

Problems of Creating Cotton-Textile Clusters in the Republic of Uzbekistan and Ways to Solve Them

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Abstract: This article substantiates the need to create cotton-textile clusters in order to increase the added value of raw cotton grown in Uzbekistan. Foreign and domestic experience in the use of clusters in the development of textile and clothing production is considered, and existing problems and factors influencing the creation of clusters are studied, a possible model for the formation of cotton-textile clusters in the light industry of Uzbekistan is proposed.

Key words: clustering, territorial-industrial complex, raw cotton, cotton fiber, textile production, clothing production, vertical integration, cotton processing



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Introduction: The creation of cotton-textile clusters in the southern regions of our republic is one of the priority tasks of the state economic policy, which will help solve the problems of forming a raw material base for the development of the textile and clothing industry in our country.

Currently, Uzbekistan has the necessary prerequisites for applying the cluster approach to develop the regional economy. These are the presence of rich natural resources, highly qualified labor potential, surplus labor, infrastructure, and some remaining enterprises for processing raw cotton into cotton fiber and textile enterprises.

The object of the study was public relations associated with the implementation of state economic policy on the creation of cotton-textile clusters in the Uzbek Republic.

The subject of the research is foreign and domestic experience in the formation of cluster production and prospects for its practical application in Uzbekistan.

The research methods represent a comparative, dialectical method of understanding socio-economic phenomena, and a logical one.

Research methodology. Foreign experience shows that the level of innovation potential of a country and region is related to the specifics of economic development, which form their competitive advantages. World experience provides examples of increasing the competitiveness of territories and production complexes by implementing cluster regional policy. In many developed countries, industry clusters have become a common form of organizing business communities.

The methodology of cluster initiatives implemented in recent decades in different countries shows that their high competitiveness is based on the strong positions of individual clusters, which strengthen it and optimize the management of the national economy. Within the framework of the thematic focus of the article, we will consider in more detail the elements of the conceptual apparatus that are directly related to the management of the export potential of cluster systems.

Main part.

When creating cotton-textile clusters, the use of foreign and domestic experience in the formation of cluster production is of no small importance.

According to experts, clustering currently covers more than 50 economies of the world's leading countries; for example, the EU has over 2,000 clusters, employing 38% of its workforce. Danish, Finnish, Norwegian and Swedish industries are fully covered by clustering. Industrial clusters in Italy account for 43% of the number of people employed in the industry and more than 30% of national exports.

Increasing competitiveness based on the cluster approach has become widespread in the development strategies of most countries in the world.

The global practice of developed countries shows that a vertically integrated industry of “five stages” can be effective and competitive: raw cotton – fiber – yarn – fabric – finished garments.

The creation of cotton-textile and sewing clusters for our economy is not a new phenomenon, but simply a well-forgotten old one. The republic has accumulated a certain experience in the creation of territorial-industrial complexes, conceived as a form of spatial organization of the productive forces of socialist society, most fully meeting the tasks of their development in the conditions of scientific and technical revolution. Within the framework of a socialist economy, compared to isolated enterprises, the planned formation of territorial-industrial complexes made it possible to obtain a comparatively high economic effect through the combination and cooperation of enterprises, the rational use of natural and labor resources, secondary raw materials, transport networks, and the reduction of the cost of construction of auxiliary and service enterprises, engineering communications, and socio-cultural facilities. Despite the external similarity, the mechanisms of emergence, existence and development of clusters and territorial-industrial complexes are fundamentally different. Unlike territorial-industrial complexes, a cluster is a purely market concept. The enterprises and organizations that make up a cluster are, in the overwhelming majority, independent economic entities, and competition within a cluster is no less an important driving force for its development as a whole than cooperation.

