

Efficiency Of The Development Strategy For Regional Agricultural Production In The Conditions Of Economic Liberalization (On The Example Of Kashkadarya Region)

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Abstract

The article substantiates the need to develop a strategy for the development of agro-industrial production, taking into account the typologization of regions according to climatic, social, economic and other characteristics, and also substantiates the proposal to deepen institutional reforms in the agricultural sector of the regional economy based on the formation of agricultural cooperatives.

Keywords: *development strategy, priorities of the region, agricultural production, territory, structure, climatic zoning, differentiation, agricultural cooperation.*

Introduction

The need for agrarian reforms in post-socialist countries was due to the inadequacy of the existing structure of the agrarian sector to the requirements of the new macroeconomic situation, its high subsidization in most countries, production necessity, as well as the loss of competitiveness in domestic and foreign markets. The transformation strategy of the agricultural sector is aimed at increasing its efficiency and productivity by replacing the institutional and organizational structure of a planned economy with the characteristics borrowed from the practice of countries with market economies. However, despite the general goals and universality of the processes of agrarian transformations in post-socialist countries, the effectiveness and speed of their implementation are significantly differentiated due to the dependence on natural, economic and social factors in the formation of market institutions at both the sectoral and regional levels.

However, further deepening of market reforms in the agricultural sector requires the development of strategies for the development of agricultural production, taking into account the effective use of the agro-resource potential of the territory and liberalization of the economy.

However, the study of the prevailing practice of strategic development of agro-industrial production in the region of the country indicates that this key stage of forecasting and analytical work is not given due attention. This is mainly due to the weak scientific elaboration of the problems of strategic analysis of the socio-economic development of the regions and its individual sectors, which implies as an indispensable requirement to identify the internal laws of the development of the territory; assessment of starting conditions and development preconditions, caused by local factors, as well as the influence of external factors, which, in fact, gives strategic character to analytical work.

This is largely due to the lack of theoretical studies of regional features of the development of agricultural production. In this regard, methodological approaches to the formation of strategies for the development of agro-industrial production and the development of a mechanism for its implementation on the basis of a comparative assessment of the economic potential of territories are becoming particularly relevant.

The theoretical and methodological foundations of the regional economy are developed in the works of such foreign scientists as E.B. Alaev, A.G. Granberg, U. Izzard, V.V. Kistanov, T.G. Morozova, A.S. Novoselev, K. Thunen, H. Armstrong, R.I. Schnipper.

In Uzbekistan, the problems of development and distribution of productive forces were studied in the works of M.A. Abdusalyamov, Z.M. Akramov, A.B. Ata-mirzaev, T.M. Akhmedov, B. Ruzmetov, A. Soliev, Sh. B. Imamov, A.M. Kadyrova, the works of O. Abdullaev, A. Dzhuraev, F. Nazarova, Ch. Murodov, E. Trushin, A. Sadykova, K. A. Khasanjanova are devoted to the study of socio-economic issues of market management methods and agribusiness, N.S. Khushmatova, R.Kh. Khusanova, U.Kh. Nigmatzhanova, T. Farmonova, F.T. Egamberdiev, K. Chariev and others. They reveal the problems of the development of agrarian relations, a combination of diverse forms of management, improving management, pricing, and efficient use of land and water resources.

The study of U. Muminova, I. Pardabekova, F. Aminov, A. Rakhmatullaev and others was of great importance in studying the problems of development and increasing the efficiency of agricultural production at the regional level.

However, despite the certain interest of domestic scientists in the problem under study, the methodological and methodological issues of developing strategies for the development of agricultural production in the context of liberalization of economic relations remain insufficiently studied. In this regard, the solution to this problem is of certain scientific and practical interest at the present stage of deepening market reforms in the agricultural sector, which led to the choice of the topic of this study.

The purpose and objectives of the study. The purpose of this study is to develop scientific and methodological approaches and practical recommendations to improve the efficiency of the development strategy for agro-industrial production of the Kashkadarya region in the context of economic liberalization.

