

FORMATION OF CLUSTERS IS AN IMPORTANT FACTOR OF INCREASING THE COMPETITIVENESS OF THE ECONOMY

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Abstract: The article substantiates the cluster principle of the formation of new economic structures. The prerequisites, causes and mechanisms of creating network structures are analyzed. The features, advantages of production based on cluster schemes and barriers to the development of their activities are analyzed.

Key words: cluster, competitiveness, aggregation, integration structures, transaction costs, convergence.

Аннотация: Мақолада янги иқтисодий тузилмаларни шакллантиришнинг кластер тамойили асослаб берилган. Тармоқли тузилмаларни яратишнинг шарт-шароитлари, сабаблари ва механизмлари таҳлил қилинган. Кластер схемаси асосида ишлаб чиқаришнинг хусусиятлари, афзалликлари ҳамда улар фаолиятини ривожлантиришга тўсқинлик қилувчи омиллар таҳлил қилинган.

Калит сўзлар: кластер, рақобатбардошлик, агрегация, интеграциялашган тузилмалар, трансакция харажатлари, конвергенция.

Аннотация: В статье обосновывается кластерный принцип формирования новых структур экономики. Анализируются предпосылки, причины и механизмы создания сетевых структур. Анализируются особенности, преимущества производства на основе кластерных схем и барьеры в пути развития их деятельности.

Ключевые слова: кластер, конкурентоспособность, агрегация, интеграционные структуры, трансакционные издержки, конвергенция.

Introduction. Consideration of the competitiveness of the national economy has influenced the national economic policy on the processes taking place in the economy. If we take into account the conditions in which the world economy is developing - the processes of globalization, the growth in the number of transnational companies and the expansion of their areas of activity, the issues of developing economic competitiveness, taking into account the location factor, move forward.

Ensuring competitiveness on the scale of the regional and national economy is a complex process that requires systematic, consistent, evidence-based measures. This question is in the constant focus of economic science. However, despite the discussions, analyzes and scientific works of economists on this topic, there is no theory in science that fully reveals the essence of the term competitiveness of the



national economy. A generally accepted definition of the term competitiveness of the country's economy has not been developed. Although there is a clear definition of the competitiveness of an enterprise in science, it cannot be applied to the country's economy. The relevance of the topic and its high practical significance require a deeper theoretical study.

In many countries, the current structure of production has a negative impact on economic growth. In this case, we are talking about the fact that the links between sectors in the economy are not properly organized or broken. The task of economic science is to develop an economic policy mechanism capable of ensuring rapid economic growth and increasing competitiveness at the regional, national and international levels. In this case, it is advisable to develop a methodology for creating clusters that are considered intersectoral complexes. After all, clusters are a kind of "growth points" that eliminate the structural shortcomings of inter-industry relations and the single-industry structure of production that has developed in economic entities.

In the scientific views of M. Porter, he assigns the main place to clusters in the theory of national, state and local competitiveness.

Clusters are geographically aggregated, competing but cooperating related companies in specific industries, specialized vendors, service providers, firms in related industries, and organizations associated with their activities (e.g., standards universities, agencies, and trade associations) [7].

As mentioned above, special attention is paid to clusters in the fight against competition, since they make it possible to increase the efficiency of other institutions of the market economy, in particular, the state, universities and companies. “Clusters represent a new and complementary way of understanding public policy. Understanding the position of clusters in a particular region gives an idea of the internal characteristics of the economic production potential of clusters and the existing restrictions on their future development” [7].

Analysis of the literature on the topic. Many scientists in foreign countries and in our country deal with the issues of managing the competitiveness of the economies of countries. Although the cluster approach to the organization of production began to be applied in our country not so long ago, the founders of the theory of competition abroad have long been developing this direction.

The scientific basis for ensuring the competitiveness of countries in international trade was developed by the founder of the classical school Adam Smith in his theory of absolute superiority, and later by his student D. Ricardo developed the theory of relative advantage [2]. In these theories, for the first time, based on the fact that trade between countries is mutually beneficial, ways to maximize this benefit based on the capabilities (advantages) of the national economy were analyzed.



Michael Porter is the founder of the theory of using cluster schemes in competitive management. According to Michael Porter, the competitiveness of the economy of a country or region does not depend on such factors as the exchange rate, interest rate, budget deficit, cheap labor, natural resources, but on the productivity of production. Since the growth of labor productivity at manufacturing enterprises requires a systematic development of the economy, enterprises of various industries must improve the production process by improving product quality, expanding consumer properties, developing technologies, and increasing production efficiency [3].

Porter developed the determinants of a country's competitive advantage by grouping countries' competitive advantages into four groups (factor conditions, demand conditions, interconnected industries, sustainable strategy, structure, and competition). Between the factors there is a correlation and directly proportional relationship. As a unique tool for ensuring competitiveness, cluster schemes are proposed, which are defined as a group of related companies and related organizations that are geographically close and act together and complement each other within the same industry [3].