At the same time, the Soviet experience of building territorial-industrial complexes can be partly used in the creation of modern clusters in the cotton-textile industry of the Uzbek Republic. The current absence in Uzbekistan of strict plans and consumption sectors distributed among producers requires the formation of a new system of mutually beneficial agreements within the framework of priorities and rules established by the state. It should be taken into account that each of the participants solves its own specific tasks, determined by its statutory, program, and regulatory documents. Experts note that clustering of the economy is one of the effective means of solving the large-scale tasks that Uzbekistan faces. And the basis for this direction is gradually being created. Clusters provide companies with a reduction in costs associated with marketing. Another important fact is that advertising costs are reduced in clusters, since the companies included in these communities pool their resources to promote their products. This would be very useful for domestic clothing manufacturers, since none of them can currently conduct a large-scale advertising campaign. Of course, with all their advantages, clusters also have a significant disadvantage: they require colossal expenses associated with land lease, installation of communications, establishment of infrastructure, etc. Therefore, in a developed country, the state

always takes part in the creation of a cluster. For example, this approach is confirmed by the experience of creating the world's largest clothing industry clusters in Italy, Turkey and China.

In these countries, special zones were identified where a favorable investment climate, preferential taxation, attractive lending conditions, and favorable real estate rental conditions were created.

Today, textile clusters are created in the UAE, Mexico, Brazil and Kazakhstan. Of course, there is potential for creating similar clusters in Uzbekistan today. In our opinion, the main problems for the formation of a cotton-textile cluster are the following:

The first step is to restore the required volume of cotton production as the main raw material base for the creation of cotton-textile clusters.

In addition, the following factors are related to the problems in the republic's cotton industry:

- transition to new economic (market) relations and destruction of the material and technical base of the industry;
- high cost of cotton harvesting equipment, mineral and organic fertilizers, low quality of seeds, poor functioning of the melioration and irrigation system, uncertainty of relations between cotton producers and its processors;
- violation of agro-technological measures in the process of cotton cultivation, which directly affect the cotton yield;
- termination of the study of soil composition and compilation of cartograms of agricultural lands;
- cultivation of cotton in one field for many years has caused the emergence and spread of diseases and pests;
- existing systems of economic regulation, financing and lending do not contribute to increasing the efficiency of the cotton industry and do not provide the necessary level of demand for appropriate credit and other resources;
- a shortage of highly qualified specialists in this area.

The creation of cotton-textile clusters promotes the development and expansion of inter-industry links not only between producers and processors of raw materials, but also between other enterprises in related industries, i.e. suppliers of means of production, financial institutions, market infrastructure entities, government agencies, research institutions, etc.

Analysis and research results.

Today, the word cluster is widely used in various fields of science. The word cluster comes from the English word "cluster", which means a group, a union of different things or people. In economics, a cluster is primarily understood as a union of different entities - organizations, manufacturing and service enterprises, research and educational institutions that are territorially close and functionally interconnected with each other.

Yu.A. Friedman identified the basic principles of cluster construction.

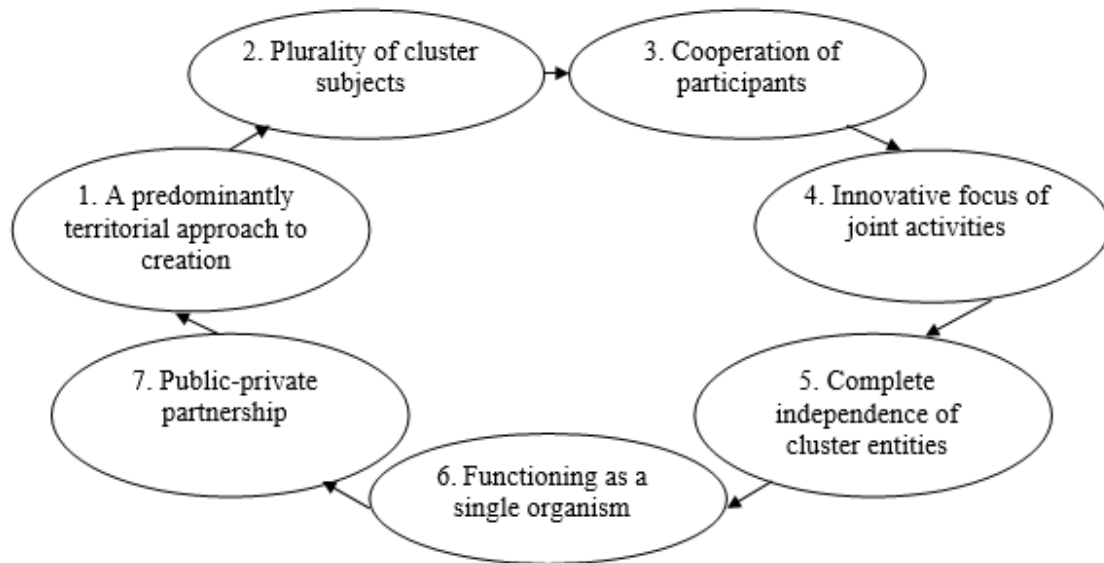


Figure 1. Basic principles of cluster construction.

