

REGIONAL FEATURES OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP DEVELOPMENT BASED ON CLUSTERS

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Abstract

The most important direction in the development of our country's economy is the development of industry, in which the development of the cotton textile industry is of particular importance. Because an important factor in the development of the cotton textile industry is the availability of raw materials and the necessary infrastructure. In particular, a significant part of the gross regional product of the Namangan region is produced by light industry enterprises.

Introduction

Along with the emergence of new industries in the manufacturing sector of the Namangan region, large-scale work is being carried out to modernize and diversify the industrial sector, in particular the cotton-textile industry, technological renewal, and the effective use of existing local raw materials. . In 2016, 31.5% of raw cotton grown in the region was processed, and in 2022 this figure will be 100%.

One of the important directions for the development of light industry is the creation of new modern enterprises in the cotton and textile industry. In this direction, programs until 2025 have established a number of light industry clusters. Based on this, it was decided to deepen the processing of raw cotton grown in all areas of the region and provide the population with light industry products that are considered necessary, as well as export competitive products to foreign countries.

The second important direction for the development of the regional cotton-textile industry is the deepening of structural reforms aimed at diversifying industrial enterprises and sectors and increasing export potential. This is mainly achieved through the proportional development of various parts of the cotton-textile industry, expanding the production of competitive products that are in great demand today. For example, given the high demand for knitted products in the cotton textile industry today, this area will develop at a faster

pace, and cotton raw materials will be carefully processed using additional knitwear production lines.

One of the important directions for the development of the cotton textile industry is to increase labor productivity and reduce, to a certain extent, the cost of production by identifying existing opportunities in enterprises and promoting their effective use. Along with this, the production of competitive products will be launched by improving product quality. Figure 1 shows important directions for the development of the cotton textile industry.

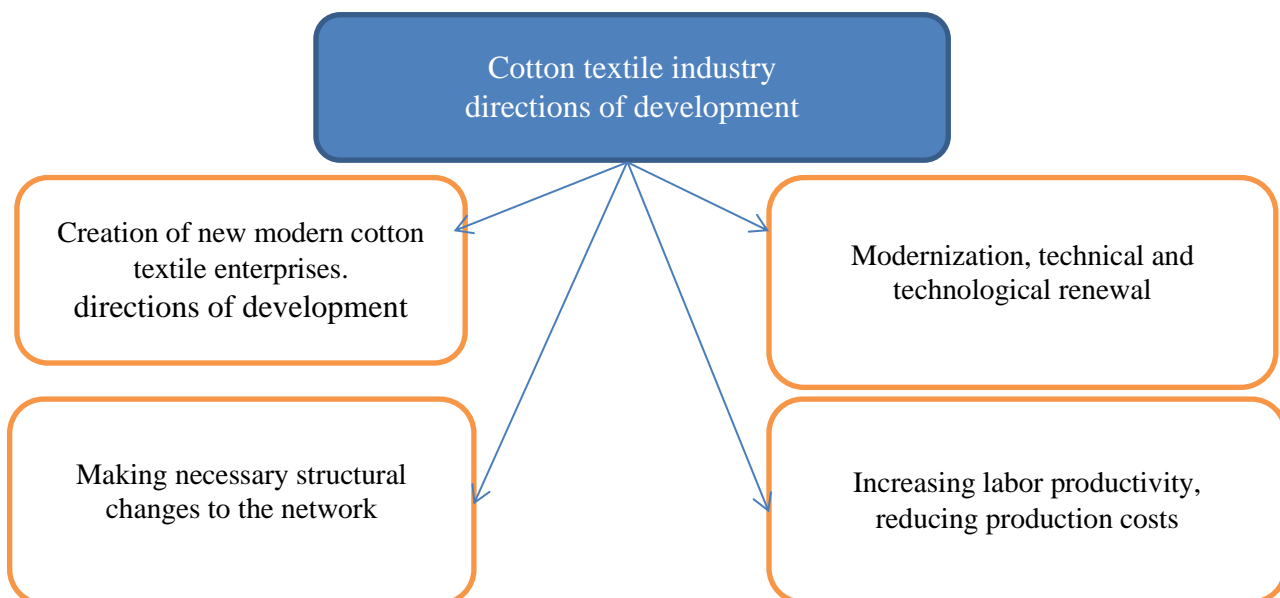


Figure 1. Important directions for the development of the cotton textile industry.

