



## FACTORS FOR IMPROVING ORGANIZATIONAL AND ECONOMIC MECHANISMS OF COTTON ECONOMIC EFFICIENCY IN COTTON-TEXTILE CLUSTERS

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**Abstract.** The article analyzes the issues of further development of cotton farming based on the results of scientific research on improving the organizational and economic mechanisms of increasing the economic efficiency of cotton farming.

**Key words:** cluster, economic mechanism, organizational mechanism, cotton production, economic efficiency, quality indicators.

**INTRODUCTION.** Cotton growing, which is considered one of the leading branches of agriculture in the republic, plays an important role not only in the agricultural sector, but also in ensuring the stability of the country's economy. It is known that our country occupies the sixth place among the more than 80 major cotton-growing countries of the world in terms of cotton cultivation area, and produces an average of 3-4% of the cotton grown in the world.

As a result of the implementation of complex measures for the development of the textile and sewing-knitting industry in our country, as well as for the support of investment and export activities of industry enterprises, 45% of cotton fiber and yarn produced in the republic is being processed, as well as the annual export potential of the industry exceeded 3.2 billion dollars. Also, as part of the reforms being carried out in the cotton industry today, the increase of exports based on the further improvement of the activities of cotton textile clusters, the provision of employment for the population, especially women, and the stable supply of processing enterprises with raw materials, etc. it is necessary to effectively solve the problems closely related to the perspective of this network. The formation of "Clusters" as a new economic system with a small level of integration was defined as one of the important tasks proposed by the President of our Republic. The term "cluster" is a French word, and the Uzbek translation means "connection", "group", "gathering". Clustering can be considered as a new economic system that fully meets the requirements of national and regional development in order to increase the competitiveness of enterprises on the basis of accelerating their innovative activities and resisting the strong influence of global competition. A cotton-textile cluster is a set of enterprises united in a single technological chain, and this new structure is considered an important stage of the transition to an innovative economy. Because, in this process, raw materials go through all stages of processing and become export ready products. According to calculations made by industry experts, the price of one kilogram of cotton fiber will be 1.5 dollars. If you sell yarn made from it, its price will reach 2.5-3 dollars. As the yarn becomes fabric, the cost adds up to \$5-7. If this fabric is used to make ready-made clothes, an additional value of 15-20 dollars will appear. Therefore, today, at the current stage of the development of clusters, the main attention is paid to the deep processing of raw materials. The

main purpose of this is to get more profit, to increase the material interest of agricultural workers and representatives of industry.

Based on the creation and introduction of a new organizational and economic mechanism for our national economy, the calculated cluster scheme is the creation of a closed chain of "cotton raw material cultivation - processing - finished product", one hundred percent waste-free production facility. provided for.

**LITERATURE ANALYSIS AND METHODOLOGY.** Theoretical and practical aspects of production in agriculture, problems of analyzing the formation of organizational and economic mechanisms in production and processing enterprises O. A. Gorb, E. A. Suslov, Dr. It was reflected in the research of William Kurtz, Nazranov Kh.M., V.Z. Mazloev, N.R. Kurkina, I.T. Farnieva, Storage John W. Bartok, Pesticide Division, K. John Holmes and other foreign researchers. In our country, agrarian economists such as R.V. Abdullaev, B.B. Berkinov, O. Murtazoev, U.P. Umurzakov, F.Q. Qayumov, G'.H. Kudratov, T.H. Farmonov, N.S. Khushmatov, Q.A. Chariev, R.H. Husanov, E. Yusupov are conducting scientific research on these problems. carried out their work.

Concepts such as "economic mechanism", "organizational mechanism", "market mechanism" have been widely used in scientific literature in recent years. Also, the authors have been giving definitions to these concepts in different meanings and contents. Considering the issue of the meaning of the concept of "mechanism" in economic research, the economist O. A. Gorb justified the following distinguishing features of the concept of "economic mechanism". In particular, "the mechanism cannot exist without the process, because it is a component of the process and is intended only to perform the functions of the process."

The organizational-economic mechanism is considered a multifaceted economic category and has not had a single meaning in the economic literature. For example, "Organizational-economic mechanism is a widely used concept that shows the state or sequence of systems, the order of systematization and direction of economic activity. It should include the mechanisms that regulate the economic activity of enterprises: planning, organization, promotion, control, assessment, financing, crediting, settlement and internal audit and financial actions.

In our opinion, the organizational-economic mechanism is a combination of the interconnection of market segments determined by the balance of demand and supply in the market and the characteristics of producers from product production to the market.

