

## Formation and Development of Regional Cotton-Textile Clusters

**Khalikov Talibjon Luptullayevich <sup>1</sup>**

### **Abstract**

*One of the most important branches of the regional economy of the Republic of Uzbekistan is the textile and clothing industry. After the market transformation, the textile and clothing industry, in comparison with other industries, has become one of the sectors of the national economy most adapted to market conditions, due to a fairly high capital turnover, efficient use of resource potential and production of essential goods, taking into account people's needs for quality and fashionable clothes and shoes. The textile and clothing industry for most regions of Uzbekistan acts as one of the main sectors of light industry in terms of growth in employment of the population, stable development of the country's regions, development of small businesses, increased tax revenues to the state and local budgets, as well as representation of Uzbekistan in foreign markets.*

**Keywords:** *textile production, investments, state support, benefits, action strategy.*

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<sup>1</sup> assistant of the department "Accounting and audit in other industries" of the Samarkand Institute of Economics and Service

## Introduction

Clustering of the textile and clothing industry in the region makes it possible to stimulate the optimal combination of factors of competition and cooperation in the industry, which is the most important condition for the stable development of the regional economy. Along with this, clusters are not only an effective mechanism for accelerating the development of the region's industry, but they can also create favorable conditions for optimal interaction between business, science and the state. Thus, the formation of a regional industrial cluster contributes to the achievement of a higher level of competitiveness of domestic products in domestic and foreign markets.

The advantage of clustering the region's economy lies in achieving an integrative economic effect resulting from a non-institutionalized merger of the region's basic textile and clothing enterprises. Clusters make it possible to increase the competitiveness of the region's industry both within the country and in the field of competition with foreign manufacturers, creating an effective mechanism for attracting investments. Examples of successful models for the development of regional industry in the world show that textile and clothing clusters play a special role in the processing of textile raw materials and the production of finished high-quality clothing products, contributing to the stable development of this industry in an increasingly competitive environment.

Thus, the presence of innovative textile clusters in the region makes it possible to change the content of regional economic policy, which will be aimed at developing a system of relationships between economic entities and state institutions. All of the above predetermines the relevance of the research topic.

The degree of scientific development of the problem. A significant contribution to solving the problems of the cluster formation management system was made by foreign researchers: Andersson T., Gilsinga V., Ketels K., Lindqvist G., Porter M., Roelandta T., Rosenfeld S., Sinderena J., Solwell O., Sor Vika J., Feather E., Fourre H., Hansson E., Hertoga P., Enright M. et al.

The theoretical substantiation of the organization of territorial clusters as a new form of organization of production at the regional level is presented in the works of Balashova N.N., Bandman M., Voronina L.A., Egorova I.E., Izmestyev A., Ketels K., Kleiner G., Kolosovsky N., Migranyana A.A., Pechatkina V.V., Pilipenko I., Polyakova V., Feldmana V., Yarakhmedova R.I. and etc. Different approaches to the definition of the concept of "cluster" were formed in the works of Voynarenko M.P., Voronov A.A., Voropov A., Kut'in V.M., Men'shenin I.G., Migranyan A.A., Prazdnichnykh A., Rosenfeld S., Tretyaka V.P., Haaga D., Tsikhana T.V., Jacobs D., Yalova D.A.

The theoretical foundations for the formation and functioning of regional clusters, the use of cluster models to ensure competitiveness and innovative development of the regional economy are considered in the works of Gromyko Yu.V., Kovalev Yu.P., Makaeva A.I., Markova L.S., Pilipenko I. V., Porter M., Haag D., Yagolnitsner M. A. et al.

**The goal of the work** is a theoretical substantiation of the conceptual aspects of the formation and development of regional industrial clusters and the development of practical recommendations for the effective functioning of the textile and clothing cluster in a competitive environment.

In accordance with the goal set in the work, the solution of the following tasks was set:

- research and refinement of theoretical approaches to the definition and typology of building regional industrial clusters;
- assessment of the prerequisites for the creation of regional industrial clusters in the regions of Uzbekistan, taking into account the analysis of the economic potential and determinants of the formation of the competitive advantages of the region;
- identification of the main directions of formation and development of the textile and clothing cluster in the region and assessment of the role of the state in this process;
- development of an organizational and economic mechanism for the creation and functioning of a textile and clothing cluster in the region;
- determination of the main directions of state support in the process of forming a regional textile and clothing cluster.