It should be noted that among the industries of our country, the cotton textile industry is of particular importance in terms of creating the greatest added value. Also, the textile industry is one of the leading sectors of employment. Our opinion is confirmed by the fact that almost 7 thousand manufacturing enterprises employ more than 200 thousand workers. As we mentioned above, the cotton textile industry is one of the most developed industries in the Namangan region. The significance of the further development of this industry for the region is due, first of all, to the availability of local raw materials, as well as the relatively high labor potential. This is also important from the point of view of finding solutions to problems such as employment and improving the standard of living of the population.

As in our country, in conditions when new production relations are being resolved in the Namangan region, a number of measures are being taken to develop cotton growing, which produces raw materials for the cotton-textile industry. While the area under cotton cultivation is shrinking, special attention is being paid to increasing yields.

Table 1 Dynamics of raw cotton cultivation in Namangan region, thousand tons*

T.r.	Indicators	2018	2019	2020	2021	2022
	Cotton area, ha	65606	63406	63406	63406	63406
	Cotton yield, c/ha	24.5	30.7	33.4	33.8	35.1
	Gross cotton harvest, thousand tons	160746	194559	211469	213827	222477

*Source: statistical data from the Department of Agriculture of the Namangan region.

As can be seen from the table data, it can be noted that in the period 2018-2022, the area under cotton cultivation in the region decreased. For example, in 2018, 160,746 tons of cotton were grown on 65,606 hectares of cultivated land in the region, in 2022 - 222,477 tons of cotton on 63,406 hectares. The 2018 numbers are based on declining productivity in cotton fields and cotton not being planted on marginal lands. In addition, it is clear that the gross harvest has sharply decreased in the Chortok and Chust districts, which are the foothills of the region, as a result of a reduction in the area sown with cotton, and also that the gross harvest has decreased as a result of a reduction in the area sown with cotton due to the annexation of part of the Namangan region to the city Namangan.

Before the introduction of the cluster system in the Namangan region, cotton yield was 24.0 centners, and as a result of the introduction of the cluster system in the network, the average yield increased by 10.1 centners and reached 35.1 centners in 2022. As a result, 27 thousand tons of additional raw cotton were collected compared to the comparison year. The main reason for this is the high interest of business entities in the cluster system. Because the customer of cotton raw materials, its manufacturer and processor, and supplier to consumers are embodied in the cluster system itself.

In 2017, 34.7% of raw cotton grown in the region was processed. Thanks to measures aimed at developing the cotton complex, special attention was paid to the organization of cotton-textile clusters both in the region and in all regions of the country. As a result, 100 percent of raw cotton grown in 2022 will be processed in the region's cotton-textile clusters.

The first cotton-textile cluster in the region was created in accordance with Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 253 dated March 31, 2018 "On additional measures to organize the activities of cotton-textile production and clusters." It was this decision that created the first cotton-textile cluster in the region - Textile Finance Namangan LLC. By a special decision, the Uchkurgan region of the region was allocated and annexed to this company. From the first years, it became possible to effectively organize the production process using the cluster method, reduce production costs, guarantee the sale of cotton raw materials, and stimulate the work of producers.

In 2018, the cluster enterprise supplied 5 modern seeders. 9,436 hectares of land were sown with seeds and cultivated in accordance with agrotechnical rules, 26,524 tons of raw cotton were grown, the average yield was 28.1 centners.

In 2019, 4 more cotton-textile clusters were created in the region. They were joined by farms operating on 55,182 hectares in 8 districts producing raw cotton.

