INVESTMENT MECHANISMS FOR THE DEVELOPMENT OF COTTON-TEXTILE CLUSTERS IN THE REPUBLIC OF UZBEKISTAN

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Abstract: *This article discusses the features of the adoption and development of the cluster approach in the cotton and textile industry of the Republic of Uzbekistan. There is given a review of scientific opinions of scientists and economists from developed countries on the state and direction of cluster policy development Some problems regarding investment policy in the formation and functioning of cotton-textile clusters are identified. Furthermore, provided recommendations on improving the investment mechanisms for the development of cotton-textile clusters in Uzbekistan.*

Keywords: *cluster, cotton-textile cluster, integration, cotton industry, added value, mechanisms, investment policy, economic mechanisms.*

Introduction. Nowadays, in our country, in several priority sectors, especially in the cotton industry, work is underway to organize production according to this method - a group of enterprises united in a single technological chain, where science, education and production are mutually integrated. In this integration, primary raw materials go through all stages of processing step by step, added value is added and turns into high quality end products.

The cluster approach is one of the ways to attract foreign investment to improve sustainable socio-economic development, create a suitable business environment and increase investment potential.

Being innovative structures with a high level of competition, clusters can provide significant opportunities for stable growth as a regional economy. As well as to other business entities, for the formation and development of clusters, the investment activity is an obligatory and essential factor stimulating the economic development of the market. In turn, clusters and clustering of industry contribute to the stabilization of the industry and increase the investment and innovation attractiveness of enterprises. At the present time, in our republic a number of initiatives are being carried out and foreign investment projects are being implemented in the framework of the program for the development of cotton-textile clusters

Research methodology. The theoretical and methodological basis of the study is the fundamental provisions of economic theory, including theoretical generalization and analysis of the foundations of clusters; regulatory and legislative documents of state bodies of the Republic of Uzbekistan. In addition, the research was based on the works of domestic and foreign scientists on the problem of cluster formation. In the work, the principles of comparative and structural-functional analysis, the principles of the systems approach, calculation and analytical, statistical and economic methods were applied, which together made it possible to reveal the structure and analyze the cause-and-effect patterns in clusters.

Literature review. The tasks of formation and functioning, as well as the introduction of the cluster method in their management of the competitiveness of enterprises are devoted to the works of foreign scientists of economic science such as: A. Marshall [2], M. Porter [3], A. Weber, S. Rosenfeld [4], P . Krugman, D. Solier, E. Dahmen [5] and others.

The founders of the emergence of the theory of "cluster" and the most popular researchers in this area are A. Marshall and M. Porter. It is necessary to note the significant scientific works of these two academic economists in the emergence and development of the world concept of clusters.

In addition, the features, types and principles of cluster development have been widely studied by researchers from the CIS countries. Russian scientists who have deeply studied the theory of economic clusters are A.N. Oleinik, N.V. Smorodinskaya, D.D. R.I. Katukov Kapelyushnikov, E.G. Karpova, I.N. Kolosovsky, A. B. Khudkovsky, I. I. Raskin, E.V. Ivanova, Yu.V. Yaremenko. Research on the promotion of the cluster approach in the cotton-textile industry of Uzbekistan was carried out by SS Gulyamov, NM Makhmudov [6], MA Rakhmatov, S. M. Kasymov, S. Salikhov, A. Sh. Bekmuradov [7], D. K. Akhmedov, Sh. I. Mustafakulov, M. Tillyakhodzhaev, D. Kurbanova [8], D. Mirzakhalilova [9] , G. Zakhidov [10], RA Gulyaev [11], AE Lugachev, Kh.S.Usmanov and others.

The available studies, despite the great scientific and practical significance, have a fragmentary feature that manifests itself in the consideration of one or several regulatory mechanisms, which confirms the need for further research in the field of state regulation of the agricultural sector of the economy in modern conditions of inter-farm relations along the technological chain of production of finished products based on the cluster.

It should also be noted that, to this day, the aspects of textile clusters in the formation of integration and increasing the efficiency of the industry have not been deeply studied. All this testifies to the urgency of this problem and requires its solution.

Analysis and Results

Measures for improving the investment development of clusters at the regional level can be divided into four large groups:

• measures to improve the investment development of industrial enterprises;

• measures for the implementation of cluster and other network forms of production development;

• measures to activate investment processes in municipalities;

• Measures to improve the institutions of investment development in the region.

Measures to improve the investment development of industrial enterprises. They can be divided into four directions.

1. Stabilization of internal sources of investment development:

• increasing the efficiency and sustainability of regional production;

• an increase in the volume and share of investments in processing industries in the total volume of investments in the region due to the attracted sources;

• more active involvement of organizations of the banking and financial sphere in solving the problems of investment development of the region. Formation of a system of crediting of industrial enterprises that meets the requirements and demands of the

regional economy. Increasing efficiency for the regional distribution economy; reproduction and stimulating functions of the loan. Development of new forms of credit for industrial enterprises.

2. Ensuring equal access for enterprises to investment sources and innovative technologies by expanding the list of projects included in the list of priority investment projects.

Foreign investors should be guaranteed comprehensive support in the implementation of projects being implemented and in resolving emerging issues.

Accordingly, one of the organizationally important functions of the state in the area of cluster policy is financing. Along with that, it should be noted that the state should become the main investor only at the initial stage of the development of the cluster.