In accordance with this, the work provides for the solution of the following tasks:

identification of the main directions and identification of the problems of the development of agro-industrial production of the region as a complex socio-ecological-economic system;

- study the regional factors limiting the growth of agricultural production, explore the main trends in its development and the existing structural imbalances;
- analyze the efficiency of using agro-industrial potential and the existing territorial structure of agro-industrial production;
- substantiate organizational forms for implementing the priorities of the development strategy for agricultural production in rural areas.

The subject of the study is economic relations, emerging under the influence of market and state regulation of the development of the agricultural sector of the region's economy.

The object of research is the agro-industrial complex of Kashkadarya region, monographic surveys were carried out at the level of districts, farms and dekhkan farms, as well as processing enterprises.

Research Methods. During the study, methods of retrospective, system and comparative analysis, mathematical and statistical analysis, expert estimates and others were used.

In recent years, the role of regions in the structural transformations of the country has increased significantly. A number of measures have been taken to increase the economic potential and competitiveness of the regions. As a result of the implementation of targeted regional programs, outstripping GRP growth rates were achieved in Tashkent city (4.3 times compared to 2000), in the Republic of Karakalpakstan (3.5 times), in Jizzakh (3.9 times), Samarkand (3.8 times), Namangan (3.5 times), Andijan (3.3 times), Surkhandarya (3.3 times) regions. Moreover, for the period under review, the average annual GRP growth rate in Tashkent amounted to 109.6%, the Republic of Karakalpakstan - 108.2%, the Jizzakh region - 109.0%, the Samarkand region - 108.7%, the Namangan region - 108.1 %, Andijan region - 107.9%, Surkhandarya region -107.8%. Low average annual GRP growth rates in comparison with the average republican level (107.3%) for 2001-2016 were observed in Navoi (104.5%), Fergana (105.8%) and Tashkent (106.5%) regions.

The inequality of the regions of Uzbekistan in terms of socio-economic development and economic growth is determined by a number of objective reasons - the level of regional development in the initial period of market reforms, the investment attractiveness of the region, economic and geographical development, the level of infrastructure development, innovative potential and many other factors (see. fig. 1).

