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**THEORETICAL ASPECTS OF MANAGEMENT AND APPROACHES TO  
THE DEVELOPMENT OF THE EXPORT POTENTIAL OF TEXTILE  
CLUSTERS**

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**Abstract**

In this present research paper, we investigated the theoretical aspects of management and approaches to the development of the export potential of textile clusters. According to the author, in the context of globalization and internationalization of the world economy, the formation and support of export industries is a prerequisite for ensuring the competitiveness of the economy, maintaining jobs and stable economic growth. Currently, leading positions in the market cannot be achieved without competitive advantages.

**Key words:** Clusters, Textile, Industry, Technology, Export potential, Innovation and Management.

**1. Introduction**

Many countries in the world practice resort to the use of the cluster technique, which is widely represented in the works of foreign and domestic authors. Enterprises are united in clusters primarily because it is beneficial for them from the point of view of increasing the competitiveness of products and reducing costs. At the same time, the systemic development of export clusters and their further deepening is considered as an important direction of the economic and production policy of the state. Recently, the problems of the formation of sectoral and export clusters have attracted the attention of both politicians and scientists. The reasons for the transfer of production capacities from developed countries to developing countries, in most cases, is due to the formation of an appropriate infrastructure of export industries, which are closely interconnected in terms of production technology and services (Akhmedov *et al.*, 2021).

**2. Literature Review**

The foundations of the cluster approach in economics were formulated in the studies of Maskell and Lorentzen (2003), Porter (2018), Storper (1997), Enright (1992) and Rosenfeld (1997). Among modern scientists dealing with cluster forms of organizing textile production, such as Barsukov (2014) and Begov (2020). Among domestic scientists, the priority directions of development of textile clusters were directly or indirectly studied by Yuldashev (2020) and Tursunov (2020). At the same time, despite the presence of many works of domestic and foreign scientists-economists in this area, the issues of improving textile clusters and optimizing the export of textile products require further research.

**3. Analysis and Results**

Foreign experience shows that the level of innovation potential of a country and a region is associated with the peculiarities of economic development, which form their competitive advantages. World experience provides examples of increasing the competitiveness of territories and industrial complexes through the implementation of regional cluster policy. In

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many developed countries, industry clusters have become a common form of organizing business communities. An analysis of cluster initiatives implemented over the past decades in different countries shows that their high competitiveness is based on the strong positions of individual clusters, which strengthen it and optimize the management of the national economy (Yuldashev, 2020).

Within the framework of the thematic focus of this work, we will consider in more detail the elements of the conceptual apparatus that are directly related to the management of the export potential of cluster systems. Today the word cluster is widely used in various fields of science. The word cluster comes from the English word "cluster", which means a group, an association of different things or people. In economics, a cluster is primarily understood as an association of various entities - organizations, production and service enterprises, research and educational institutions, which are geographically close and functionally interconnected with each other.

Wikipedia emphasizes that a cluster is an interchangeable element of a self-sufficient localized sphere of production or services of a certain direction. An economic cluster is a group of interconnected organizations (companies, corporations, universities, banks, etc.) concentrated on a certain territory: suppliers of products, components and specialized services; infrastructure; research institutes; universities and other organizations that complement each other, enhancing the competitive advantages of individual companies and the cluster as a whole (Vagizova *et al.*, 2013).

The founders of the American theory of cluster organization of production were Porter *et al.* (2018). The founder of the cluster economic concept, Porter *et al.* (2013) put forward the theory of industrial clusters, where the cluster is presented as “a group of geographically adjacent and cooperating companies and organizations operating in a certain area, characterized by common activities and complementary to each other.” The scientist believes that the cluster affects competition in three ways:



