



## Possibilities of establishing a construction cluster in Namangan region

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### ABSTRACT

The factors and directions of regional construction cluster formation in the conditions of the need to ensure the innovative development of the construction industry are studied in the article.

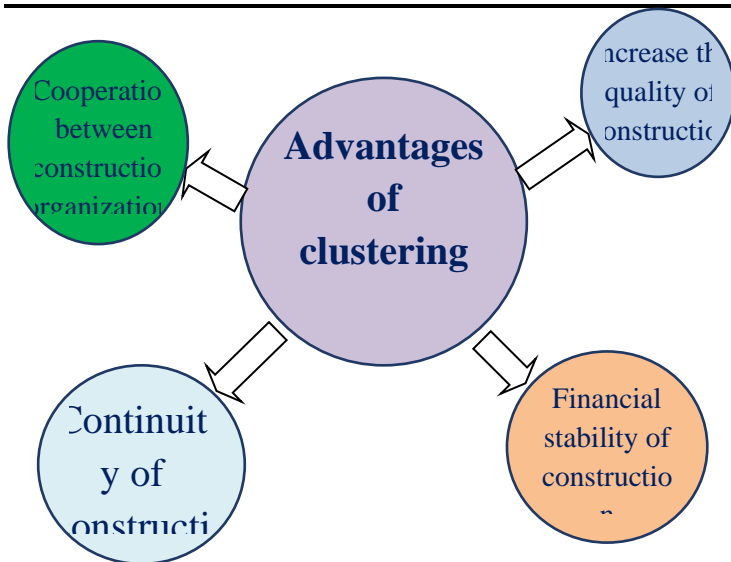
### Keywords:

Construction industry, innovative development, regional construction cluster, investors, consulting companies, educational institutions, managers, public authorities, multiplier, cluster policy.

The formation and development of a regional construction cluster is an important tool for increasing the position and position of the construction industry in the regional economy and increasing its competitiveness. At the same time, regardless of the wide discussion of the conditions for the creation of regional construction clusters at the national and regional levels, the methodological aspects of the implementation of regional cluster initiatives on the integration of business entities in the construction sector, taking into account innovative development, have not been sufficiently researched.

Modern economics considers the formation of clusters to be one of the important factors of innovative development of the country. Mechanisms for organizing and managing regional construction clusters are based on cluster initiatives. Currently, the

systems that require such science and are aimed at ensuring the rapid development of high-tech complexes have not yet been thoroughly researched in our country. Based on this, it is very important to revise the methodological basis of creating regional construction clusters and to determine the most important principles of selecting certain enterprises in the field according to its composition, as well as to clarify the rules of interaction between them and to determine the socio-economic parameters for evaluating the efficiency of cluster participants. At the same time, it is urgent to form and develop cluster structures, taking into account the interests of unifying economic entities such as business owners, investors, managers of consulting companies and educational institutions, and state authorities (Fig. 1)



**Figure 1. Advantages of clustering<sup>1</sup>**

As recognized in the figure above, the following positive results are achieved by organizing clusters in the construction network:

- Continuous and timely delivery of building materials between enterprises in the construction network is ensured;
- The quality of the construction and assembly works carried out by the construction organizations will increase;
- Situations of idleness of workers in the construction industry during working hours will be eliminated;
- As a result, the financial stability of enterprises in the network is ensured.

In order to analyze the results of the clustering of the construction industry in the region, it is first necessary to assess the "initial" conditions for the development of the cluster process. The analysis of the opportunities of the educational cluster in the construction complex of the region begins with the study of the business environment of the region, the presence of successful, competitive industries in this field, the availability of local resources, the innovative activities of economic entities and the infrastructural saturation of the region. In addition to the principles of economic development of construction enterprises

within the cluster, the following principles of construction cluster management in the region can be distinguished:

The principle of prioritizing long-term goals.

The long-term nature of the cluster activity and the high level of uncertainty of the possible results of the introduction of innovations determine the need to see the long-term prospects of the region's development, which in turn means the need to develop a strategy for the innovative development of the region's construction complex;

The principle of inter-network influence. In the economy of the region, the strongest competitive advantages have been formed under the conditions of unification of various enterprises of the construction complex, which helps to increase the competitiveness of all enterprises included in the cluster. Clustering of the construction industry is characterized by a highly innovative direction of the activities of the enterprises of the sector, which allows them to quickly adopt the newest types of techniques and technologies for the production of construction products, which ultimately helps it to enter new markets;

The principle of state participation. By creating a legal polygon for the operation of the cluster, the state determines the rules of interaction of the participants of the construction cluster, improves the scheme of interactions between the participants of the innovation process, and increases the ability to introduce innovations, in particular, modern technologies.