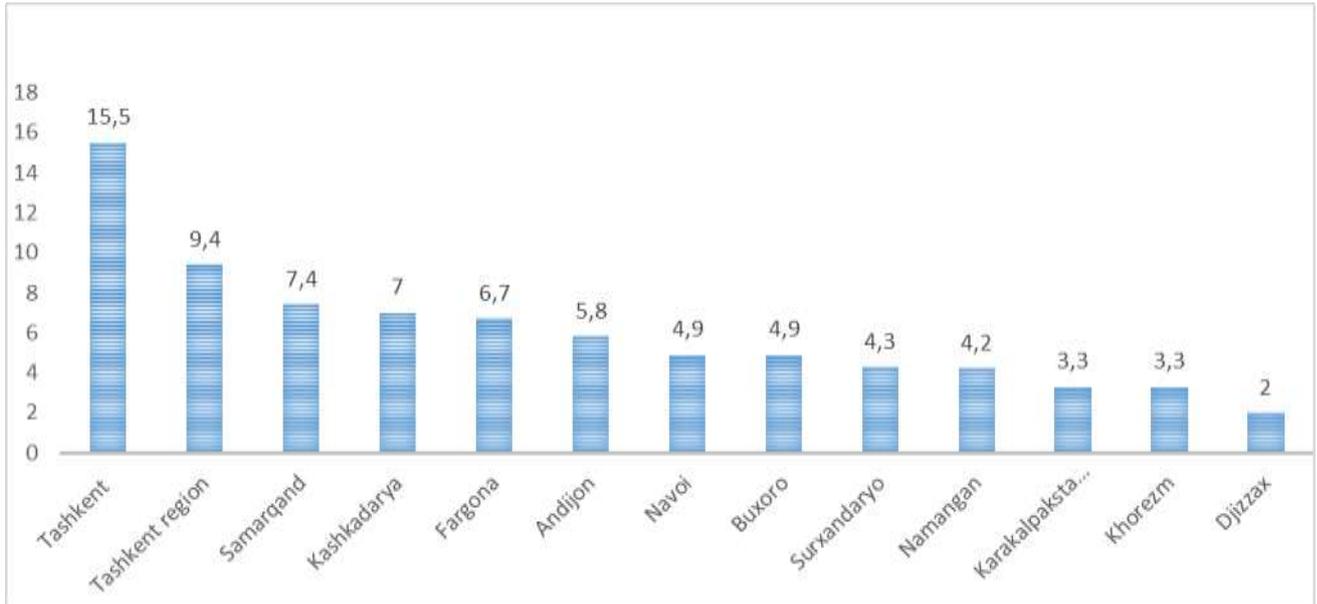


Fig. 1: Participation of regions in the formation of GDP for 2017 (as a percentage of GDP)¹

In terms of the share of GRP in the formation of GDP of the republic, the city of Tashkent leads with a 15.5 percent indicator. Tashkent, Samarkand and Kashkadarya regions occupy subsequent places with indicators of 9.4%; 7.4% and 7.0%, respectively. The lowest share of GRP is noted in Syrdarya (2.0%), Jizzakh (2.3%) regions and the Republic of Karakalpakstan (3.3%).

According to the results of 2017, the largest share of rural, forestry and fisheries in the sectoral structure of the GRP belongs to the Surkhondar region (40.3%), the industry to the Navoi region (53.9%), and the services sector to the city of Tashkent (60.4%). The smallest share of rural, forestry and fisheries, as well as services was recorded in the Navoi region (18.5% and 22.8% respectively), and industry in the Surkhandarya region (8.2%) (see Fig. 2).

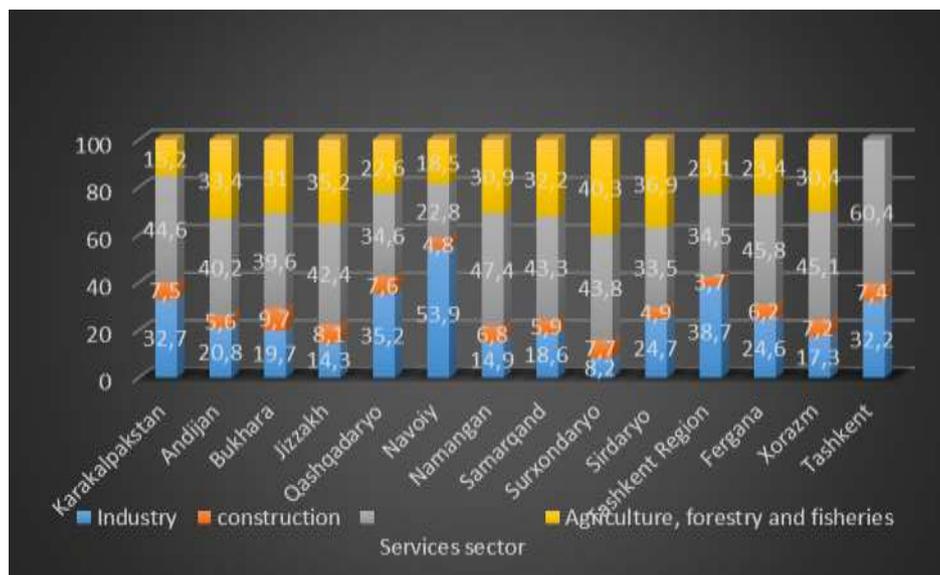
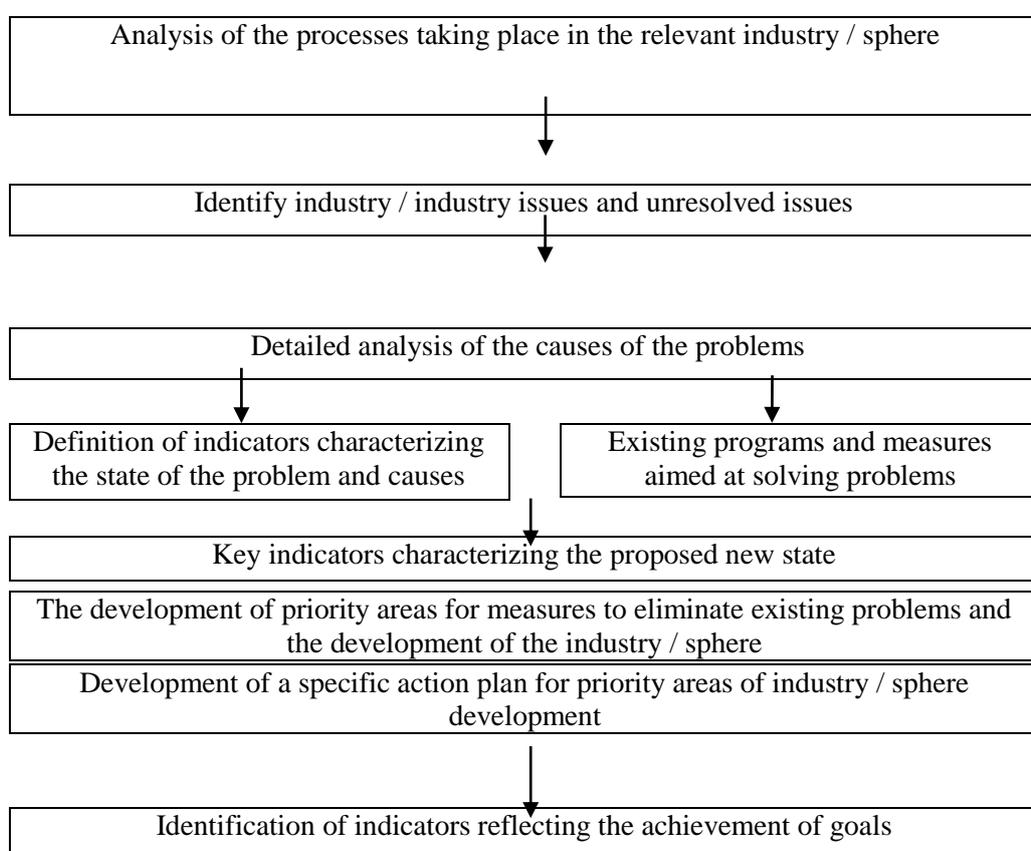


