



THEORETICAL BASES OF ENSURING THE COMPETITIVENESS OF AGRO-INDUSTRIAL COMPLEXES

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Annotation

This article at present, there is a problem of finding new factors that will ensure the sustainable development of the national economy in order to ensure the financial stability of the agro-industrial complex, increase its competitiveness. One way to solve this problem is to update the production management system with a cluster approach, which increases the efficiency of economic activity.

Keywords: agro-industrial complexes, financial stability, investment, agriculture, income, financial flow, financial potential, agro-industry, agro-sector.

1. Introduction

In this regard, almost all regions of the country have their own large and small clusters. The head of our state stressed that this system should be a “locomotive” for the accelerated development of the agricultural sector in all districts. In order to widely introduce modern market relations in the agricultural sector, special attention is paid to the development of cotton and textile clusters.

In particular, the cluster method was introduced, the types of crops were changed in accordance with the requirements of the time. As a result, both productivity and income are increasing. More than 80 types of agricultural products grown in our country are exported to 66 countries.

In the further development of the industry, it is necessary to create reasonable conditions for the development of industrial and economic relations, which will help to achieve high results in the effective operation of the agro-industrial complex. To this end, one of the most important tasks is to increase the competitiveness of the agro-industrial complex of Uzbekistan through the creation and development of clusters, to ensure financial stability.

In this regard, the “Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021”, approved by the Decree of the President of the Republic of Uzbekistan No. PF-4947 dated February 7, 2017, specifies these tasks the main focus is on finding and implementing a solution [1].

First of all, it should be noted that clusters did not emerge spontaneously. It is an innovative structure that has emerged based on an in-depth strategy in the process of economic development, division of specializations and production cooperation. Silicon Valley, home to nearly half of the country’s electronics and computing technology in the U.S., and the world-famous grape and winemaking cluster in California are striking examples of this.

As early as 2006, the European Commission put forward the idea of focusing on clusters: “Being part of a cluster is a guarantee of business success. Clusters help fill the gap between business, research and



resources. Thus, it also delivers knowledge to the market at a faster rate. Successful clusters promote collaboration at the same time as intense competition. It will increase productivity, attract investment, promote research, strengthen the industrial base, develop specialized products and services, and become a foundation for professional development.”

2. Literature Review

Despite the ongoing reforms, it requires a number of studies by local and foreign researchers to ensure the financial sustainability of the system. In particular, the issues of increasing the efficiency of the agro-industrial system, developing market relations in the sector, improving cooperation and integration in the activities of farms specializing in various fields, attracting investment in production and processing, ensuring financial stability of the agro-industrial system.

As the most prominent administrative expert Yu.A. Tikhomirov rightly notes, “the economic order is the stronger, the more the state limits its activities by fulfilling only the cardinal tasks of the development of society and encourages private initiative. Excessive government intervention in economic life suppresses private property, deprives competition of dynamics, minimizing efficiency of the market economy”. In our opinion, the intervention excessiveness can be determined on the basis of an analysis of specific circumstances and specific socio-economic conditions. As the scientist notes, “no one can determine once and for all the rational limits of state participation in the economic life. Any country in each given period must decide the question under consideration, based on specific economic conditions” [2].

New information technologies in the financial sustainability of the agro-industrial system, the use of financial software in part in the scientific work of Paul Vigna, Michael Casey., Melanie Swan., William Mougayar., Roger Wattenhofer., Pavan Duggal., Siraj Raval., Edward Castronova [3].

The concept of state regulation of agriculture formulated by M.I. Kozyr seems to be more capacious, under which the author proposes to understand firstly, the various purposeful influence of the state on the formation and activities of agricultural commercial organizations and other rural producers and the provision of appropriate state support to them; secondly, the adoption of laws and other normative acts; thirdly, the creation of a system of tasks and the definition of the functions and competence of the bodies that carry out state regulation of this industry” [4].

Applied to agro-industrial complex such are natural and climatic conditions, use as the main resource of the earth, the diversified nature of enterprises, high capital and energy intensity of the agricultural sector, as well as, speaking of the Russian agro-industrial complex, protracted crisis phenomena [5].

E.L. Minina rightly notes that the Federal Law “On the Development agriculture”, regulating certain issues of the agricultural market products, raw materials and food, in fact, regulates certain issues in the sphere agro-industrial complex, that is, a wider range of relations than agriculture [6].



3. Research Methodology

The article used the methods of structural analysis, comparative comparison, expert assessment, statistical grouping, economic statistics, multifactor econometric analysis. In addition, the scientific ideas of local and foreign scientists are cited as the theoretical and methodological basis of the research.

4. Analysis and Discussion of Results

This means that the increase in the number of regional agro-industrial clusters in Uzbekistan will further strengthen public confidence in economic policy.

