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# Cluster Approach in Innovative Development of Agriculture

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**Abstract:** This article provides information on innovative approaches and clustering in the development of agriculture, as well as an analysis of the situation, opportunities and prospects of development of Uzbekistan in the process of economic and agrarian development. The experience of economically developed countries confirms that the development of agricultural production will not provide a high level of the population's need for food products without clearly implemented measures of state assistance in many areas of activity.

**Keywords:** Economy, innovation, agriculture, cluster, production, needs, food, integrate, agro-industrial complex, decentralization, management, environmental safety, socio-economic human rights, civil society institutions, income redistribution, scientific and technological progress, the elimination of structural and regional imbalances.

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The economic reforms carried out in the country are aimed at integrating the national economy of Uzbekistan into the world economy. To do this, two main conditions must be met: first, the principles and mechanisms that dominate the world economic community should be the basis for reforms; secondly, when carrying out reforms, the peculiarities of the previous development and the current state of the country's economy, the national culture and behavioural characteristics of the population, the duration of the transformation period and other factors and conditions shaping the development of the country should be taken into account.

These principles should also be implemented when creating a new management system for agro-industrial complexes (AIC) of the regions.

The decentralization of the management system carried out in the process of reform does not imply a complete rejection of state regulation of socio-economic processes. The need for such an approach is caused by the fact that the movement to the market is a complex process, of which the state must be an indispensable and active participant. It is known that the market is not able to solve many problems related to the needs of the whole society, the social unity of the country, the conduct of fundamental scientific research, long-term programs and, above all, the development of the agro-industrial complex of the regions. The expediency of regulating the market by carrying out certain policies in such areas as socio-economic, monetary, financial, structural and investment, and scientific and technical, has been recognized in all developed market countries. The role of the state is that it should establish and protect the general rules of the functioning of the market, using such forms of intervention as legislation, government orders, licensing of exports and imports, setting credit rates, various forms of stimulation and control of the rational use of natural resources, etc. The State is also entrusted with the task of filling non-market economic zones, which include: environmental safety, socio-economic human rights, civil society institutions, income redistribution, scientific and technological progress, the elimination of structural and regional imbalances, the development of effective international economic relations.

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At the same time, the experience of economically developed countries confirms that the development of agricultural production will not provide a high level of the population's need for food products without clearly implemented measures of state assistance in many areas of activity.

The stabilization of economic conditions and economic growth in the regions of Uzbekistan in recent years has created real prerequisites for the formation of clusters. In developed market countries, clusters of enterprises have been created for decades. The core of the cluster was strong enterprises with qualified management and a high level of corporate culture. The inclusion of homogeneous enterprises in the cluster contributed to the adoption of the management experience and corporate culture of the basic enterprise - the core of the cluster. At the same time, one of the tasks of creating clusters of small and medium-sized farms in agricultural production is to adapt to the continuous changes in the competitive environment and market demand, as well as to reduce the market influence of importers of agricultural products in the commodity markets of the regions of Uzbekistan. The creation of clusters can contribute to the production of goods (in particular food) with new properties.

It should be noted that small and medium-sized economic entities united in a cluster strengthen their competitiveness and position in the commodity market.

One of the leading commodity markets of any country is the food market, which causes the active development of agricultural clusters.

Primary agricultural producers are not interested in high margins of intermediaries and trade capes for the products sold for the following reasons:

- 1) an increase in the price of products leads to a decrease in its demand in the market, which sooner or later may lead to overproduction;
- 2) High intermediary margins and trade capes withdraw the profits of primary agricultural producers due to re-distribution processes. These factors increase the motivation of agricultural organizations to join clusters.

The most difficult moment of creating a cluster at the initial stage is to reach an agreement between entrepreneurs on the formation of cluster assets.

The unifying factors of the economic interests of creating a cluster can be:

- 1) implementation of a unified pricing policy in the commodity market;
- 2) expansion of the volume of production of goods and services by its participants;
- 3) implementation of a unified marketing policy;
- 4) Introduction of innovative technologies - as a result of integration and cooperation of production and its sale on commodity markets.

In any case, the clustering of agricultural production in the regions of the country is associated with the need to take into account the specialization of the regions.

It is necessary to pay attention when organizing agricultural clusters to such factors as organizational culture (corporate culture), various forms of democratization of management, participation of employees in profit distribution, ownership, management, in the choice of leadership style and leadership.

Due to the current situation of the COVID-19 pandemic, it is recommended:

1. Agricultural organizations should solve the issues of developing capacities that process agricultural raw materials. This facilitates the provision of food to the rural population. It

is necessary to develop an economic mechanism at the regional level aimed at the formation of funds for the social infrastructure of the village.

2. The main elements of state support for the agricultural sector should be: further provision of rural commodity producers with available credit resources, implementation of a policy of protectionism towards domestic producers.
3. The right combination of activities in the agro-industrial complex system on a cluster basis provides a competitive advantage and its stability, including through the use of information technology. It should be noted that the information revolution has a significant impact on competition in the following ways–
  - changes the structure of the industry and establishes new competition rules;
  - creates a competitive advantage by providing companies with new opportunities to outperform competitors in productivity;
  - generates completely new types of business, often based on existing processes and operations in the company;
  - sets the directions and order of changes in business processes, in particular through the organization of agricultural clusters;
  - Creates conditions for the need for continuous professional development of employees.

Advances in information technology are changing the structure of the industry. On a new basis, the qualifications and erudition of personnel are being improved.

The cluster approach to improving the competitiveness of agricultural enterprises is a special combination of territorial and intersectoral management principles that allows stimulating integration processes at the meso level of the economy. When creating successful, from the point of view of competitiveness, agricultural clusters, a synergistic effect arises from the interaction of participants in the cluster as in an integrated association.

The advantage of clusters consists in innovations and an increase in labour productivity in agricultural production in the medium and long term in comparison with isolated agricultural producers by location. The agricultural organizations included in the cluster benefit from the concentration of primary agricultural producers (including personal, subsidiary, peasant and farm farms), as well as food processing and trade organizations that know the needs of buyers and have established relationships with them.

Participation in the agricultural cluster also provides advantages to agricultural producers in access to new technologies, methods of work and opportunities for the supply of manufactured products. Flexibility and the ability to respond quickly to changes in the market sphere are important for the formation of competitive advantages of agricultural organizations included in the cluster.

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