

Analysis of The Value-Added Chain in The Textile Sector of The Economy of Uzbekistan

Umarchodjaeva Muyassar Ganievna

Ph.D, Associate Professor At “Corporate Governance” Department At Tashkent State University Of Economics, Tashkent, Uzbekistan

Abstract. The purpose of the study is to develop proposals and recommendations for improving the mechanisms for managing the export potential of textile clusters in the Republic of Uzbekistan.

Keywords: Export, potential, textile clusters, production efficiency, competitiveness, textiles.

1. INTRODUCTION

In world practice, methods and mechanisms for managing the export potential of textile clusters are widely used. World practice indicates that the processes of creating cluster associations of organizations have been activated over the past twenty years. In developed countries, more than 50% of enterprises work within clusters, and the share of gross domestic product produced in them increases from 60%. World experience shows that it is the national economy, as well as the clustered approach in the construction of regional economic systems, that is an important condition for improving production efficiency, competitiveness and the well-being of the population. This confirms the importance of the chosen research topic.

It is proposed by the world's leading scientific research institutes to improve existing innovation methods and methodological approaches to assess the effectiveness of the economic activities of textile cluster systems. The scientific directions of improving the mechanisms of export potential management of textile clusters, the transition from the “cost management” paradigm to the “results management” paradigm, the use of economic-mathematical modeling and extensive forecasting methods, improving the efficiency of textile cluster management, the introduction of digital technologies to create a holistic information environment in the textile industry.

2. LITERATURE REVIEW

The basis of the cluster approach in economics is P.Maskell, M.Lorenzen, M.Porter, M.Storper, M.Enright, P.Resenfeld, T.Andersen, S.Breschi, P.Druker, M.Castells, K.Ketels, E.Canari, Yu.Kimura, P.Krugman, K.Kutsun, A.Kuchiki, B.Lundval, R.M.Marsh, G.Mensch, U.Migari, O.Solvable, G.White, K.Freeman, P.Harrison, J.Henderson, D.Hiljers, J.Studied by Schumpeter et al.

Among modern scientists who were engaged in cluster forms of the organization of textile production, d.P.Barsukov, D.M.Begov, V.I.Vagizova, V.V.Yilin, Yu.A.Axenbach, N.N.Shutco, G.D.Bouche, L.L.Butuzova, R.R.Tokhchukov, E.V.Chemodanov, A.Friedman, A.A.Migranyan, T.V.Uskova, E.V.Volkodavova, T.I.Maksimova, L.I.Pronyaeva, O.A.Fedotenkova, A.V.Pavlova, V.V.Pechatkin, M.A.Nikolaev and others can be mentioned separately.

Among domestic scientists, the priorities for the development of textile clusters are S.S.Ghulomov, N.X.Jumaev, M.Sharifkhojaev, Yo.Abdullaev, N.GR.Yoldashev, M.R.Boltabaev, Z.T.Gaibnazarov, E.A.Muminov, Z.A.Khakimov, P.Sh.Yusupov, X.Kodirov, K.R.Honkeldieva, F.P.Azimova, I.A.Studied directly or indirectly by toshpulatov et al.

At the same time, despite the presence of numerous studies of domestic and foreign economists in this area, the issues of improving textile clusters and optimizing the export of textile products require additional research.

3. ANALYSIS AND RESULTS

The most important component of the economic changes taking place in Uzbekistan is the reform of the national economy and its transition to the path of innovation development, one of which is the introduction of a cluster system.

As you know, the contribution of the agrarian sector to the GDP of Uzbekistan in 2021 amounted to 24.9% (figure 2.6). 2021 3.543 million in the agrarian sector. the person worked (26% of the total number of employed), of which 1,066 million were employed. the person is officially employed and receives 2,477 million. a person works in the informal sector or on a self-employment basis. The sale of agricultural products abroad brings 25% of total export receipts to Uzbekistan.