If we look at the constituents of the organizational-economic mechanism as any management system, a number of main elements can be noted: that is, the subject and object realized in the form of mechanism instruments; goals and objectives; performance criteria; resources; management methods or styles.

The following methods are usually used in the formation of the organizational-economic mechanism: experimental testing, observation, economic-mathematical modeling, imitation (simulation, imitation) and others.

**RESULTS.** In our country, special attention is paid to the mutual integration of the processes of production, processing, storage, service and sale (export) of the cotton industry based on the improvement of the organizational and economic mechanisms of the cotton industry, and to the development of clusters in this system. In particular, the mechanism of state support for cotton growing is being implemented successfully. For example, on January 10, 2023, the President of the Republic of Uzbekistan "On measures to support the activities of cotton-textile

clusters, fundamentally reform the textile and sewing-knitting industry, and further increase the export potential of the sector" " Decree No. PF-2 was adopted. Based on this decree, the introduction of new mechanisms of state support for cotton producers was determined. In particular, financial resources in the following amounts will be allocated for up to 3 years, based on the volume of exports realized during the last 12 months, from the account of the export support fund:

- when the export volume is up to 5 million dollars - up to 1 million dollars;
- up to 2 million dollars when the export volume is from 5 million to 10 million dollars;
- when the export volume is from 10 million to 15 million dollars - up to 3 million dollars;
- when the export volume is from 15 million to 20 million dollars - up to 4 million dollars;
- up to 5 million dollars when the export volume exceeds 20 million dollars.

Also, on the basis of this decree, commercial banks will provide textile and sewing-knitting enterprises with working capital through revolver lending in the amount of 1 trillion soums for 24 months, including a 6-month grace period, using a bank margin of no more than 2 percent. allocation of loans was determined.

On December 12, 2023, special attention was paid to the issue of improving the organizational and economic mechanisms of cotton production at the meeting dedicated to the further improvement of the cotton production system. In this regard, starting from the harvest of 2024, relations between cotton raw material growers and cotton-textile clusters will be established in a new order. Now, before the sowing of seeds, futures contracts within the framework of soil productivity between farms and clusters within the region are concluded through trades held for each region in the "cotton raw material section" of the Commodity Exchange.

The advantage of this is that the farmer places the amount of cotton he grows on the stock exchange and makes a contract with the cluster that offers a higher price within the region. This means that the blacksmith will get the benefit of his work. In its place, the desire to implement the necessary agrotechnical measures to increase the harvest also increases.

**DISCUSSING.** According to the information of the "Uztoqimaliksanoat" association, the cluster system has been introduced in Bukhara and Syrdarya regions since 2017. During the experiment, these clusters showed high results. The number of cotton-textile clusters reached 16 in 2018, 77 in 2019, 99 in 2020, 122 in 2021, and 134 in 2022. Table 1. Today, the clusters cover 100% of the available cotton fields in our country. In 2022, more than 1 million hectares of land were allocated to the cotton-textile cluster for cotton cultivation, of which 173 thousand hectares or about 17% of the total cotton areas belong to the clusters themselves, and the remaining cotton areas are more than 29,300 within the clusters. are considered to belong to farms.

**Table 1**

**Location of cotton-textile clusters in regions**

Regions	2020 year		2022 year		In 2022 compared to 2020 Change	
	Number	Cotton area, ha	Number	Cotton area, ha	Number+,-	Cotton area, %



Qoraqalpogiston Republic.	5	48665	11	86791	6	178.4
Andijan	12	79391	15	78991	3	99.5
Bukhara	8	97900	11	99220	3	101.4
Jizzakh	5	69700	6	77900	1	111.8
Qashqadaryo	9	111900	18	136036	9	121.7
Navoiy	2	32588	4	31655	2	97.2
Namangan	7	63406	7	63406	-	100.0
Samarqand	11	75580	11	75356	-	99.7
Surxondaryo	6	60044	11	72370	5	120.5
Sirdaryo	6	72557	9	75500	3	104.1
Fargona	9	63245	13	82080	4	129.8
Tashkent	6	55008	6	82757	-	150.5
Khorazm	10	77799	12	82757	2	106.4
Total	96	907783	134	1034223	38	113.9