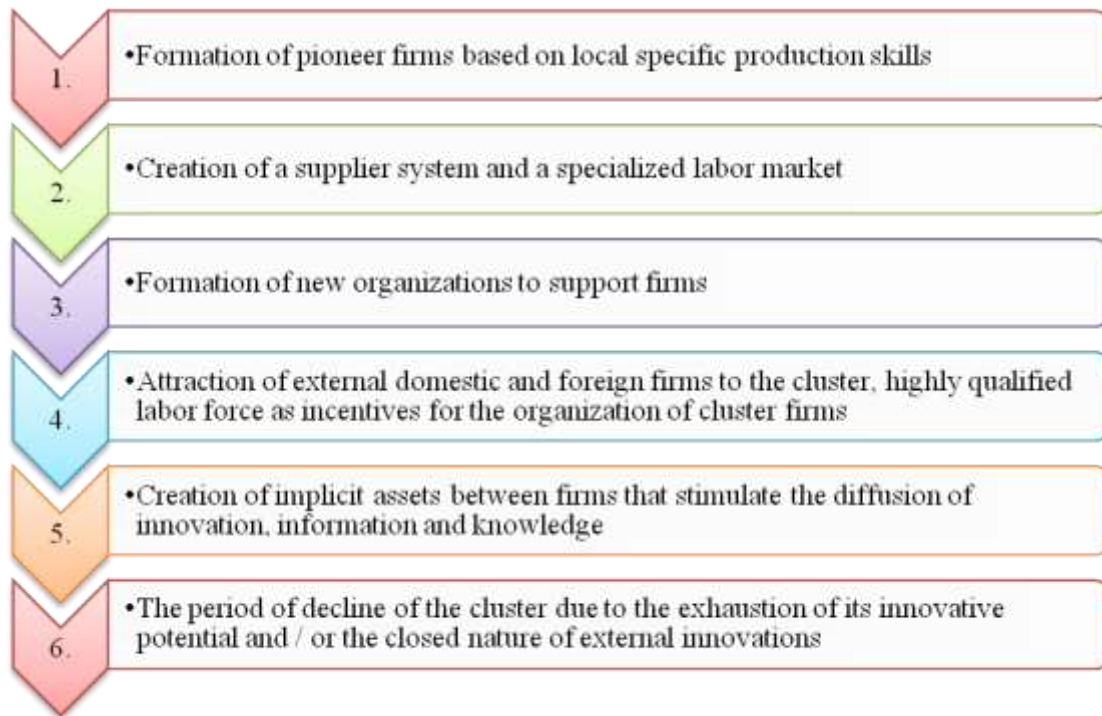
**Figure – 1: Influence of the cluster on competition according to Porter *et al.* (2018)**

Exploring the competitive advantages of countries that occupy a significant place in world trade, Porter *et al.* (2018) showed that "national prosperity is not inherited - it is created," and "the only reasonable concept of competitiveness at the national level is labor productivity." The highest labor productivity is observed in firms connected by a flexible organization and constantly introducing innovations. In this connection, as it was noted, the most important factors in the growth of competitiveness are not only innovation and education, but also the relationship between enterprises, which provides

conditions for the creation of network structures – clusters (Tursunov, 2020).

Storper (1997) put forward the theory of an “ideal” regional cluster, the development of which takes place in six stages:





**Figure – 2: Stages of development of the "ideal" regional cluster according to Storper's theory (Storper, 1997)**

Enright (1992), within the framework of his theory of regional clusters, determined that competitive advantages are created not at the supranational or national level, but at the regional level, where the main role is played by the historical prerequisites for the development of regions. Thus, a regional cluster by its definition is a geographical agglomeration of firms operating in related industries.

The founders of the Scandinavian theory of cluster organization of production were:

- B. O. Lundval and B. Johnson with the theory of the economics of learning and the national system of innovation, based on the position that the invention of innovations and the generation of new knowledge is the only option to increase the competitiveness of a country, especially a small one.
- B. Asheim and A. Isaksen with the theory of the regional system of innovation, which proves that for the competitive development of almost any branch of specialization in the region and the sustainable improvement of living

standards of the population, it is necessary to find the optimal ratio of local and ubiquitous knowledge within the framework of an industrial region developing in the region or a regional local cluster.

A lot of works are devoted to the study of the concept of "clusters" in the economic literature; by means of generalization and systematization, it is necessary to highlight a number of points. In his work, Tohchukov R.R. identified two fundamental characteristics in clusters: firms in a cluster must be linked in some way, and the links are not only horizontal, but also vertical; clusters are geographically close groups of related companies. The formation of a cluster allows solving the problems of territorial localization of interconnected companies of the same industry or region, as well as not only uniting various subjects, but also expanding the mechanisms of management and interaction between cluster members.

Another of the important factors taken into account in clustering and economics, De Propriis Lisa and Driffield Nigel (2006) studied



the involvement in the process of not only companies from related sectors of the economy, but also "government agencies and scientific institutions." In addition, he defines the agro-industrial cluster as "the unification of organizations of various fields of activity in a single reproduction cycle from the production of agricultural products to the sale of finished products with the inclusion of all stages of production, the result of which should be a synergistic effect".