The principle of the multiplier effect - "the introduction of innovations at the level of regional socio-economic systems should be aimed at obtaining economic, social, environmental, scientific-technical and other effects"[1].

In order for the regional construction cluster to stand out positively from other forms of business cooperation, cluster members should be innovative. "The most successful clusters are formed where breakthroughs are made in the technical field or where new market areas are expected to be developed later. In this regard, it is necessary to actively

<sup>1</sup> Compiled by the author

use the cluster approach in the creation and regulation of regional innovation programs"[2].

Based on this, special attention should be paid to innovations that ensure the long-term development of the construction complex. An important approach to the clustering of the construction complex is expressed in the need to study the construction industry not separately from other sectors of the national economy, but in connection with them.

The practice of forming and developing clusters in countries with developed market economies shows that cluster policy is most effective if it is aimed at improving the state of key factors and regional cluster activity. Such conditions have the greatest effect on the implementation of the data forwarding cluster policy. A regional construction cluster, unlike a construction complex, is not a combination of enterprises organized "from above" without a clear indication of potential benefits by enterprises.

In our opinion, independent enterprises, construction firms and other organizations included in the regional construction cluster should have the following characteristics: geographically concentrated in one or more regions; to have a specific specialization in the provision of construction services or production of construction products; to interact based on the principles of partnership and competition; to have an official status, etc.

Entities forming construction clusters have a number of unique features compared to enterprises in other fields. Including:

- variety of production activities;
- to operate on the basis of strictly defined standards;
- high capital expenditure.

Medium and small businesses play an important role in the formation of the construction cluster, which is the basis of the construction industry. Taking into account the enormous positive effects of the integration of construction enterprises in the region, the process of creating and developing clusters is being encouraged in many countries of the world.

The analysis showed that the clustering of the construction complex in the region provides the following advantages:

1. Regional construction clusters provide participants with the opportunity to use new technologies, knowledge and conduct joint scientific research.
2. The cluster enterprise has the opportunity to create additional competitive advantages by introducing elements of innovation into its activities, developing internal specialization and reducing product costs due to an increase in production scale.
3. The presence of flexible entrepreneurial structures such as small and medium-sized businesses in the cluster allows for the formation of innovative points for the development of economic growth in the region.
4. Development of small businesses in the construction sector, facilitating their access to investment sources, providing an opportunity to exchange ideas and transfer knowledge from experts to entrepreneurs.
5. Clustering of the construction complex for enterprise managers creates conditions for more effective protection of the interests of enterprises included in the cluster at the level of state and local authorities;

Large participants of the construction cluster, after strengthening their position in the region and improving their recognition among consumers, attract suppliers to the cluster. At the same time or after that, they seek to establish cooperative relations with consumers in the region and with entities previously associated with competitors. Typically, these entities consist of small and medium-sized enterprises in the region. This has a positive effect on strengthening the positions of all cluster members and increasing its competitiveness.

Clustering of the construction complex for the regional economy can become an important factor in the development of the country's housing construction complex, the growth of the domestic market and the possibility of increasing international competitiveness.

In order for the regional enterprises that make up the cluster to be ready for the

merger process, it is necessary to take measures to increase the efficiency of their activities by adopting comprehensive measures

to introduce innovations and increase their competitiveness.