Figure 2: Industry-specific GRP structure for 2017 (percent to total)

The economic reforms being carried out in Uzbekistan objectively contribute to increasing attention to the territorial aspect of governance, including its most important function - forecasting. This tendency is objective in nature, since the mechanism of formation of a market equilibrium of supply and demand does not allow providing an effective solution to the problems of the complex development of administrative-territorial formations of various ranks.

In our opinion, the right choice of strategy allows you to concentrate efforts and resources on realizing the potential of economic development and thereby ensure the effective development of regions in market conditions. During the development of the strategy, the place, role and functions of the regions in the new economic conditions are identified, strategic priorities for the development of the region in the transformed economy are determined, economic, financial and organizational mechanisms for implementing the strategy in the new institutional environment are substantiated. Of course, the development strategy of a particular region should organically fit into the country's development strategy and be a single whole with it.

The initial document in formulating a strategy and setting objectives for the development of agro-industrial production in the region is a concept where the scale, pace, proportions and priority directions of its development, its individual structural and functional subsystems, problem areas are determined, as well as a general justification of the system of measures aimed at increasing the effectiveness of production management, methods for eliminating territorial and sectoral imbalances and inconsistencies, the growth level and quality of life of the population are substantiated. On the basis of the concept, sectoral and territorial programs, targeted integrated documents are developed in which the concept positions receive a detailed and concrete justification, and the process of coordination of problematic issues also takes place. Methodological approaches to developing a strategy for the development of agro-industrial production in the region, including a logical scheme and implementation technology, are given in scheme 1.



Scheme 1. Technological scheme of concept development

In our opinion, the regional strategy for the development of agricultural production can be considered as a document containing a system of measures and projects aimed at creating the conditions for the implementation of the priority functions of the region, defined as its strategic choice. In essence, it can be presented as a separate unit in a comprehensive program that implements the concept of promising integrated socio-economic development of the region.

