



## FORMING A CLUSTER IN TERRITORIAL CONSTRUCTION PROCESS

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### ANNOTATSIYA:

Ushbu maqola mintaqa qurilishida klasterni joriy etish asosida, qurilishni samarali boshqaruv tizimidagi masalalarni yechishga qaratilgan bo'lib, unda klaster modelini tashkil etilishi va uni qurilishda yaratish muammolari, iqtisodchi olimlarning klaster bo'yicha fikrlari va qurilishda klaster modelining paydo bo'lsa qanaqa afzalliklarga erishish mumkinligi bo'yicha fikrlar keltirilgan.

**Kalit so'zlar:** klaster, raqobat, innovatsion tadbirlar, raqobatbardoshlik, tranzit salohiyat, tejamkorlik, loyihalashtirish, integratsiya, qurilish industriyasi, moliyaviy resurslar, qurilish mahsulotlari.

**АННОТАЦИЯ:** Данная статья направлена на решение проблем эффективной системы управления строительством на основе внедрения кластера в строительстве региона, в которой рассмотрены проблемы организации кластерной модели и ее создания в строительстве, представлены мнения экономистов о кластере и каких преимуществ можно добиться, если кластерная модель ровется в строительстве.

**Ключевые слова:** кластер, конкуренция, инновационная деятельность, конкурентоспособность, транзитный потенциал, экономика, планирование, интеграция, строительная отрасль, финансовые ресурсы, строительная продукция.

### ABSTRACT:

This article is aimed at solving the problems of the effective construction management system based on the introduction of the cluster in the construction of the region, in which the problems of the organization of the cluster model and its creation in construction, the opinions of economists on the cluster and the



advantages of the emergence of the cluster model in construction points are presented on the possibility of achievement.

**Key words:** cluster, competition, innovative activities, competitiveness, transit potential, economy, planning, integration, construction industry, financial resources, construction products.

## Introduction

One of the sectors that contribute to the economic development of a region is construction. At present, efforts are being made to develop the construction industry in terms of quality in the regions, and measures are being taken to achieve success in this field. Currently, the modern construction industry is managed by several centers, and every construction company strives to achieve profitability as much as possible. The management process involves the complexity of horizontal and vertical economic relations with construction companies that have unique features in the regions. Therefore, it is necessary to develop a methodology for solving the problems and tasks that arise from the changes in the structure and activities of new directions and construction organizations.

In recent years, like all other sectors, construction industry in the Republic of Uzbekistan is also being given special attention to further develop the field. The measures taken by the government and state leaders to further improve the system, along with the adoption of state programs, their implementation and the increase of efficiency in the network have resulted in the expansion of the construction sector in various fields. For instance, Presidential Decree PQ-4335 dated May 23, 2019 "On additional measures to further develop the construction materials industry", Presidential Order PF-6244 dated June 9, 2021 "On additional measures to increase the industrial potential of regions", Presidential Decree PQ-139 dated February 21, 2022 "On additional measures to support the construction of houses and buildings and to develop the construction materials industry", and Presidential Order PF-60 dated January 28, 2022 "On the strategy of the development of Uzbekistan for 2022-2026", are the evidence of the ongoing efforts to promote the construction sector in the country.

According to the data of the State Statistics Committee, construction works worth 130,767.1 billion soums were carried out in 2022, which indicates a growth rate of 106.6% compared to the previous year. In January 2023 alone, construction



works worth 5,011.9 billion soums were carried out, which is 65.7% higher than the corresponding period of the previous year.

However, in the current situation, the construction industry in the regions is in demand for the creation of new types of high-quality, competitive and energy-efficient innovative materials from local raw materials, the development of construction material producing companies for the export of quality products to international markets. This requires the integration of scientific research aimed at effective management and development of this process.

### **Analysis of literature on the Topic**

Currently, the conditions for the development of the world economy - globalization projects, the increasing number of transnational companies and the expansion of their activities, the influence of the location factor on the economic competitiveness of construction companies, and the issues of developing the competitiveness of the economy in the context of the quality, competition, and international standards - have a significant impact on the development of the construction industry.

In the construction sector, it is believed that effective service provision based on quality, competitiveness and international standards, as well as taking into account the location factor, can only be achieved through the consolidation of activities through a cluster.