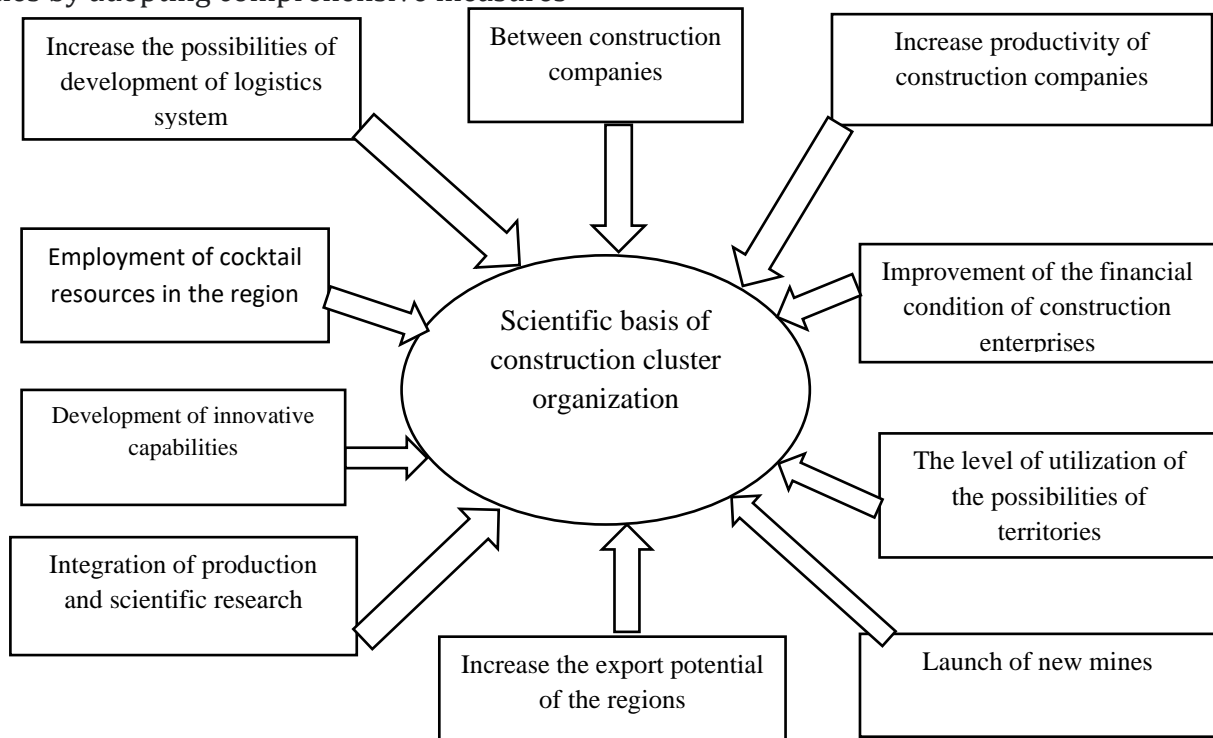


Figure 2. Scientific basis of construction cluster organization<sup>2</sup>

<sup>2</sup> Compiled by the author

It can be seen from the picture that as a result of the creation of the scientific basis of the construction cluster, it will be possible to improve the employment of labor resources in the region, increase the level of utilization of the opportunities of the regions, develop the integration of production and scientific research, and ultimately increase the export potential of the region.

Another advantage of organizing a construction cluster is that by organizing a construction cluster, it is possible to solve the problems of supply of construction materials among network enterprises.

Enterprises in a cluster exhibit strong ties. It only makes sense when the flow of goods and services between geographically concentrated industries in a cluster is stronger than the flow connecting them to the rest of the external economy. Clustering makes it easier to overcome common problems and obstacles based on market cooperation.

The development of the construction industry in the context of clustering requires the development of various forms of interaction between small, medium and large enterprises, state authorities, universities, research institutes, etc. Small and medium-sized businesses should feel supported by large enterprises in the construction industry as partners, not competitors, and strive to increase their market share and develop new regional markets.

Barriers to entering regional and national markets for them are significantly reduced due to the unification of requirements within the cluster. In addition, they have the opportunity to receive large orders, purchase modern technical equipment and software, increase their reputation through the use of a common trademark, and organize effective training of production personnel.

Local bodies of state power play an important role in the formation of cluster

initiatives. They conduct a detailed strategic analysis of the clustering potential of the regional economy and develop cluster programs for the development of individual industries in the region, taking into account the interests of all participants of the regional cluster. Here they should take into account the specific characteristics of the regional economy, the potential of individual sectors and the desire of the participating enterprises to develop integrated cooperation.

The need to develop information and communication technologies in terms of innovations, investments, regulatory support for construction activities, the composition of participants in regional construction clusters is determined by the composition of participants in the consumer value and value chain, from the creation of construction products to the delivery of construction services to consumers.

The main stages of the formation of regional clusters in the construction sector are presented in the diagram (Fig. 3).

The process of development of regional construction clusters includes a number of stages that are not always similar for different regional clusters. It should be noted that the formation of the cluster begins after the development of the appropriate policy in the relevant region on the initiative of the state. In this case, individual construction companies enter into cluster relations from the bottom up, following the government policy and on their own initiative, and the process of integration takes place.