**The object of the study** is regional textile and clothing enterprises that can initiate the process of cluster formation in the regions of Uzbekistan.

**The subject of the study** is the socio-economic and industrial relations that arise in the process of developing an integration form of cooperation in the context of the formation of a regional textile and clothing cluster.

**Research methodology.** In the process of work, general scientific methods and techniques were used, in particular, scientific abstraction, analysis and synthesis, modeling, statistical groupings, comparisons, classifications, expert assessments, questionnaires, etc.

**The scientific novelty of the study** lies in the theoretical substantiation of the conceptual aspects of the formation and development of regional industrial clusters and the development of practical recommendations for the effective functioning of the regional textile and clothing cluster in a competitive environment. The most significant results of the study, which have scientific novelty, are the following:

- clarified the essence of the concept of an industrial cluster as a special type of organization of industrial, technological, scientific and commercial relations between enterprises of the industry, the formation and sustainable development of which is due to the presence of certain prerequisites that are of direct importance when choosing the types and forms of creating future clusters that optimally correspond to the vectorial inertia of the flow of social - economic processes originating from successive signs of production relations formed between the business structures of the region at a certain historical stage;
- systematized the typology of building regional textile and clothing clusters based on the identification of the basic principles and conditions for their creation and sustainable functioning, aimed primarily at activating and improving the innovative environment of the region based on the implementation of the priorities of the innovative economy, contributing to strengthening the competitive advantages of business structures and increasing their export potential with taking into account more efficient use of natural and economic potential.

Systematization of the scientific views of economists regarding the essence of the cluster showed that clusters in economics are considered in two versions. In the first variant, a cluster is considered as a geographically close group of interrelated companies and interacting institutions

in a specific area, connected by commonalities and complementarities, which correspond to the first of the selected approaches. In the second option, the cluster is considered as a number of industries connected through buyer-supplier or supplier-buyer relationships, through common technologies, common procurement or distribution channels, common labor relations, which is closer to the second option. In the course of their evolution, many clusters appeared spontaneously, and then developed periodically, moving to new stages of the cluster life cycle from inception to decline. The existing classifications of a regional industrial cluster are generalized, the methodologies for classifying regional industrial clusters are clarified depending on the experience of developing innovative clusters (geographical, vertically integrated, horizontally integrated, scientific, educational and organizational-institutional clusters), by the degree of industry coverage (intersectoral and megaclusters) according to degrees of maturity (nascent clusters, established clusters, and decaying clusters) by level of development (strong, sustainable, potential, latent), as well as by the scale of activity (international, national and regional). When studying regional clusters, the most important criteria for classifying the typology of building clusters are industry affiliation, factors in the development of a regional cluster, the stage of formation and development of a cluster, the internal structure of a cluster, the way cluster members appear on the scale of its activities.

The main directions for increasing the role of the state in the formation of a regional textile and clothing cluster are identified, and a mechanism is being developed by which the government can support the process of forming clusters. The forms of state support at the national and local levels have been identified. Government support stimulates the expansion of the number of suppliers in the value chain. Compared to economy-wide government support, government actions at the cluster level can be better targeted at solving specific problems of the region's industry, especially issues of their interaction with related and supporting enterprises.

### **Conclusion**

Regardless of the fact that state financial support plays an important role in the development of entrepreneurial activity in the region, given the limited nature of state resources, enterprises that have access to such resources may also experience pressure from the state to demonstrate the effectiveness of spent investments in the implementation of cluster initiatives. There are two directions for the implementation of the state cluster policy: 1) creating favorable conditions for the development of clusters in various industries and in various territories; 2) targeted stimulation of the formation and development of clusters. The duality of state policy determines the possibility of using such management methods as program and project.

When developing a cluster program and state programs to support regional industrial clusters, it is necessary not to make mistakes of a general nature. In particular, cluster programs at different levels of government should be coordinated with representatives of the business community, cluster programs should not differ much from other industry programs and be focused on the development of industry interaction, allowing turning clusters into a unique platform for various events, allowing increasing the competitiveness of the cluster.

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