According to the views of Uzbek scientists, the cluster approach to economic development is a new management technology; this approach makes it possible to increase the competitiveness of not only a separate territory or industry, but the entire country.

In our opinion, the following model for processing raw cotton can be proposed for the creation of a cotton-textile cluster:

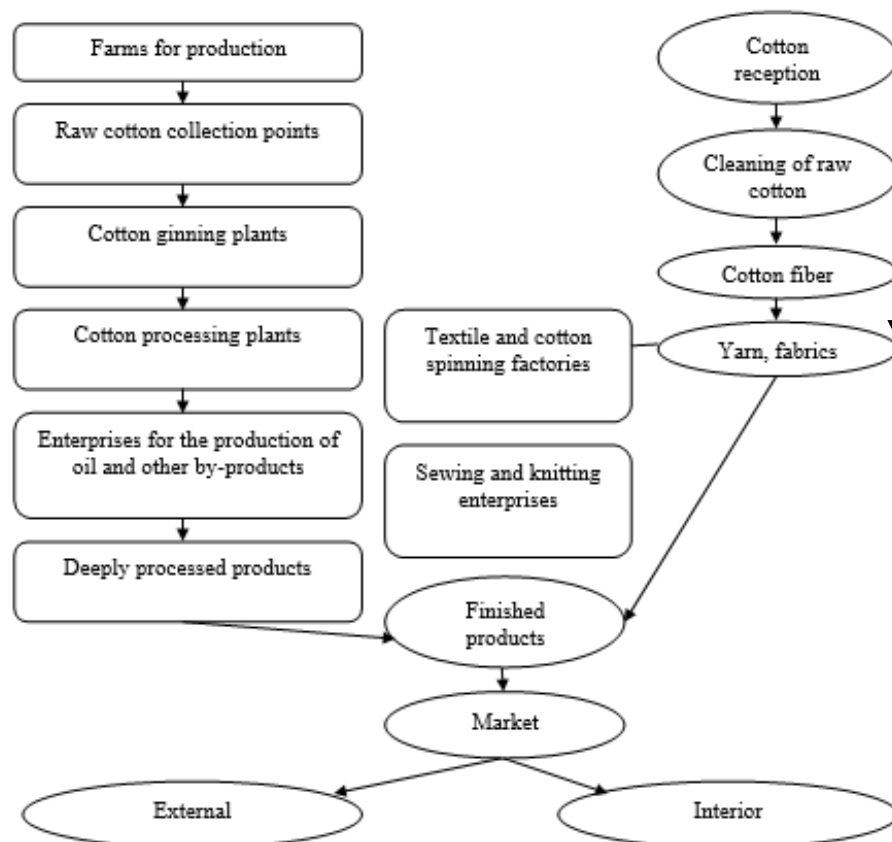


Figure 2. Model of the functioning of the cotton-textile cluster (the model is based on the study of the processes of processing raw cotton into finished products).

The functioning of clusters is the most complex form of agro-industrial interaction, where the interests of private enterprises, agricultural producers, processing enterprises, government agencies, and public organizations are intertwined.

In order to form cotton-textile clusters in the country, it is first necessary to restore enterprises for the production of yarn and fabric, which are the most competitive in comparison with other segments of the textile industry, since the added value of the final product is distributed as follows:

- textile production - 80%,
- cotton fiber production - 10%,
- ready-made clothing - about 1–3%.

Conclusion:

The creation of a competitive textile production will allow for the complete processing of cotton produced in Kyrgyzstan, thereby increasing added value and producing products necessary for further processing at our rapidly developing sewing enterprises.

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