We must admit that agriculture in Uzbekistan has long remained in the old stereotypes, new approaches to the industry, know-how has been almost not applied. As a result of inefficient use of its potential, the quality of agricultural products has declined. It has seriously damaged the legal and economic relations between market participants in the storage, processing and sale of raw materials, performance and competitiveness, farmers have lost their sense of ownership of land, the material interests of rural workers, confidence in the future declined.

Only in recent years, when the industry was given a new lease of life and clusters emerged, the interests of farmers and industrialists converged, and a “chain” of deep processing of raw materials was formed. In our country, special attention is paid to mitigating and overcoming the effects of the global crisis, ensuring food security, increasing exports, accelerating the development of agriculture in the fight against unemployment, in particular, the expansion of cluster mechanisms. The task is to double the volume of production in the fruit and vegetable and livestock sectors. Expansion of the cluster geography in fruit and vegetable growing and viticulture will play a significant role in fulfilling this goal. The fact that the Jizzakh organic agro-industrial cluster in Jizzakh region supplies the population with quality agricultural products, including meat and dairy products at reasonable prices, not only maintains price stability, but also proves in practice that the cluster can alleviate the burden of the people in any situation.

The need to use new forms of production management based on modern information technologies, the creation of conditions for low-cost use of new factors of production, the ability to adapt quickly to ever-changing market conditions, the interaction of state and society in general, the development of backward areas of economic activity creates the necessary conditions.

So we can say

1. Global competition has become an objective phenomenon of the modern economic world. Its existence requires the search for new forms of competitive advantage that meet the conditions of global competition in all areas of economic activity, including the creation of innovations in production management;
2. In the context of global competition, the most effective outcome of the market is manifested by large integrated economic structures or their part concentrated in a particular region. This served as a basis for the development of new scientific approaches in theoretically substantiating the existence of large integrated structures of competitive advantages, allowing them to respond quickly to any market



changes occurring not only in international markets but also in the domestic markets of individual countries;

3. According to the new paradigm, the most competitive cluster in the world economy is a group of different market entities capable of operating in the form of stable regional and sectoral partnerships, combining new forms of economic relations with different industries but producing a single market product.

Therefore, in enterprises connected by a single technological chain, clustering is recommended to create a single final product. Another example of the main convenience of the cluster is the fact that the product grown in the cluster is maximally finished product (brand) and is delivered directly to the market or through its distributors or dealers to its customers.

Table 1 Structure of agricultural production (in percentage) [7]

Indicators	2020	2021	2022
Total-All categories of farms	100	100	100
Total-farms	28,2	29,2	7,1
Total-dekhkan (personal subsidiary plots)	67,4	65,9	88,4
Total-organizations engaged in agricultural activities	4,4	4,9	4,5
Crop production-farms	52	52,6	50,9
Crop production-dekhkan (personal subsidiary plots)	42,3	41,1	33,7
Crop production-organizations engaged in agricultural activities	5,7	6,3	15,4
Livestock products-farms	4,9	5,7	3,8
Livestock products-dekhkan (personal subsidiary plots)	92	90,7	92,5
Livestock products-organizations engaged in agricultural activities	3,1	3,6	3,7

Innovative forms of financial management of agriculture abroad it is mainly in two directions, by increasing the interest of workers in quality and productive labor and by developing the capacity of enterprises using the integrated links of all forms, including cluster structures.

The peculiarity of Uzbek business is that among Uzbek businessmen, even if the priorities of economic and social management methods are positively assessed, preference is given to administrative commands. Nevertheless, the experience of human economic development has proved that administrative-organizational methods of management, if focused on them, are not only effective, but sometimes hinder the rapid and sustainable development of labor productivity and quality. Therefore, for Uzbekistan, which has adopted itself as a strategic goal, growth is required until 2030. At the same time, increasing labor productivity by 50%, the search for innovative ways of effective management is becoming a national task, which requires, first of all, a new attitude of managers to their employees, the use of factors of production (material, financial, information, etc.).

Unfortunately, many entrepreneurs in Uzbekistan today are talking about the economic crisis and solving this problem in a very simple way - by reducing the number of employees. But this does not become a solution to the problem, because it leads not to an increase in labor productivity, but to an



increase in its density, a decrease in the quality of labor. Therefore, the ability of managers to develop new approaches to personnel management, which will allow to activate the intellectual and labor skills of workers in creating ways to increase productivity, is becoming more promising for Uzbekistan.

In part, this notion is not new because of its origins.

In the first half of the twentieth century, behavior emerged as a school of management. However, this school has not yet been fully formed and is still not fully understood in the territory of developing countries and has become the theoretical basis of the concept of organizational behavior, which is less used in the territory of developing countries, and continues to this day.

In general, the creation of such a leadership system requires the formation of a special set of motivators that do not yet exist in the country.

Creating a conditional model of creating a motive for success in ensuring financial stability in agro-industrial complexes in market conditions is a topical issue today.

