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CLUSTERING OF AGRO SERVICE

Abstract: This article highlights the significance and theoretical foundations of cluster relations in agro service. The indicators were formulated according to the observations of the author and the analysis of foreign literature on this topic.

Key words: agroservice, cluster, economic cluster, consulting, service.

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Introduction

Nowadays, one of the important tasks of the economy of Uzbekistan is to meet the growing demand of the population for food products, to achieve high efficiency based on the rapid development of the agricultural sector and the application of digital technologies in the agricultural sector.

The analysis shows that in recent years, the rapid development of agricultural products on the basis of existing needs, especially with a focus on quality and consumer satisfaction as a pure environmentally friendly product, requires a special approach. All this opens up new opportunities for the application of new technologies, increasing the competitiveness of the industry and exports as a result of new approaches to production. This requires the development of the agricultural sector as a single system.

It should be noted that in order to provide the agrarian sector with advanced equipment and technology, special attention is paid to the cooperation of service enterprises with a common purpose. In this

regard, as the President of Uzbekistan, Mirziyayev Sh. M. noted in his address to the Oliy Majlis (the Parliament of Uzbekistan) on the 24th of January 2020:

“We continue our research and development to increase farmers’ and ranchers’ interest in agriculture. We are adopting advanced technologies and cluster systems in the industry”¹,

which in turn allow the agricultural sector to develop rapidly and a wide range of opportunities would be created to improve agricultural productivity through the establishment of agro service enterprises through clustering the industry.

Relevance of the research topic.

One of the main factors in the development of the economy is the efficient use of modern forms of production organization in the branches of the economy. This affects the high performance of the service product in the first place.

The study shows that the rapid development of the agricultural sector in the country requires, first and

¹ Address to the President of the Republic of Uzbekistan Mirziyoyev Sh. To the Oliy Majlis.//People’s World (Халқ сўзи) newspaper N19, January 25, 2020.

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foremost, a focus on agricultural services and the use of modern techniques and technologies.

World experience shows that the further development of the agricultural sector is directly linked to the development of agro-services based on clustering. It is known that the introduction of cluster methods in the industry will allow agribusiness enterprises to operate in completely new conditions and several times increase their economic efficiency, ensuring compatibility. The convenience of clustering is determined by the fact that the main producers, growers and service providers working in agriculture operate as a single mechanism.

The word “cluster”, previously used in the chemical sciences, means a combination of several homogeneous elements that can be considered as an independent unit with certain properties. The term “cluster” was first defined by the American economist M.E.Porter (2000) as “a group of firms, service providers and suppliers in specific geographically interconnected industries that operate in different fields (e.g. universities, agencies, standardization and trade unions) towards a common goal and are at the same time competitive” [1]. According to him, the role of the cluster in the socio-economic life of the country is very large.

In general, the term “cluster” in economics can be defined as follows:

An *economic cluster* is an achievement of the economy based on a set of interrelated economic elements of production and services that are territorially close to each other in a particular direction.

Using economic clusters to organize the activities of service providers and producers, to know the exact service provider for farms and dekhkan farms, to reduce the cost of products through the organization of cheap services, to achieve quick and easy access to the necessary information through modern techniques and technologies will be possible.

Thus, an economic cluster is a set of interconnected organizations (companies, corporations, universities, banks, etc), product components and specialized service providers, infrastructure facilities, companies and other organizations that provide competitiveness in a given region to achieve the ultimate economic results. As a result of clustering of sectors and industries of the economy, participants will have the opportunity to complete and cooperate, to form the unique competencies of the region, to form the concentration of enterprises and organizations in a particular region.

Research problem.

Due to the need for rapid development of the agricultural sector, the introduction of elements of digital technologies in the industry, especially for the intensive production of quality products by agricultural enterprises (farmers, dekhkan farms and

horticulture) requires a comprehensive focus on agribusiness. The solution to this problem is based on the clustering of agro-service.

It should be noted that the implementation of agro-services is currently provided to farms and dekhkan farms, car and tractor parking (CTP) services, water consumers’ association(WCA) services, fuel and oil sales (FOS) services, seed services, mini-banking services, agricultural sales services, agrochemical and mineral fertilizer services, information and consulting services and the activities of similar enterprises should be organized in a clustered manner, in a transparent and simplified manner.[2]

At the same time, there is a lack of scientific potential of personnel employed in the agricultural sector to provide high quality agricultural services, their lack of timely information on new techniques and technologies. Therefore, the activities of agricultural, agro-service enterprises and research institutions should be closely linked. As a result of the close organization of the activities of scientific and educational institutions in the agro-service cluster, issues such as quality service, cultivation of quality products, storage of products, increase in quantity, preparation for export will be addressed.