According to Barsukov (2014), a cluster network is a group of interconnected companies with common financial and business goals based on a system of mutually beneficial long-term relationships, coordination and a strategy of cooperation and development while coordinating interaction. Network participants interact and unite for various reasons (Figure - 2). They agree to openly cooperate and depend on each other to a certain extent. Networks are easy to form where multiple business transactions create good awareness and trust.

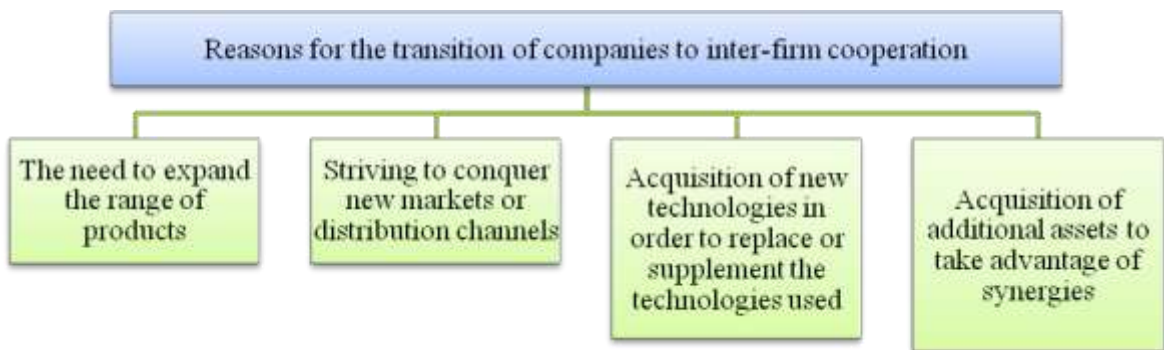


Figure – 3: The main reasons forcing companies to switch to inter-firm collaboration