At the same time, if we pay attention to the specifics of agricultural products produced in the Republic of Uzbekistan:

1. Historically, in the context of agricultural development, the tradition of “cartel” (collective-joint) participation in labor on the basis of private property investment has not been formed. The old Soviet-style structure of agricultural management did not help either, as all the farms in Uzbekistan were state-owned.

2. Economic reforms in agriculture in Uzbekistan were formed in 2009. Family business is developing on farms, where it is difficult to create wages in accordance with the concept of organizational behavior. Due to its economic nature, the existence of such farms is not even considered a step forward, as its experience in agricultural production has proven to be weak. Therefore, relations in any sphere of production are developing towards society and its expansion (individual - family - community - state, interstate alliances - international associations).

This process is reflected in the world experience in the form of multinational companies and corporations (TNCs), financial and industrial groups. In this context, the U.S. experience is also interesting. There, the creation of conditions for the consolidation of farms was seen as a state policy, a source of achieving national food security, and small farms were established. With small forms of land use and the current competitive environment, farming in the U.S. has become unprofitable and consequently unpromising. Therefore, current U.S. agrarian policy is aimed at ensuring that in the near future the share of the largest agricultural enterprises in the United States in agricultural production will reach 80%. To this end, the US budget will support the consolidation of small farms in the amount of 1.2% of the national budget. The fact is that the demand for food in general is characterized by low flexibility and makes this sector of the economy very conservative. Therefore, the introduction of innovations in this area is associated with the possibility of paying additional payments to agricultural workers, which requires the search for other measures to increase labor productivity. In this case, the total amount of wages depends on the volume of products sold. Thus, extended income may have a greater impact on the growth of incomes of people engaged in agriculture than the availability of additional payments for the introduction of innovations.



Table 2 Main indicators of agriculture (preliminary data for 2021) [8]

Indicators	2019	2020	2021
Sown area of agricultural crops, thousand hectares	3309,4	3396,1	3260,7
Agricultural products, billion soums	216283,1	250250,6	302524,9
including:			
crop production	111904,8	123858,8	151083,4
livestock products	104378,3	126391,8	151441,5
Growth rates of agricultural production, as a percentage of the previous year	103,3	102,7	103,6
including:			
crop production	104,8	103,2	103,1
livestock products	101,6	102,1	104,1

Uzbekistan needs to work harder to earn land than any other country in the world. As a result, this will not affect the availability of reserves of Uzbek agricultural producers for the rapid growth of resources that will allow them to increase wages.

Despite the fact that in recent years the growth rate of wages in agriculture has been growing faster than in other sectors of the economy, the level of wages of agricultural workers in Uzbekistan remains the lowest. With such a level of wages, it is very difficult to create an innovative management system in the field based on the doctrine of organizational behavior.

Therefore, all the above features of the organization of innovative management in agriculture leave it in one way - the development of integration and cooperation processes, including clusters and social-entrepreneurial companies, the formation of enterprise complexes associated with the unity of technological processes in production, food, including elements of market infrastructure in the form of service shopping centers, etc.

5. Conclusions and Suggestions

An analysis of the experience of the mechanism to stimulate the sensitivity of agricultural production to innovations showed that the management of scientific and technological development in the agro-industrial complex of developed countries is carried out with financial support from the state and through agricultural laws and regulations. Mechanisms for the introduction and promotion of scientific and technological progress have been created and are effective, covering all stages of scientific support of agricultural production - the emergence of scientific ideas, the transformation of scientific ideas into technologies, the transfer of new technologies to users for agricultural production.

The analysis of the results of agricultural production and government measures in industrialized countries showed that a combination of the following factors should be used for agricultural development: effective public administration to protect local agricultural producers, technical and



technological modernization of industry, the trend of innovative technologies, financing of the agro-industrial complex by the target budget, provided that the state support of agricultural production is strengthened, the allocation of funds for consumption and strict control over the order of qualified management.

This is especially evident in the case of economically developed countries. This will allow them to maintain a balance in the domestic food market on demand and supply, easily access leading world markets and attract national producers. The experience of countries with developed market economies shows that science, high technology, active innovation are the primary driving force of all economic life, and the main growth of agricultural production is ensured through the implementation of scientific and technical achievements.

The second side of the problem is that the organization that finances the innovation process is a burden even when it is ready to introduce a scientific product. It is known that in order to accelerate the pace of production, agricultural enterprises are required to improve all technological processes. It should also be noted that innovation can be effective only if it is introduced in a comprehensive manner. This requires the establishment of integrated development management in business enterprises. Managing the development of separate processes or business units does not give the expected result. To make the process look innovative:

- All sectors of the economy should be covered as a whole system;
- Strategy setting, selection of development priorities, organization of production, based on the business plan and the selected technology should provide funding for the planned methodology and further development. In this case, each enterprise will become an innovative platform for integrated adoption of scientific solutions [9].

The financial manager of a manufacturing enterprise must constantly seek out innovations, improve technologies, as well as focus on new methods and types of management of those involved in the production process.

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