Consideration of foreign experience, the definition of target guidelines for the development strategy of agro-industrial production of the Kashkadarya region made it possible to justify and highlight the following basic principles that form the basis of its development:

- Sustainable development of agriculture based on the effective use of land and water resources of the irrigated zone in order to strengthen the potential for the production of raw cotton, grain and livestock products;
- intensive use of the agricultural potential of the irrigated aeon, which is especially important in conditions of water scarcity and limited opportunities to expand the irrigated land area;
- priority development of food sectors of agricultural production, by increasing the production of fruits, vegetables, grapes and livestock products in order to realize the competitive advantages of the region;
- increasing the sustainability of the private sector in agriculture through the development of farms and dehkan farms, reducing administrative barriers to their entry into the market and the formation of market infrastructure;
- the effective use of the export potential of agricultural production in the region, which allows liberalization of foreign economic activity to solve the problems of revenue generation and increase the provision of processing industries with new technologies;
- the development of entrepreneurship on the basis of the formation of a mechanism for cooperation between the state, local government and the private sector in order to increase employment and incomes of the population in rural areas.

Thus, the strategy for the development of agro-industrial production in the region should be considered as a basic forecasting and analytical document characterizing regional goals and the mechanism for achieving them in the future.

The gross regional product of Kashkadarya region increased in 2018 by 1.0% compared to 2017. GRP growth is due to the positive growth rates of the main industries of the region: in industry - 103.0% (share in the structure of GRP-27.1%), construction-103.5% (5.8%), in the services sector-104.5% (24.9%). In agriculture, forestry and fisheries, production decreased and amounted to 96.9% compared with 2017 (its share in the structure of GRP was 42.2%).

These trends will influence the change in the structure and economic growth of agro-industrial production in the region with an increase in the share of food industries, including livestock, in conditions of severe limited resources. As the analysis showed, the growth rate of the gross regional product in the Kashkadarya region lagged behind the average republican level (table 1

Table 1. The growth rate of gross regional product and agricultural production in the Republic of Uzbekistan and Kashkadarya region¹.

	2010г.	2015г.	2016г.	2017г.	2018г.
The growth rate of gross regional product:					
in the Republic of Uzbekistan	108,5	107,9	107,8	105,3	105,1
in Kashkadarya region	103,9	105,4	105,9	103,1	101,0
The growth rate of agricultural, forestry and fishery products:					
in the Republic of Uzbekistan	106,0	106,1	106,1	101,2	100,3
in Kashkadarya region	106,7	106,0	106,4	103,3	96,9

¹ Compiled by the authors according to the State Statistics Committee of the Republic of Uzbekistan.

The grouping of districts by specific gravity in the gross agricultural output of the region is as follows:

8% and more - Chirchik, Kasby, Nishansky, Mirishkorsky, Kamashinsky, Kosonsky and Karshi districts.

8% and less - Dekhkanabad, Guzar, Shakhrisabz, Mubarek, Kitab and Karshi. (fig. 3)