The purpose of the study.

The rapid development of the agricultural sector is based on the substantiation of the role of clusters in agricultural services and the development of scientific proposals to improve the quality of services in the sector and the achievement of high economic efficiency through the introduction of digital technologies in agriculture.

Scientific essence. One of the ways to attract modern methods to the industry is to use the cluster as a result of supporting the activities of agricultural production and service enterprises in one of the leading sectors of the country and directing them towards a single goal. The President of the Republic of Uzbekistan Sh.M.Mirziyoyev paid special attention to the development of the agrarian sector in the cluster method. “If our parliament passed a new law on cooperation and clusters, which is the legal basis for these reforms, it would be in line with our grand plans and intentions”, they pointed out. This will serve as a key guideline for the industry’s future activities in the near future.[4]

As a result of scientific research, the activities of enterprises providing services in the agricultural sector will be studied, and in the field of discounted quality and modern ways of providing services will be revealed. The organization of all complex process in the agricultural sector on a cluster basis will depend on the following elements of the clustering methodology. The proposed cluster organization methodology is illustrated in Figure 1 below [3].

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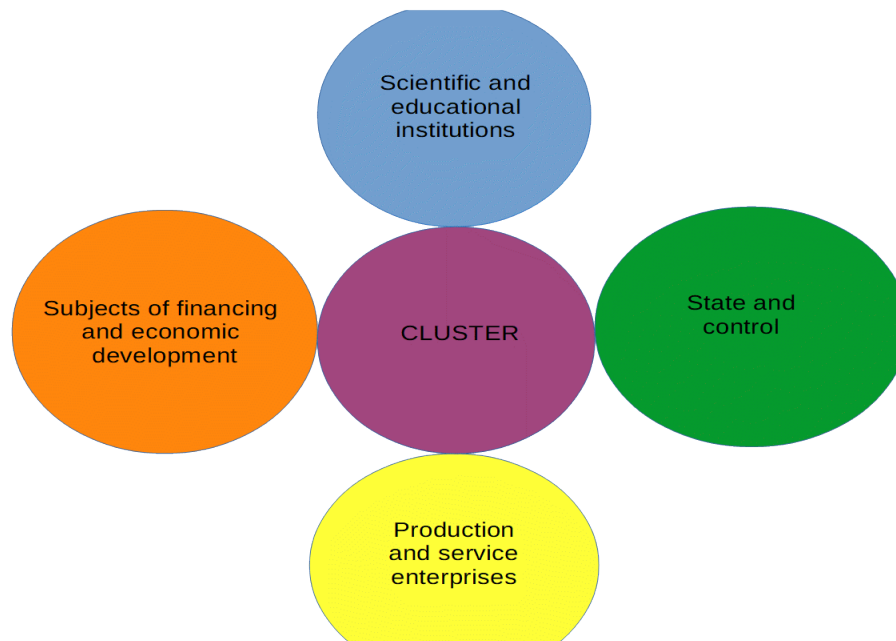


Figure 1. Clustering methodology

Methodology.

Based on a set of specific methods of cognition, analysis and synthesis, induction and deduction, scientific analysis, systematic approach, logical methods of analysis and methods of scientific study of the result were used.

Main results. Today, from the technical and technological point of view, agro-service enterprises provide fast and timely services to farmers and dekhkan farms in agriculture. Among such enterprises in the Republic of Uzbekistan are car and tractor parks, banks, seed-growing enterprises, suppliers of agricultural machinery, storage enterprises, processing enterprises, trade enterprises and others. In order to improve their activities and introduce them as a single mechanism, it is necessary to use cluster

methods in different regions of the country, taking into account the opportunities.