"Clusters provide benefits to the people, ensure employment and income. Our main goal is exactly that," said Shavkat Mirziyoyev.

Clusters are groups of companies, specialized organizations, service providers, relevant firms, and related organizations (such as universities, agencies, and trading associations) operating in related sectors on a geographical basis, collaborating with each other and competing together.

Today, in the construction markets, special attention is paid to competition between clusters, as they provide opportunities to increase the competitiveness of the market economy, especially for government and companies. Clusters represent a new and additional way of understanding government policies. The understanding of the cluster situation in different regions and the identification of the internal characteristics of the economic activities of the clusters, as well as the provision of the existing mechanisms for their future development, contribute to the development of the philosophy of economic production. The economic situation of the region can be identified at various levels, such as regional, capital,



and national levels. The existence of clusters engaged in the production of the main network products and their competition characteristics, as well as the geographic distribution's role in shaping the superiority of the region in terms of competition, are reflected in the clusterization of local and foreign markets. The formation of clusters focused on external and domestic markets is based on increasing competition and meeting the needs of household and production in the construction sector. In this regard, Porter's cluster model serves as a means to increase competitiveness in the current global economic process. In the Samarkand region, the growth in the production of construction products and the provision of local products necessary to meet the needs of the population, as well as the expansion of exports, the modernization of enterprises, and the organization of scientific-practical activities for technology development, are considered as one of the most important economic trends of today.

Therefore, in his appeal to the Oliy Majlis, our esteemed President Shavkat Mirziyoyev emphasized the importance of developing competitive products, finding new international markets, increasing exports, and fully utilizing transit opportunities as the most important aspect of economic growth.

Before establishing a regional construction cluster, we should first understand the concept of a cluster. According to M. Porter, "a cluster is a group of interrelated companies and institutions with close geographic proximity in a particular field," while Shtainer Hartman believes that "a cluster is a group of firms (involved in manufacturing or service provision) linked by labour or technology relationships with states, private and semi-public scientific-research and experience-building institutions, interacting in a cohesive manner." A. Marshall suggests that a "corporate cluster" can lead to successful results through the collaboration of highly skilled workers, the exchange of materials and equipment, and the concentration of expertise.

From these definitions, it can be concluded that a cluster is one of the processes of establishing construction based on new technologies and innovations. In our opinion, a construction cluster involves the coordination of organizations and firms involved in the production of goods, starting from the planning stage to the final product, or involving modern technology and highly skilled specialists in the process.



## Research Methodology

During the research process, various methods such as dialectical and systematic analysis, objective evaluation, scientific observation, abstract-logical reasoning, comparative analysis, induction, and deduction were used to organize construction activities and increase the competitiveness of construction products. One important aspect was the formation of clusters in the regional construction industry, which aimed to improve the competitiveness of construction products by enhancing cooperation and coordination among stakeholders. As a result of scientific work, some ways to attract skilled professionals to the construction sector, meet the needs of the population with its own construction products, and participate in world markets were analyzed. This approach proved to be effective for construction corporations in the region.

## Analysis and Results

Our opinion is that, in the first place, in order to establish clusters in the construction of borders, it is necessary to further develop the scientific and theoretical foundations for the evaluation and implementation of innovative measures in construction material production companies in Samarkand province, and to create new innovative projects and apply them in the production process. We need to pay special attention to the following issues in this regard:

- Organizing effective innovation events in construction material production companies in Samarkand province, and further developing existing scientific expertise to create new competitive construction products, which can be beneficially utilized in construction materials.
- Establishing mechanisms to increase the production and promotion of construction materials manufactured by companies in Samarkand province, and integrating them into external markets.
- Further developing the production of construction materials through innovative measures and increasing the number of workplaces.
- Creating mechanisms for evaluating and improving the competitiveness of construction materials produced by companies in Samarkand province
- To further develop collaboration between scientific-research institutions and companies producing construction materials in the Samarkand region;
- To establish a competitive environment among construction companies for the production of building materials; Secondly, in our country, today, specialists in the field of construction and architecture are trained in higher education





institutions, including architects, construction engineers, and other related professions. However, the current education system does not keep up with the rapidly advancing construction technologies, and integration of foreign experiences into construction processes is not occurring fast enough. Additionally, the number of specialists engaged in the construction industry is increasing due to the growth in construction, which is causing concern among responsible parties in the industry. Therefore, it is necessary to increase the number of highly specialized construction organizations in the region and to increase the number of qualified personnel in the field. For this purpose, firstly, it is essential to bring higher education institutions closer to the system of producing building materials, and to ensure that educational institutions work closely with each other both structurally and substantively, and provide practical integration processes for students. Thirdly, it is essential to involve construction companies and entrepreneurs directly in the construction process.