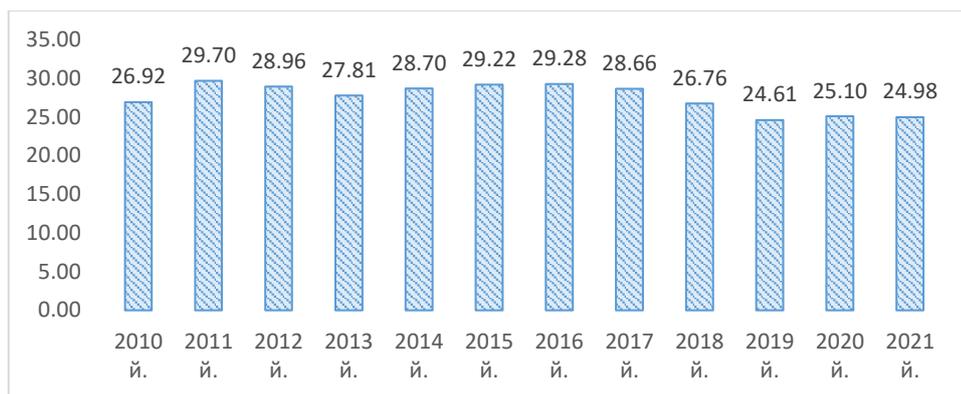


Figure 1. Share of the added value of the agricultural sector in the GDP of the Republic of Uzbekistan in 2010-2021

In the 2010-2020 GDP, the scale of change in the share of gross value added of networks was around 4.5-5% (from 88.01% in 2010 to 92.64% in 2020). It is worth noting that the share of the agrarian sector in gross value added is about a third of the total added value, with the 2020 share of the agrarian sector being the smallest among the sectors, falling to 27% (figure 2).

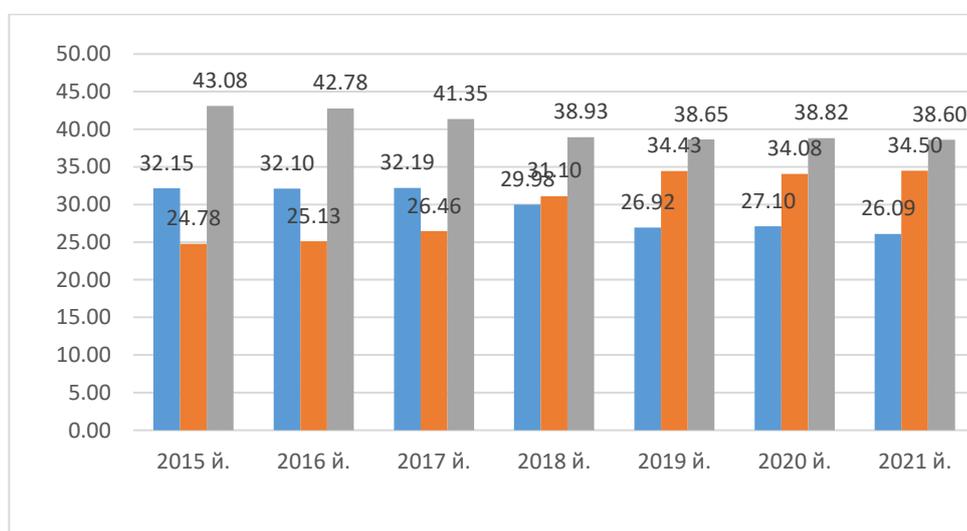


Figure 2. The share of networks in the value added to the GDP of Uzbekistan in 2015-2021

According to local economists, nowadays Uzbekistan's textile and sewing and knitting industry is one of the dynamically developing sectors of the country's economy, which is greatly facilitated by the presence of its own raw material base and the growing demand for manufactured products. Due to its competitive potential, it occupies one of the leading places in the organization of new enterprises, ensuring employment, attracting foreign investments in the export of products, and is also studied as one of the strategically important directions in the Universal specialization of the country's national economy.

The share of textile exports in the total volume of 2021 Uzbek export operas reached its highest value in the period 2010-2021 (figure 3).