Therefore, the formation of a market of agro-services in agriculture, especially in its agricultural sector, is one of the urgent tasks facing the agricultural sector of the Republic today. Through the establishment of clusters in agro-service, the competitiveness of goods will increase, that is, along with the organization of harmonious work of producers with service providers, will further improve the quality of products and reduce their cost. In this regard, we consider it expedient to introduce an agro-service cluster in agriculture, which includes, in particular, the main types of agro-services provided to the agricultural sector (Fig.2).[5]

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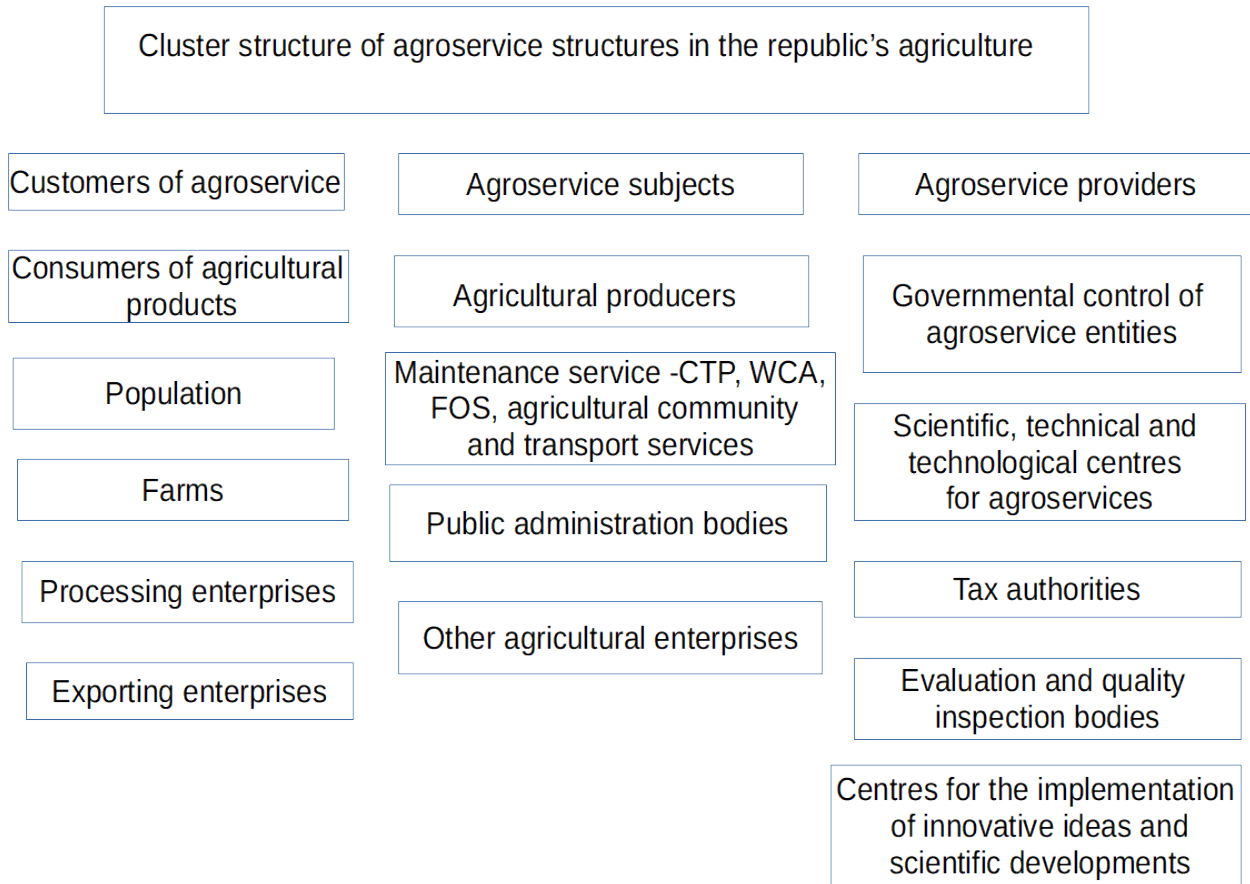


Figure 2. Clusture structure of agro-service structures in the republic's agriculture

It is known that one of the peculiarities of the agricultural sector is that the workers engaged in farms spend a lot of time caring for the crop and they get to know about new techniques and technologies later after some time past. Therefore it is essential to establish dealer companies of the world's prominent agro-industrial enterprises in the Republic. The inclusion of these dealer companies in the agro-service cluster gives a positive economic result. Such dealership companies allow farmers to quickly become aware of what is going on in the infrastructure sector that serves them through the advertising movement of dealers.