The research conducted in this field shows that during the reform years, under the influence of intensive and extensive factors in the development of the republic's cotton industry, it is not possible to continuously increase the volume of production and the amount of cotton raw material grown at the expense of the resource unit. The analysis shows that by 1990, about 1.8 million cotton is planted per hectare of land, and farms specializing in cotton cultivation make up 75-80% of the total cultivated area, today the cotton cultivated area is 1.04 million. per hectare is 24.8% of the total arable land. In 2021, the cotton cultivation area on the republic scale was 60.8 percent compared to 1991, and the amount of raw cotton produced was 73.2 percent. In turn, this is based on the fact that in 1991, the area under cotton cultivation in our country was 1720.5 thousand hectares, and by 2021, this figure will be 1046.2 thousand or 60.8 percent. If in 1991 4645.3 thousand tons of cotton were produced and the yield was 27.0 centners, by 2021 the total amount of raw cotton produced in the agriculture of our country will be 3400.0 thousand tons, and the average yield will be 32.5 centners. while the production volume decreased by 26.8 percent, and the yield increased by 5.5 centners.

**Table 2**

**The main indicators of the development of cotton growing in the Republic of Uzbekistan in 1991-2022**

Indicators	Years							in 2022 compared to 1991, %
	1991	1995	2000	2001	2002	2003	2022	
Total cultivated area, thousand hectares	4200, 3	4165, 0	3778, 3	3438, 4	3475, 0	3368, 9	4214	100.3
Including cotton crop area, thousand hectares	1720, 5	1492, 2	1444, 6	1450, 1	1420, 7	1392, 7	1046. 2	60.8

The percentage of cotton cultivated area, %	40,9	35,8	38,2	44,7	40,9	41,3	24,8	-
Cotton production, thousand tons	4645,3	3929,5	3001,9	3270,3	3164,7	2822,0	3400,0	73,2
Productivity, s/ha	27,0	26,3	20,8	22,5	22,3	20,3	32,5	120,3

During this research, we got acquainted with the statistics of cotton cultivation in Andijan region, which is located in 1% of the total land area of our country, but where about 10% of the country's population lives. If we look at the past period of cotton production in the province, raw cotton was produced in 2001 by cooperative farms and farms. By 2022, cotton raw materials will be produced by cotton-textile clusters and farms in the region. The average yield of cotton fields in the province is compared to the average indicators for the republic, in a situation where the average yield of cotton is 20.0-25.0 centners in the republic, and 12-15 centners in some regions. In Andijan region, this indicator is 2022 average is 37 centners per year.

As can be seen from the table, we can see that by 2022, cotton productivity in regional cotton production will reach an average of 37 quintals per hectare, and the final indicator of economic efficiency will increase from 9.5% in 2016 to 10.1%. The fact that the achieved result is not at the required level indicates that there are several problems that need to be solved in the field of increasing the economic efficiency of cotton farming. In particular, the non-stop and rapid growth of the prices of material and technical resources in the cotton industry during the last ten years had a significant effect on its becoming an economically harmful sector.

Today, among the tasks of agrarian policy, the task of improving the system of providing cotton farms with material and technical resources has taken an important place. Therefore, it was necessary to revise the current system for the supply of material and technical resources and to create a completely new system in its place. In our opinion, rapid development of cooperation and integration processes in the agro-industrial complex is required to solve this problem. In particular, in the conditions of the development of today's farming movement, it is necessary to provide them with material and technical resources and to establish multi-sectoral supply and service cooperatives that provide services to meet their demand for resources and services in a timely manner. and helps to solve the problem of satisfaction at low prices.

**CONCLUSION.** The research conducted on the development of cotton production and the improvement of its economic efficiency in Uzbekistan made it possible to come to the following conclusions and develop proposals:

1. The conducted studies show that, usually, if attention is paid to any factor in cotton farming, a state of "indifference" to other factors arises.
2. According to the results of the research, the reduction of agricultural arable land, in particular, the area under cotton cultivation, the use of new technologies for the production of products at the level of demand, the development of the network, the increase of the amount of products obtained at the expense of the unit of resources used, the network is of great importance in increasing the efficiency and, ultimately, the material interest of cotton growers. For this, it is necessary to increase the knowledge and skills of cotton growers directly.

3. Today, to provide cotton growers with material and technical resources and to establish multi-sectoral supply and service cooperatives that provide them with services, to meet cotton growers' demand for resources and services in a timely manner and helps to solve the problem of satisfaction at low prices. In the conditions of the market economy, cooperative relations are considered to be an important factor in the transition of production to real democratic bases in the process of political, social and demographic changes. We believe that it is important to develop cooperative relations that combine individual and collective interests in order to bring out the agro-industrial complex, its main component, agriculture, especially the cotton industry, from the current situation and increase its economic efficiency.

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