But at the same time, it should be noted, despite the fact that this system has a number of advantages in the development of the national economy, it is necessary to carry out some measures related to investment mechanisms for its future development.

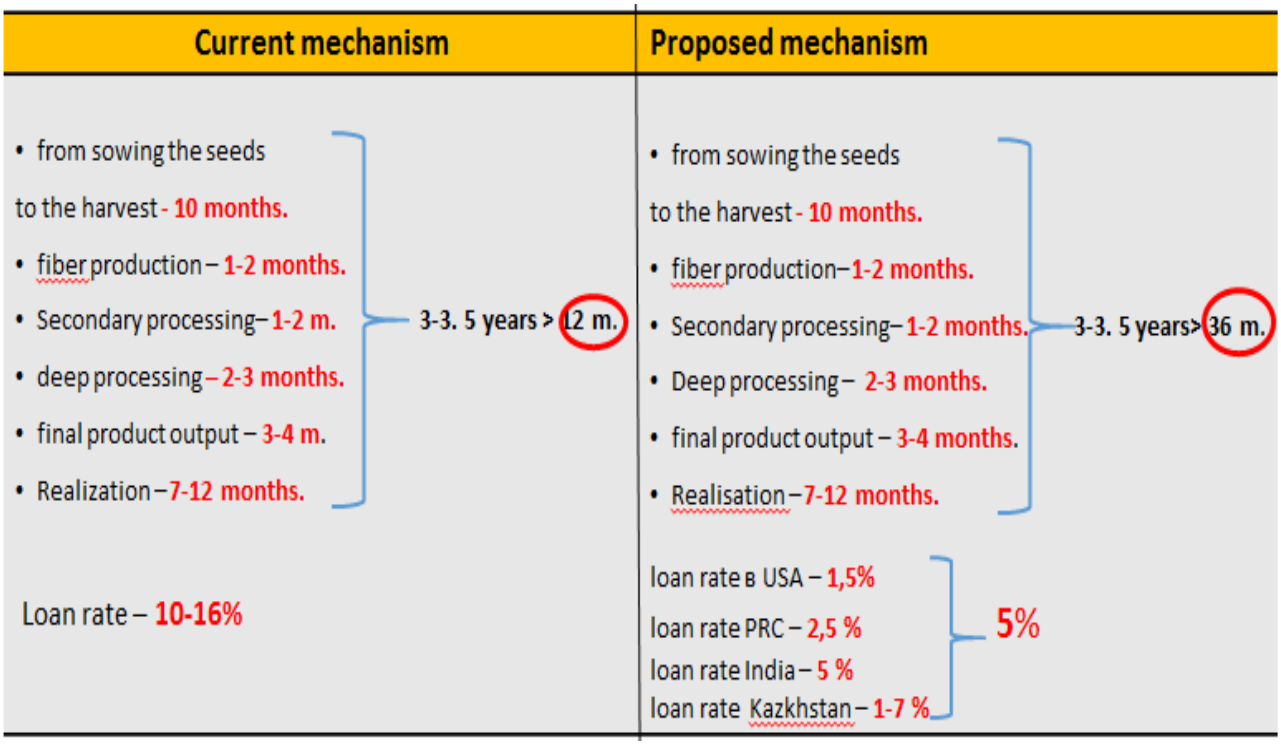


Figure 8. Current and proposed mechanism for financing cotton-textile clusters

Currently, the country's commercial banks provide cotton-textile clusters and cooperatives with loans to finance the cost of purchasing raw cotton and harvesting cotton produced by farms and other agricultural enterprises for up to 12 months.

The current financing mechanism for cotton growing is inappropriate and unacceptable, since it does not cover the period of the full production cycle.

For example, from sowing seeds to harvesting it will take 10 months, fiber production and deep processing - 7-8 months, final product release - 3-4 months, sales - 7-12 months.

Thus, investments in the cotton industry begin to return on average after 3–3.5 years. Therefore, it is necessary to revise the financing mechanism for the cotton industry.

There is a need to revise the loan repayment period. In particular, setting this timeframe within a 3-year timeframe would be most acceptable. Since, by that period, investments aimed at the cotton industry are beginning to return.

In order to effectively implement investment strategies, first of all, attention should be paid to preventing various barriers that impede the development of clusters:
- it is necessary to revise the fiscal policy, to reduce and eliminate some types of taxes in the period up to three years from the beginning of the clusters' activity.
- to provide the subjects of the cluster with the necessary production infrastructure;
- elimination of territorial disparities in the development of cotton and textile clusters in the regions;
- creation of an information base for attracting foreign investment;
- Conducting continuous monitoring of the activities of cotton and textile clusters in order to identify the most successful clusters.

Conclusions and recommendations

Today, one of the main obstacles to the development of clusters is the lack of a unified information platform that could provide access to data. It is obvious that a potential foreign company, before investing and establishing cooperation with Uzbek partners, in our case with clusters, carefully studies its history and activities. Therefore, it is necessary to implement a number of measures, in particular, to create a unified information base (Website) of industrial cooperatives and clusters. In foreign practice, in particular, in the USA, in the EU countries there are websites: http://www.clusterobservatory.eu/, https://www.clustercollaboration.eu, http://clustermapping.us.

Based on the above, we can conclude that investments are the main factor and a necessary source of the formation of cotton-textile clusters. Recently, measures have been taken to increase the investment attractiveness of the industry. And the main emphasis in this is placed on attracting foreign direct investment and creating clusters with the participation of foreign partners-investors.

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