Conclusions and suggestions.

By organizing the activities of agro-service enterprises on the basis of a new approach, it will be possible to reduce the cost of agricultural products and grow their products as competitive products on world markets.

Establishment of clusters in the agro-service opens up new opportunities for farmers in the country to use the elements of digital technology. That is, it saves the time spent by farmers and ranchers in finding the services they need in the growing process and allows farmers to clearly define the tasks of organizations and enterprises that provide services

such as when, how, on what technology to harvest, store and sell products.

It is well known that business leaders spend most of their time on total production gathering information. The use of digital technology elements in the proposed agro-service clusters will eliminate this problem and achieve the desired result. In particular, as a result of the activities of information dissemination or consulting centres, agro-service enterprises, farmers will be able to have timely questions or information of interest to them.

Based on international experience, the fact that the agro-services work in agriculture on a cluster basis ensures that enterprises working in this field work as a single mechanism. In addition, enterprises will be able to know in advance the exact service provider and customer, manufacturers will be able to spend time researching the use of these services and will be able to produce low-cost, high-quality products, having constant and precise service providers. At the same time, all enterprises focus on the needs and desires of consumers to produce a product as a single organism. This will further improve the quality of services and products provided by enterprises in the agricultural services cluster network.

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Consulting services are of particular importance in the proposed agro-service cluster. Consulting services study agricultural enterprises in our country, offer them necessary and acceptable low-cost and high-quality services, when and where to sell their products using digital elements. They also provide high-quality consultancy services, offering infrastructure enterprises to the farmers and dekhkan households that are their clients.

Based on the above, the agribusiness cluster has the following objectives for the further development of the agrarian sector:

1. To provide opportunities for cooperation with enterprises in the agricultural sector, public authorities and various public enterprises and organizations;

2. To provide opportunities to engage research institutes, universities and other scientific ideas in the agricultural sector;

3. To make possible to solve any problems related to the agricultural sector in a certain area.

3. To make possible to work systematically in the agricultural sector, production, science and education;

4. To make possible to systematically maintain the productive, economic and social efficiency of the agricultural sector;

5. To make possible to utilize innovative technologies and elements of the digital economy in several sectors of the agricultural sector.

AUTHORS PROFILE



Prof. Mirzaev Kulmamat Janzakovich was born in 1961. He did bachelor degree in agricultural economics in Tashkent Institute of National Economy. In 1982 he started to work as a junior researcher at the All-Union Karakul Research Institute of Samarkand. In 1989 he completed his postgraduate studies at the All-Union Agricultural Research Institute in Moscow and was employed in the All-Union Karakul Research Institute of Samarkand, and later in Agricultural Economics and Management of the Samarkand Agricultural Institute. In 1996 he started to work as associate professor in the Samarkand Agricultural Institute. In 1998 he was promoted to the head of the department of Agricultural Economics and Management of the Samarkand Agricultural Institute. Between 2004 and 2005 he practiced in Training and Retraining Centre of Samarkand Agricultural Institute. After that

he worked in the Treasury department of the Samarkand region and in Samarkand Institute of Economics and Service. Since 2015 he is working as a vice-rector on educational issues in the institute.



Rahimov Zafar was born in 1990. In 2004 he finished his bachelor degree in economics at the Samarkand Agricultural Institute and enrolled in the master course in Economics of Samarkand Cooperative Institute. From 2017 up to date he has been working as a teacher in the Department of Industrial Economics of the Samarkand Institute of Economics and Service. Currently he is doing the research on *Improving organizational and economic mechanisms in the development of service infrastructures in rural areas (in the region of Samarkand)*. He has published 20 articles. The following are his international publications:

Ways to improve the quality of trade services in the context of innovative development of the economy (Scientific Electronic Journal "Economics and Innovative Technologies", January 1-February, 2019); Supporting the abundance of population by the development of service //Proceedings of the XI International Conference on "Institutional Development of Socio-Economic and Financial Systems: National Economy on a Global Level", May 16, 2019. 16-17 pp. 325-327; The use of the cluster approach to agro service development in Uzbekistan //Samarkand Institute of Economics and Service and Tambov State University Problems of Service Development in an Innovative and Digital Economy, Proceedings of the International Scientific Conference, pp. 49-52, 2020.

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