According to the types of enterprises, the main indicators of construction and installation work for the year 2022 amounted to a total of 89,379.6 billion Uzbekistani som, including:

- The volume of work carried out by large construction organizations amounted to 25,347.0 billion som, or 28.3 percent, which is an increase of 117.0 percent compared to the same period of the previous year;
- The volume of work carried out by small businesses and micro-firms amounted to 39,380.3 billion som, or 44.1 percent, which is an increase of 98.4 percent compared to the same period of the previous year;
- The volume of work carried out by non-state sectors amounted to 24,652.3 billion som, or 27.6 percent, which is an increase of 102.9 percent compared to the same period of the previous year.

As of February 1, 2023, a total of 45,591 companies and organizations were engaged in construction activities in the Republic of Uzbekistan. In addition, in January 2023, a total of 426 new construction companies were established, accounting for 0.9 percent of the total number of operating companies.

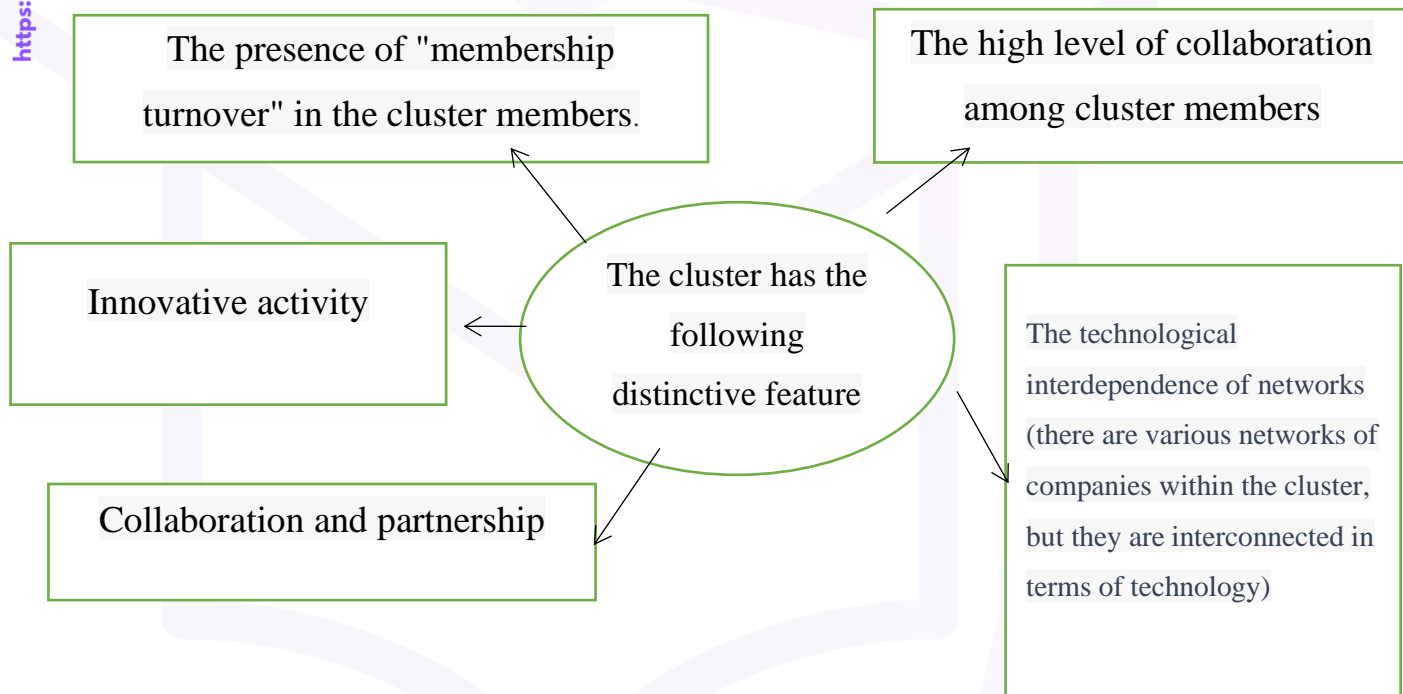
It is necessary for the construction companies that have a good base to have companies that produce construction materials and equipment. At the same time, science and industry are interdependent, complementing each other, and are connected by a close relationship. A specialist from a higher education institution will have the opportunity to easily enter this field, and there will be no doubling in their profession, but their practical responsibility will increase.