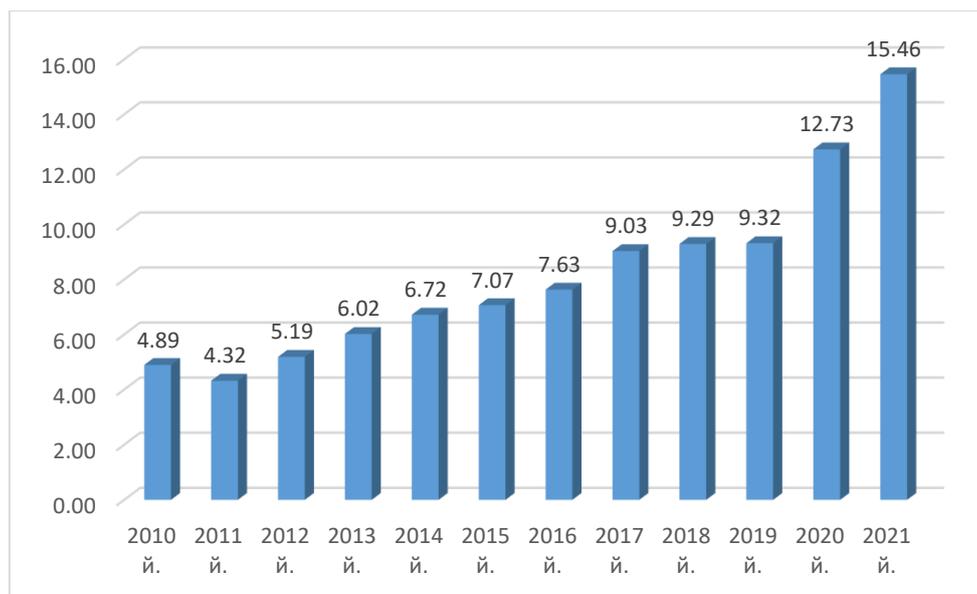


Figure 3. Share of exports of textile products of Uzbekistan in the total volume of exports of the country in 2010-2021

Within the framework of the annual state programs, activities aimed at the implementation of strategic priorities for the development of the textile industry of Uzbekistan, including: increasing the share of the textile industry in the economy, the introduction of advanced management technologies, as well as the development of a cluster model, which, starting from the cultivation of raw cotton, ended with the production of

In the Republic of Uzbekistan, at the beginning of 2022, there were 134 cotton-textile clusters with a total area of about 908 thousand hectares. When these indicators are considered in the cross section of the regions, the Andijan region is numerically leading, and the Kashkadarya region is leading in terms of cotton fields occupied by clusters. The largest part of the clusters was formed during the period 2019-2021

In 2021, 72% of the total number of cluster structures was established. The number of clusters in Tashkent region in 2021 exceeded 20.

As noted in the data of the Uzbek government, over the past few years, the cluster system for the production of textile products has shown its effectiveness sufficiently. However, problems of a systemic nature still exist, and to solve them, the Union of cotton-textile clusters of Uzbekistan was established in the Republic. The main purpose of the organization of the association is to introduce the latest technologies and innovations to the textile industry, increase the size and quality of exported products, assess economic efficiency. Assessment of cluster activity is carried out in a scoring system in the following direction:

- the level of Organization of a continuous chain of production, from the cultivation of cotton to the sale of it as a finished product per hour (50% of the total assessment indicator);

- effective use of land and Water Resources, the level of application of modern techniques and technologies (30 %);

- degree of ensuring the interest of farms in the amount of time (10 %);

- other issues related to the effectiveness of the activity of clusters in the clock (10%).

In 2021, the export volume of textile clusters of Uzbekistan increased more than 8 times compared to 2019 by 3.2 trillion. amounted to more than a sum.

Uzbekistan, which is distinguished from the point of view of the potential for the development of the agrarian sphere, is a unique country with a wide variety of natural and climatic zones, including a subtropical zone, rich in sunlight, divided into horizontal and vertical zones.

All agrarian resources of Uzbekistan are active, they are involved in the national economy and are in full use.

As mentioned above, since 2017, the implementation of cluster initiatives has begun in Uzbekistan, including in the tobacco industry. In particular, in enterprises of the textile industry of the Republic, a system of direct purchase of cotton raw materials from their local manufacturers was introduced experimentally. This made it possible to create a single production chain covering the process, from the cultivation of cotton to the production of finished products and its sale both in the domestic market and to exports. One of the most important advantages of including such is that the costs of all business entities involved in the chain have been reduced.

The introduction of a cluster system in Uzbekistan has shown its relevance and economic efficiency during the period of its existence. It is known that in 2020, more than 90% of the total cotton crop in our country was

harvested in clusters. Studies confirm that due to the introduction of cluster initiatives, the yield of cotton in our Republic increased by 6.2 centners in 2020 compared with 2017. The main thing is that the volume of products produced in the textile industry has grown significantly – three times–, as well as the share of the textile industry in the country's gross product exceeds 5%, reaching a record high of 12.4% at the beginning of 2021. Due to the transition to the production and sale of finished products, it can be noted that positive structural changes have occurred in the production of textiles and clothing itself.

Thus, the introduction of cluster initiatives that envisage the formation of a common production chain with high added value made it possible to transform the industry from a raw material industry into a final consumer and export-oriented industry.