Later, this theory was developed in the studies of F. Raines. The economic views of F. Raines on competitiveness, like M. Porter, are mainly based on the development of indicators of the quality of the production process and product [4]. At the same time, the practice of creating cluster schemes has developed on the example of countries where a market economy has been operating for a long time.

G. Zakhidov's scientific research studies various aspects of increasing the competitiveness of the national economy and its industries in Uzbekistan, the theoretical and methodological foundations of cluster formation and organizational issues. In these studies, the cluster scheme for organizing production was analyzed as an important tool for implementing the country's regional policy and increasing the competitiveness of various sectors of the economy.

Analysis and discussion. At present, the use of the cluster approach in the organization of production is recognized as the most effective way to improve the structural structure of the country's economy. Clusters are now so popular all over the world that their coverage can reach a certain city, region, state or territory of several bordering countries [5]. Clusters usually include enterprises that produce finished goods, supply factors of production, spare parts, machinery, provide services, sometimes additional distribution channels and enterprises working with consumers, infrastructure providers, government organizations in the field of science and education, information and standardization. Business associations may also be organized within some clusters.

The cluster scheme has a high aggregating ability and fully covers the integral



links between various industries and sectors of the economy within the framework of regional networking [6].

The presence of clusters in the national economy, i.e. interrelated industries for the production of the main industry product, reflects the nature of competition and the role of geographical location in the formation of the country's competitive advantages.

Currently, industry clusters in Uzbekistan are not developed. The absence of clusters in competitive industries is a sign of the weakness of the republic's national superiority. The lack of supporting production does not even allow Uzbek enterprises to hope that they will move along with technological innovations in the world.

Clustering is the process of forming associations of closely related firms and industries that mutually help to increase each other's competitiveness. For the entire economy of the country, clusters play the role of growth points for the domestic market and the base of the international economy.

The cluster form of organization of the national economy of Uzbekistan would make it possible to determine important relationships between sectors for the implementation of the intended goals. This is a completely new approach to the question of the composition of the national economy, which allows you to systematically manage the creation of a competitive product (from training personnel capable of creating new ideas, from preparing or purchasing high-quality components and raw materials for the production and sale of the final product).

The main goal of the countries of the world in the development of their economy is to increase the competitiveness of their national economy and increase its share in the world market.

The strategic task in developing a cluster model at the regional level is to change the psychology of entrepreneurs, explaining to them the fact that economic cooperation between members of a cluster association is effective for all participants. Because representatives of the private sector love independence in economic activity and may perceive joining clusters as a restriction of their freedom. The clustering policy requires the modernization of the network, technological and institutional structure of social reproduction at the macro level.

A developed economy with a cluster structure will have the following characteristics:

- Availability of competitive enterprises;
- presence of competitive advantages in the regions and their effective use;
- territorial association of enterprises and organizations within clusters, not far from each other;
- Cluster members from a wide range;
- High level of constant organic connection and interaction between participants



[8].

The minimization of production costs in clusters is explained by economies of scale. In this case, the average total cost will decrease due to the decrease in the average fixed cost. An example of this is the cost of market research. Since all enterprises serve one consumer, that is, a single market, it is enough to study a specific market segment for the entire system. Clusters can also minimize transportation, storage, and maintenance costs. A decrease in average total cost will positively affect the cost of the product, and the product will have a clear price advantage in the market. This ensures price competition in the market.

The activity of clusters in the country is due to the peculiarities of the market economy, the business environment and the socio-economic policy of the state [9]. In terms of structure, innovation clusters are the most effective in terms of increasing competitiveness. In this case, the resource capabilities of vertically integrated enterprises will be combined, and a clearly oriented system for the dissemination of new knowledge, technologies and innovations will be created. This system can effectively and cost-effectively turn inventions into innovations and innovations into competitiveness. The inclusion of innovation clusters in areas with a high scientific and technical potential of the country creates special innovation zones. In developed countries, clusters in such areas serve different sectors and sectors of the economy, do not compete with each other and contribute to the development of the country.

It would be expedient to use the experience of China for the development of innovation clusters. “Innovation clusters: Tsinghua in Beijing or Fudong in Shanghai, appear around universities, as well as around special research and science and technology parks created by local authorities as business incubators. These clusters attract state grants, Chinese venture capital, and the best Chinese and foreign (mainly Chinese educated in Europe and the United States) specialists”[10].