23,218 hectares in 419 farms of the Mingbulok and Popsky districts of the Art Soft Tex Cluster farming enterprise region, 5,550 hectares in 117 farms of the Namangan district of Tashbulok Tex LLC of the Namangan region, 5,869 hectares in 151 farms of the Uychinsky district of Uchkurgan Textile LLC. hectares, Namangan Tkach LLC was instructed to grow raw cotton on 1067 hectares of 45 farms in the Chortok region and 4004 hectares in 228 farms in the Chust region. Also, Iftikhor Kiyim Sanoat LLC is assigned 6,038 hectares of land in 143 farms in the Norinsky district. In 2020, 3,955 hectares of land area of 172 farms in 2 more districts, that is, Kosonsoy district, were annexed to Namangan Pakhta Tex LLC, and 4,269 hectares of land from 91 farms in Torakorgan district were annexed to Namangan Tokimachi LLC.

By Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated September 19, 2018 No. 744 "On additional measures for the further development of cotton-textile production" in 2020, all farms growing raw cotton on 63,406 hectares of land in 10 districts of the region will be fully integrated into the cluster enterprises. By 2022, 7 enterprises of the cotton and textile cluster will operate in the region. the following: Art Soft Holding LLC, Namangan Textile LLC, Tashbulok Teks LLC, Namangan Pakhta Teks LLC, Textile Finance Namangan LLC, Uchkurgan Textile LLC, Iftikhor Kiyim Sanoat LLC.

Cotton-textile clusters created in the Namangan region solve the following tasks to achieve their goals:

- 1). Implementation of effective systems and methods for identifying strategic and priority areas and coordinating the cultivation of cotton and other agricultural crops;
- 2). Establishing economic, technical, technological and investment cooperation with foreign countries and enterprises;
- 3). Determining a competitive strategy based on regular studies of supply and demand for cotton textile products in the domestic and foreign markets;
- 4). Introduction of new technologies and advanced management methods into the activities of cluster enterprises;

As we mentioned above, clusters are an important factor in the formation and development of the infrastructure complex in rural areas, in addition to the use of high technological innovations that combine the processes of growing, processing and selling agricultural products into a single chain. , increase the competitiveness of agricultural products in the domestic and foreign markets. Also, business entities in the cluster system are business entities that improve the quality of agricultural products and ensure environmental cleanliness.

Through the introduction of clusters, deterioration in the quality of agricultural products in the processes of production, storage and processing is prevented, and a system of infrastructures serving these processes is formed. For this purpose According to the resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated September 5, 2019 No. 736 "On measures to create agro-industrial clusters in the Mingbulok and Pop districts of the Namangan region" The limited liability company "Art Soft Holding" was created. The purpose of this is to attract direct investment in the further development of the agricultural

sector of the Namangan region, creating infrastructure based on advanced technologies, increasing economic and export potential, and deepening the processing of agricultural products grown in the region. Organizing a set of enterprises included in a single technological chain to create new jobs means creating and increasing labor productivity in the network.

cotton-textile clusters of Namangan regionThe main goal is the formation of a modern textile industry, processing of cotton raw materials, ensuring organic connection between deep processing enterprises and farms growing cotton raw materials, stimulating the attraction of foreign investment in these processes, increasing labor productivity and wages. in a cluster system.

It is also necessary to provide business entities with the necessary resources, support them in the direction of education and innovation, and act on the basis of mutual integration with a number of companies that supply other components, educational and innovative research centers.

The main tasks of the clusters were identified:

- increase soil fertility, rational and efficient use of arable land, identify and implement measures in this regard;
- introduction of advanced scientific achievements, modern methods of growing raw cotton, sorghum and other agricultural crops, advanced innovative agricultural technology and water-saving technologies;
- use of effective methods and technologies for growing agricultural products and deep processing with the attraction of foreign direct investment;
- production of export products of competitive quality through deep processing of raw materials;
- development of greenhouse complexes;
- establishing the effective use of logistics services;
- in collaboration with scientific and educational institutions, conducting scientific research in the field of growing agricultural crops, selection and creation of new varieties and hybrid seeds in the field of seed production.