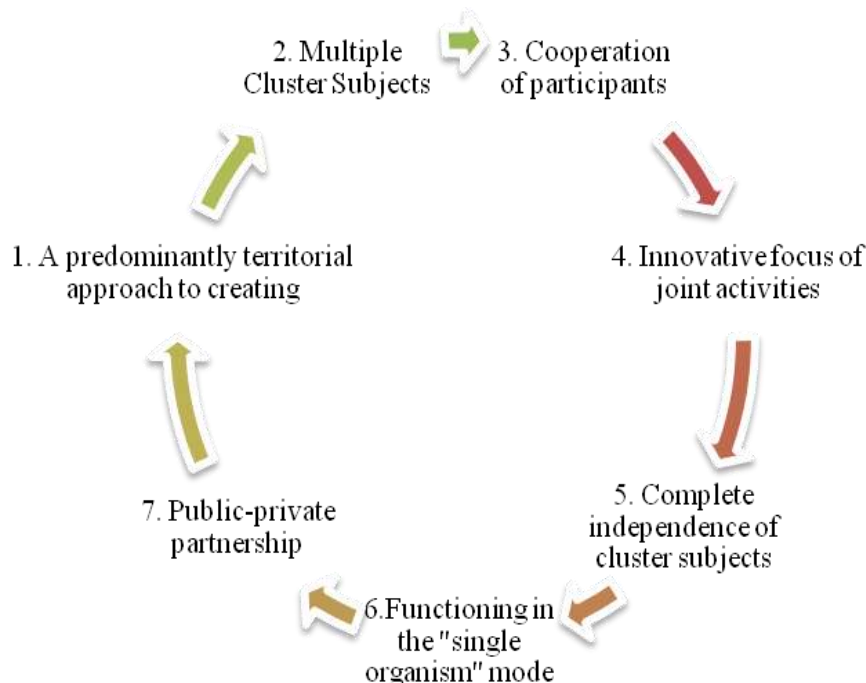


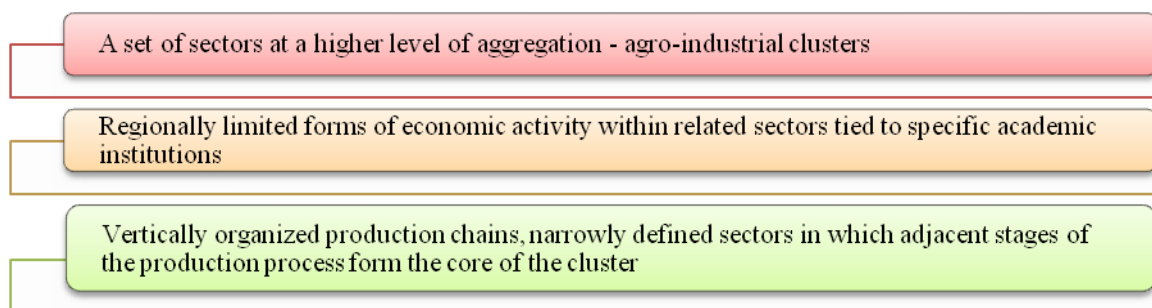
Figure - 4: Basic principles of building a cluster



One of the complete definitions was given by Aktam and Bobir (2019), “Clusters represent the geographical concentration of enterprises in one or more interconnected industries that compete but cooperate with each other in a single value chain, benefitting from specific local assets, co-location and social embeddedness”. They see a direct relationship between cluster systems and the innovative development of regions and the state as a whole, called the emergence of interactions in a cluster. The latter leads to an increase in productivity due to innovations in technological and organizational spheres and stimulation of the birth of new businesses that expand the boundaries of the cluster. Begov (2020)

highlighted the basic principles of building a cluster.

In accordance with the views of Uzbek scientists, the cluster approach to economic development is a new management technology, this approach makes it possible to increase the competitiveness of not only a separate territory or industry, but the entire country. A. A. Migranyan believes that a cluster is a concentration of the most efficient and interconnected types of economic activity, i.e. a set of interconnected groups of successfully competing firms. In the economic literature, there are three most common definitions of the concept of a cluster:



**Figure - 5: Cluster entity**

The presence of competition means that the cluster is not engaged in raising economically weakened production; in order to participate in the cluster, an enterprise needs to meet certain standards, for example, in terms of the quality of products and the ability to ensure uniformity of supplies. Vagizova *et al.* (2013) believes that a cluster is, first of all, a form of a network, since the close location of firms and organizations ensures the presence of certain communities and increases the frequency and strength of interaction. Moreover, well-functioning clusters transcend hierarchical networks and become lattices of numerous overlapping and fluid relationships between individuals, firms, and organizations. These relationships exist on an ongoing basis, gradually shifting, and often expanding the national industries. Vagizova *et al.* (2013) determined the possibility of access to the use of production and marketing technologies,

information, knowledge, while at the same time the legal independence of the enterprises included in the cluster, which is the main success and allows achieving synergistic success. It seems that the formation of clusters is facilitated by developed types of industrial, commercial (organizational) and social infrastructure. In turn, the clusters contribute to the intensification of the development of ecological, informational and institutional types of infrastructure.

Practice has shown that integration forms of interaction, which include the cluster form of organization, ensure the process of progressive development of the economy, which is vital for increasing competitiveness in order to ensure economic growth both for business entities in various fields of activity and for the state. According to Barsukov (2014), the formation and functioning of cluster structures make it possible to obtain economic, production, communication, infrastructural, social, and



reputation benefits both for their direct participants and for the territories of their location. clusters. The cluster approach is an effective tool that ensures the innovative development of the economy based on the formation of optimal interaction between representatives of business, government, science and education.

The practice of the most developed countries of the world shows that the implementation of cluster policy is an effective mechanism for enhancing their competitive advantages and contributes to solving the problem of disunity between the state, business, science and education. In the modern economy, clusters are becoming one of the most effective forms of integration of production, financial and intellectual capital, ensuring the formation and development of competitive advantages of territories. Belarusian authors believe that in the conditions of the rapid development of technologies, logistics, means of transport, the most important factors for achieving and maintaining superiority over competitors are not only innovation and education, but also the relationship between enterprises, which provides conditions for the creation of network structures - clusters. The analysis and generalization of theoretical approaches to the concept of a cluster allowed a certain commonality of the conceptual apparatus of this phenomenon. In their opinion, a cluster is a certain form of integration of various participants (organizations) entering into mutually beneficial partnerships, contributing to innovative development, ensuring an increase in the economic efficiency of the functioning of cluster members when creating a final product that is geographically linked.

