engaged in their realization are united in a single management system.

The application of new forms and methods of management in agriculture and related industries in the country will lay the foundation for the rapid development of the country's economy, in particular, its branches related to the agricultural sector.

Establishment of agro-industrial clusters, in particular cotton-textile clusters, is aimed at:

- further deepening of structural changes and reduction of state interference in the activities of agricultural enterprises;
- Encouraging foreign investment to create an integrated cluster system for the innovative development of the agro-industrial complex, in particular, its textile industry;
- Introduction of effective methods for the cultivation of raw cotton and the organization of deep processing of textile raw materials;

- Improving the efficiency of production in the cotton industry and linking wages to its results, etc.

Development of the textile industry through a cluster system is aimed at achieving the following goals:

- development of production, investment activities and employment;

- Improving the quality of products by reducing the cost of production, and ultimately achieving the competitiveness of goods;

- The introduction of new technologies and innovations will increase the country's prestige in regional and global markets and ensure the competitiveness of products.

In general, cotton and textile clusters serve as a "driver" of economic growth for the development of the country's economy. It ensures the production of value-added, competitive and export-oriented products and enhances the free competitive advantage of individual enterprises in the industrial sector.

The development of individual industries or sectors on the basis of a cluster approach in recent years in the process of economic development of countries around the world requires research in the context of the current situation when considering an issue that is a field of study. Taking this into account, the development of the industrial market based on the

formation of clusters of the textile industry, which is one of the directions of effective use of industrial sectors in our country, is recognized as a promising direction.

First, let's take a closer look at the essence of the term cluster. Many countries have extensive experience in the development of cluster economies, and definitions of clusters are given in various literatures. According to M. Porter, the initiator of cluster theory, a cluster is a group of companies (suppliers, manufacturers, etc.) that are interconnected by general and external relations in a particular field and their main activities (educational institutions, government agencies, infrastructure) is a geographically close group.

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