Residents of existing agglomerations cooperate around the main branch of the economy, relying on already established relationships and taking advantage of these cooperation opportunities. Residents of existing agglomerations cooperate around the main branch of the economy, relying on already established relationships and taking advantage of these cooperation opportunities.

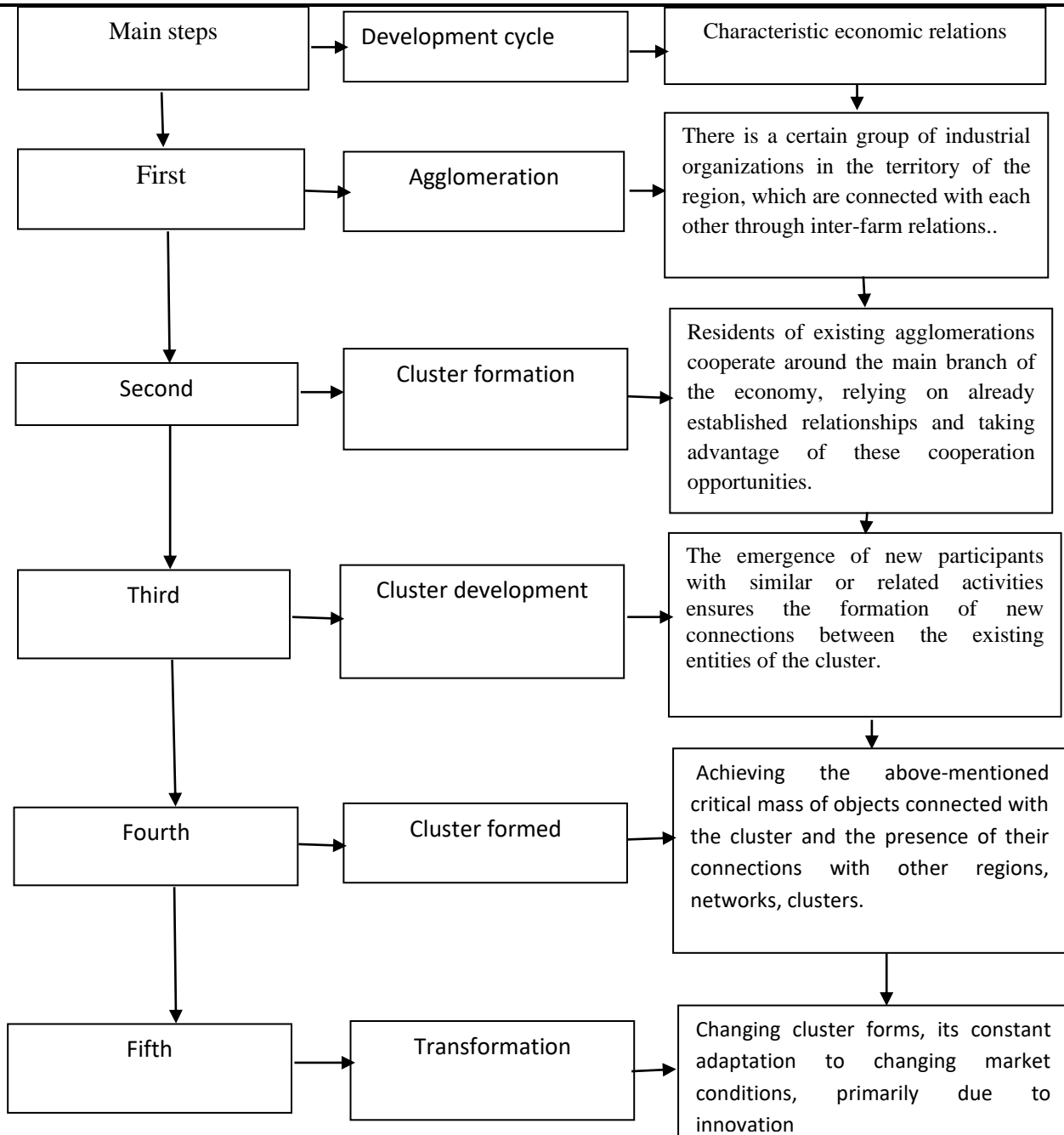


Figure 3. Stages of regional cluster formation<sup>3</sup>

<sup>3</sup> Compiled by the author

So, while cluster formation is carried out by the state initiative based on the appropriate regional policy of the state, it begins with the initiative of individual construction companies to form and integrate clusters based on the "bottom-up" principle.

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