When all the educational and manufacturing systems are integrated into one system, the integration of education and manufacturing will result in the formation of clusters in the network.

In the formation of construction clusters in the regions, the following privileges are granted:

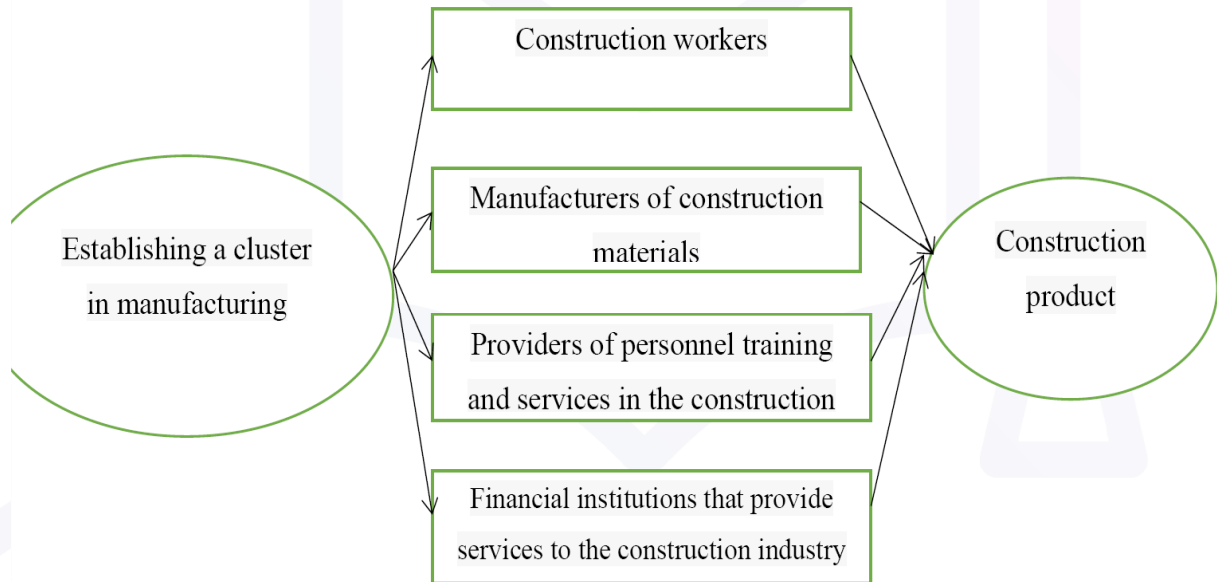
- A revolving credit of up to 10 billion som and long-term loans of up to 2 million dollars for the purchase of equipment and construction machinery;
- Tax benefits for 2 years for the purchase of modern equipment and construction machinery.

To further streamline the construction process, it is necessary to take into account the unique features of each cluster, as shown in the first figure.



1-Picture.Unique characteristics of a cluster.

Based on the ideas and conclusions presented above, the following model can be proposed for forming clusters in the construction industry 2-picture:



### Conclusions and suggestions

To form a construction cluster at the border and develop management, in our opinion, it is necessary to implement the following:

- To benefit from global experience in attracting financial resources when forming a construction cluster at the border;
- To organize the construction services market in the region systematically because understanding the real situation in the construction cluster improves the accuracy of decision-making and minimizes risks during the decision-making process;
- To ensure the safety and quality requirements for services, products, and materials in some cases, to protect construction organizations from fraudulent suppliers;
- To monitor the satisfaction level of users with the quality of services provided by the construction cluster companies;
- In general, we believe that it is necessary to further develop the cluster system in the construction process.

Therefore, by taking into account the above ideas and considerations, the formation of a construction cluster in the Samarkand region will meet the needs of the population for housing, increase its effectiveness by mastering foreign competitive technologies and training competitive personnel, and contribute to the positive solution of economic issues in the region.





## Resources

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