The last link in the cluster chain is the consumer market. The main emphasis should be on the foreign market. Because special attention is paid to increasing the weight of Uzbek national products and increasing their competitiveness in the global textile market.

A number of factors influence an increase in production in cotton-textile clusters and an increase in its economic efficiency:

- *Natural factors*- climatic conditions of the region, topography, geographical location, soil composition, flora and fauna, surface and underground reserves, land reserves, mineral reserves, environmental situation.
- *Economic forces*- production capacity, production infrastructure, social infrastructure, market infrastructure, investment activity, population and labor resources, domestic demand, innovation, management system, local budget, etc.

The identification and implementation of measures aimed at the further development of cotton-textile clusters and increasing its contribution to the gross regional product created in the region is one of the pressing issues of our time. It is known that a market economy requires the use of effective ways of doing business. This ensures the economical use of various materials, raw materials and other economic resources, the efficient use of existing machinery and equipment, increasing worker productivity, reducing unit costs and ultimately increasing the production efficiency of the enterprise. As can be seen from the above, increasing production efficiency is influenced by several factors:

- Accelerating the development of science and technology and the immediate implementation of its results in production;
- Rational organization of production, specialization and cooperation;
- Motivate employees and increase their activity;
- rational and economical use of available natural, material and labor resources, search and use of low-quality raw materials and energy, new productive varieties of agricultural crops, especially productive varieties in cotton seed production;
- Increasing the level of knowledge and professional skills of workers, training qualified workers and specialists;

It is known that the stable operation and development of cotton-textile clusters directly depend on the activities of farms growing cotton raw materials. Taking this into account, we can identify the following system of factors influencing the development of cotton production and increasing its economic efficiency.

We consider it appropriate to use the following factor indicators when assessing the activities of cotton-textile clusters in the Namangan region and determining the level of economic efficiency:

❖ By financial factors:

- increase in profits of enterprises included in the cluster - net profit;
- reducing the cost of production at the enterprise - the contribution of costs to the volume of products sold, 1 sum of fixed costs for products sold. The cost of production is a monetary reflection of the funds spent on factors necessary for the production and commercial activities of the enterprise. They appear in the product cost index and are the monetary expression of all material costs, production and sales costs, and labor costs.
- increasing the share of cotton-textile cluster products in the national and global textile market and the volume of income from product sales.

❖ According to the factor of buyers in the domestic and foreign markets:

- the volume of products sold by cotton-textile clusters and the amount of income from it.

❖ Internal business environment in cotton-textile clusters:

- purchase of modern and new equipment by clusters - as well as the book value of fixed assets;
- implementation of a system of measures to reduce enterprise costs - the contribution of operating costs to the cost of manufactured products;

- the state of updating the composition and range of products manufactured at the enterprise;

❖ Increasing the potential of education and personnel in cotton-textile clusters;

- preservation of existing labor collectives at enterprises included in the clusters - number of employees;

- ensuring an optimal ratio of labor productivity and wage growth at the enterprise - proportionality of the volume of production per 1 employee and the amount of the average wage to it;

- increase the level of satisfaction of employees working at the enterprise - prevent negative situations arising in the production process;

Today, the development of cotton-textile clusters and their economic activities are established taking into account the above factors influencing the achievement of efficiency. In particular, opportunities have been created for the creation of cotton-textile clusters in the Namangan region, the production of finished textile products based on the cultivation of raw cotton and its deep processing, as well as its sale on the national and world markets. Cotton-textile clusters also create new jobs in rural areas and provide residents with regular income. All this means that the factors influencing the creation, development and achievement of economic efficiency of cotton-textile clusters are clearly defined and clearly justified from a scientific and economic point of view.

Today, the state has created all the legal, organizational and economic conditions for creating clusters. MotherBusiness entities operating in the cultivation and processing of raw cotton in our region, including in the Namangan region, have sufficient potential. Harmonization of the activities of these economic entities is possible and this is done on the basis of a cluster model.

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