According to modern domestic scientists, “clusters successfully solve the problem of creating cooperative ties between textile enterprises and farms, organized on the basis of concluding direct contracts for the cultivation of raw cotton by farms and its supply to a textile enterprise for further deep processing at their own production facilities and make their own an important contribution to the socio-economic development of both regions and the country as

a whole". A new organizational structure for analyzing the cluster system and improving the cluster model created in the light industry is proposed, and the process of improving the cluster model through the effective use of the experience of foreign countries in organizing clusters in the light industry is considered. Thus, clusters are one of the forms of interaction between organizations and social groups within a joint value chain. Clusters should be distinguished from holdings, professional associations, techno parks, industrial parks and districts, regional innovation systems, territorial-production complexes, industrial agglomerations.

The cluster has the properties of mutual competition of its participants, cooperation of its participants, the formation of unique competencies in the region, the formation of a concentration of enterprises and organizations in a certain territory. The introduction of textile clusters is designed to improve the satisfaction of the country's internal needs, reduce dependence on imports and increase the export potential of the state. The cluster approach can fundamentally change the content of state economic policy, which is aimed not at supporting individual enterprises and industries, but at developing relationships between related enterprises, institutions located in geographic proximity, etc. The cluster approach in the management of industries and complexes contributes to an increase in the stability of the economic system through a quick and prompt response to changes in the internal and external conditions, adaptation through the means of innovation policy. Thus, the advantages of introducing a cluster system in the agro-industrial complex make it possible to improve many processes of the national economy at both the micro and macro levels. There are several types of cluster management models:



Table – 1: Cluster management models

Management model	Proactive management body	Management technique
Directive model	State and local authorities	Development and application of legislative and regulatory acts for the development of the cluster approach in the agro-industrial complex, regional development strategy
Cooperative model	Private and public cooperative partnership	Coordination at the initiative of cluster entities, creation of innovation and investment councils, committees and other forms of governance at the regional level
Integration model	Integrated agricultural formations	Creation and functioning of horizontal agricultural clusters from the formation of human resources and raw materials to the release of the final product of the cluster
Private model	Agroholdings, large agricultural and processing companies	Creation of agricultural clusters at the initiative of large private investors coordinating clustering entities of various industry affiliations

The competitive advantages of cluster systems lie in the fact that they are based on the use of innovative developments, this is intended to contribute to the modernization of the economy of the region and the state as a whole, to increase the efficiency of reproduction processes, to increase the gross regional product, to increase the export potential of the territory and to general economic growth. According to economists, "the export potential represents the ability of a country, its industries and enterprises to create and export goods that can compete on the world stage, by attracting the comparative advantages of natural, infrastructural, production, innovation and other nature". In the practice of managing export potential, the concepts of general and local export potentials are distinguished. The first, as a rule, is understood as the maximum capabilities of the enterprise for the production and sale of a single product, in a separate foreign market, and the second, in terms of the aggregate of goods and markets. At the same time, the total export potential of the enterprise is the sum of the local ones.

The growth of the export potential of the enterprise can be considered in two directions: commodity and territorial (geographical). In the first case, we mean an increase in the

competitiveness of previously produced or newly created products. The second direction implies entering new sales markets or sales growth in previously developed markets. Based on the foregoing, four variables of the export potential of an enterprise can be distinguished: an existing product, a new product, a developed market, and a promising market. The combination of the above variables makes it possible to determine four directions for the development of the local export potential of an industrial enterprise. Of great importance for increasing the export potential of agro-industrial enterprises is the development of an export-oriented scenario for the formation of resource potential in the country's agricultural sector, where state financial support acts as a determining factor. The latter implies the development of an effective mechanism for reducing the costs associated with exports, increasing the efficiency of the management system in exporting clusters, which can be achieved not without the participation of local authorities, as well.

## 5. Conclusions

Thus, in order to improve the efficiency of managing the export potential of the agro-industrial complex, it is necessary to systematize the indicators of the effectiveness of the



implementation of projects to expand the export potential (KPI) and the legal regulation of their assessment. We recommend using the following as key performance indicators: the volume of exports for this type of agricultural products to this importing country; the volume of exported products in physical terms. In addition to the above factors, reflecting the quantitative indicators of export potential, it is necessary to monitor qualitative factors, such as: productivity growth, increased capital productivity, increased profitability of agricultural production.

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