In the context of globalization and growing international competition, we can observe clustering in India, Indonesia, Malaysia, Mexico, Nigeria, Chile and other countries, as well as in Arab countries (Morocco, Jordan, Syria, Lebanon, Egypt, Saudi Arabia, UAE, etc.). There are over 2,000 clusters in India, including 388 industrial and 1,657 handicraft enterprises. Clusters provide 60% of the country's exports, and some large clusters supply 90% of certain goods (clothes, jewelry and leather goods) produced in India. Small business in India tends to be concentrated around large industrial companies in metropolitan areas and large cities with large consumer markets and labor resources, combined with a developed industrial and social infrastructure. The number of small enterprises operating within different clusters can vary from 40-50 to 1700 (in the case of the technical equipment cluster in Delhi). Especially effective is the attitude of the Indian government to support the increase in the expert potential of clusters in the development of high-tech industries



and services (communication technologies, software, pharmaceuticals, etc.).

This is facilitated by the technical policy of the state, close cooperation between central authorities and regional and local authorities interested in the rapid development of the economy based on the relationship of large, medium and many small enterprises.

Thus, the experience of countries in transition confirms that the idea of cluster development should not be perceived as a state program for organizing clusters in the form of state intervention in the economy. Otherwise, an erroneous opinion arises that clusters can be purposefully created by political means. The cluster approach to industrial management completely changes the principles of state industrial policy. This is especially true for the former socialist countries, which leads to a complete restructuring of the state administration apparatus and a change in the outlook of local authorities. A different view of information about economic development is required - at the level of individual markets and companies, rather than sectors.

World practice shows that clusters rarely arise with the help of means and artificially, they arise and develop naturally in the presence of conditions in the form of the quality of production relations between industries.

The role of politics in this situation is to create conditions for the development of entrepreneurship, that is, to open companies, stimulate innovation, improve the investment environment, etc.

At the moment, industry, agriculture, automotive industry (clusters) are important for the economy of Uzbekistan, they provide the bulk of exports and make up most of the country's gross domestic product.

In the future, it is necessary to develop the cluster of information and telecommunication technologies of Uzbekistan (within 10 years it is necessary to move from the category of “relative cluster” to the category of “strong cluster”), thereby creating a resource as an alternative to the agricultural cluster operating in the “mature” market. Establish and develop the production of scientific and communication products in the currently existing special economic zones, create an education system, an innovative system for this industry, an interdependent production and service network so that they have independent value and create conditions for the development of sustainable competitive advantages. An example is the decree of the President of the Republic of Uzbekistan dated June 30, 2017 “On the establishment of the Mirzo Ulugbek Innovation Center”. It unites all developers working in the foreign market with their software product.

As a final product of the metallurgical cluster, we can obtain a blank of high-tech molds for mechanical engineering from various metal products. The mechanical engineering cluster is a vivid example of the availability of clusters to each other. The main specialization is the production of equipment for agriculture, energy, metallurgy



and construction. But the rapid development of specialized engineering can lead to its transformation into an independent cluster, a cluster with many specialized suppliers, service and engineering companies, research and innovation centers. While the competitiveness and development of machinery manufacturers is in demand by domestic demand as an important driving force, machinery companies are still unable to compete in the global market.

The energy cluster is expected to grow rapidly, including petrochemical, electric power, engineering companies, traditionally using highly energy efficient and environmental technologies. The food and construction clusters, as well as the health cluster, are designed to serve the domestic market and are important in terms of employment, but will grow more slowly than the overall growth of the economy in the next 10-15 years. On the contrary, a relatively young business-service cluster is gradually strengthening its position in the economy of Uzbekistan.

In all cases, the main evidence of the competitiveness of clusters is the high level of development of the system of interconnected institutions and networks as a result of market relations and effective competition. The formation of a national innovation system and the emergence of qualified personnel are measured by the norms of state policy.

The development of an innovation cluster is based on the theory of the product life cycle, the position of the company in the market, and its scientific and technical policy.

Some economic and organizational problems in countries may hinder the development of clusters. These problems are observed mainly in developing countries. These include disproportions in the distribution of productive forces, the underdevelopment of small businesses and private entrepreneurship in the country, the uneven development of infrastructure, mutual distrust between the organizers and the state, information asymmetry, and the imperfection of the competitive environment in networks.

Conclusions and offers.

In the process of studying the impact of clustering on the competitiveness of the economy, the following conclusions were drawn:

- in order to ensure the competitiveness of the economies of countries, the most effective in improving its structural structure is the cluster approach;
- clusters have the ability to produce products that are competitive in terms of price and quality based on their characteristics;
- The form and content of the activities of clusters in the country are determined by the peculiarities of the market economy, the business environment and the social and economic policy of the state.

Based on the results of the analysis, we make the following proposals:



- it is necessary to develop the activities of economic entities according to the cluster scheme as an important tool for increasing competitiveness at the macroeconomic level;
- it is expedient to use clusters as a means of mitigating disproportions in the socio-economic development of regions;
- special economic zones are favorable territories for the development of clusters due to their high investment attractiveness;
- to increase the competitiveness of the economy in the world market, it is advisable to direct the activity of clusters to export;
- reduction of various administrative barriers in order to stimulate the activity of investors, forms relations based on mutual trust between representatives of business and the state.

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