The author proposes to develop missing or underdeveloped branches of the chain, which increase the efficiency of cluster structures – they require the development and updating of information about the activities of the branches: “analysis of the economic efficiency of the cluster”. Is” marketing and branding ” and includes feedback on the product, its features, customer needs and preferences, new product development and product promotion. To analyze the economic efficiency of the cluster, we propose to determine the quality of added value of a textile enterprise based on the use of the following group of indicators: value-added dynamics, value-added composition and efficiency of the use of enterprise resources

The calculation of the above indicators makes it possible to compare the structural elements of the added value, as well as the General Dynamics, which are recommended to be calculated using the following formula:

$$KK = \sqrt[3]{K_1 \cdot K_2 \cdot K_3} + \sqrt[5]{K_4 \cdot K_5 \cdot K_6 \cdot K_7 \cdot K_8} \quad (2.2)$$

The production of tin from natural materials, the production of textile materials (woven, non-woven, knitted) and the observation of the value added chain is a difficult task due to the absence of detailed statistics on finishing, design, marketing and sales of finished products. But since the production process in Uzbekistan covers all stages from the production of raw materials to the finished cotton product, it is possible to comment on the complete value-added chain in the textile industry of the Republic.

4. CONCLUSIONS

Thus, the introduction of clustering in the textile industry of Uzbekistan made it possible to achieve high results, in particular, production improved qualitatively, the export potential of the network increased, and the competitiveness of textile products increased significantly. The export potential of the textile industry of Uzbekistan is now on the rise. The country has tremendous opportunities for further promotion. Most importantly, the world-class market conjuncture almost coincides with the comparative advantages of Uzbekistan, now it is necessary to turn them into competitive advantages for the textile network.

With the help of the results obtained, the main directions of improving the mechanisms of export capacity management of textile clusters of Uzbekistan were highlighted:

implementation of a clear system for monitoring the export potential of textile clusters based on an integrated assessment of indicators that take into account the internal and external export potential of the cluster;

wide introduction of advanced ICT, Innovation Technologies, know-how, design developments into the production process;

improving the system of training, retraining and professional development of personnel for the textile industry;

creating new jobs taking into account the labor capacity of this network and its potential in ensuring employment of the population;

wide application of scientific methods of economic-mathematical modeling and forecasting in order to improve the efficiency of export potential management of textile clusters.

REFERENCES

- [1] Mantayeva E.I., Goldenova V.S. On the role of the industrial cluster in the development of the regional economy // Bulletin of the Volga. Series 3: Economics. Ecology. 2017. No. 1 (38). p. 46. URL: <https://cyberleninka.ru>Maskell P., Larenzen M. The Cluster as Market Organization// DRUID Working Paper. 2003.
- [2] No 14. 2003. Porter Michael E. On Competition. - Boston: Harvard Business School, 1998;
- [3] Porter M. E. Clusters and the New Economics of Competition / M.E. Porter. // Harvard Business Review. – 2018. – Vol.76 (6). – P.77–90.
- [4] Porter M. E. Clusters and Competition: New Agen-das for Companies, Governments, and Institutions / M.E. Porter // Harvard Business School Working Paper. – 1998. – Vol.98-080. - P. 197-287.
- [5] Storper M. The Regional World: Territorial Development in Global Economy/ M. Storper. – N. Y.: Guilford Press, 1997. – 338 p.

- [6] Enright M.J. Why Clusters are the Way to Win the Game? // World Link, No 5, July/August, 1992. - Pp. 24, 25. De Propris, Lisa and Driffield, Nigel. The importance of clusters for spillovers from foreign direct investment and technology sourcing // Cambridge Journal of Economics. 2006. No 30.
- [7] Enright M.J. Why Clusters are the Way to Win the Game? // Word Link. - 1992. - No5, July/August. Rosenfeld S.A. Bringing Business Clusters into the Mainstream of Economic Development // European Planning Studies. 1997. No 5.
- [8] Soulie D. Filieres de Production et Integration Vertical. - Janvier: Annales des Mines. 1989. Tolenado J.A. Propjs des Filires Industrielles. Revue d'Economie Industrielle. V. 6. 1978. No 4.
- [9] Khamidov B., Zhumaniezova M. Multiplicative effect of agriculture. // Economic Review. № 6 (246) 2020 <https://review.uz/post/strategicheskie-prioritet-selskogo-xozyaystva>