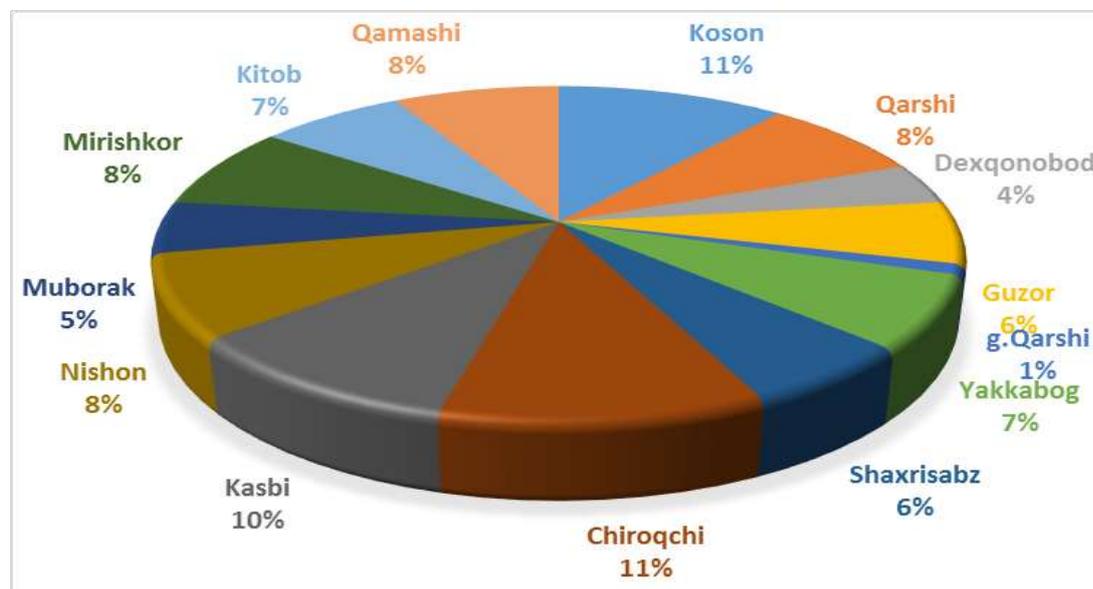


Fig. 3. The territorial structure of gross agricultural output in the Kashkadarya region, on average for 2015-2018. (at %)¹

The differentiation of regions by specialization in agricultural production is as follows:

Karshi, Kasansky, Mirishkarsky, Nishansky, Kasby - where the production of raw cotton and grain is from 50 to 70%;

Guzarsky, Kamashinsky, Mubareksky, Chirakchinsky - where the production of raw cotton and grain is from 30 to 50%;

Yakkabag, Kitab, Shakhrisabz and Dekhkanabad - where the food sector mainly focuses on the agricultural sector.

An analysis of the progress of economic reforms in the region's agriculture shows that:

- attitudes towards property, land, labor have not changed sufficiently;
- market mechanisms and incentives have not yet been developed; changes in the forms of management sometimes have a formal character;
- management principles have not changed enough; local authorities continue to intervene in agricultural production management;
- insufficiently developed free market;
- public procurement at fixed prices creates obstacles to the development of an efficient cotton and grain market, which distorts the market signals received by farmers and processors;
- the share of investments allocated to agriculture in the total amount of investments decreased, which also does not contribute to achieving sustainable growth of the industry.
- Lack of financial resources has led to insufficient attention to improving the land reclamation state, problems of seed production and livestock breeding;
- An effective mechanism regulating the organizational and production activities of farms has not yet been brought to its logical end, which hinders the accelerated development of the farm movement and the growth of agricultural production.

Improving the efficiency of agriculture should be carried out through the formation of private property and a competitive environment, the development of market relations in the countryside, as

¹ Составлена авторами.

well as the rational and efficient use of labor and land-water resources. The main focus of the current stage of agrarian reforms in the Kashkadarya region is the creation of private farms, primarily on the basis of economically insolvent, unprofitable and low-profitable shirkats.

In order to study the prospects for the development of the agricultural sector of the region, the dissertation conducted a sociological survey of the average level of management of the region and districts, as well as farm managers on the feasibility of developing a strategy for the development of agricultural production (Fig. 4)



Fig. 4. Assessment of the appropriateness of developing a strategy for the development of agricultural production in the Kashkadarya region ¹.

- According to the results of the survey, more than 31.4% of middle-level managers and 22.8% of farm managers believe that the development of a medium and long-term development strategy for agro-industrial production will contribute to economic growth in the region, respectively, 50.6% and 43.2% believe that this will not fully affect.
- Due to large differences in the use of land and water resources in different regions, according to the dissertation, maintaining a certain level of territorial differences is quite natural. It should be assumed that the proportions in the use of the natural and economic resources of the territories are the spatial distribution of the reserves of further economic growth, manifested in the optimal proportions of the system of measures and the achieved level of economic development. This approach is aimed at determining effective ways of rational use of regional reserves in the use of land-water and labor resources in order to grow the economy of the territories.
- The choice of priority areas for the development and increase of the efficiency of agricultural production should be combined with the determination of the directions of structural changes in agriculture differentiated by areas of specialization:
 - - Old irrigated zone (Karshi, Kasansky, Chirochchinsky, Kasby-sky, etc.). This zone accounts for more than 60% of agricultural production of the region and it is the most highly developed region of irrigated agriculture. There are favorable conditions with water supply and a developed network of irrigation and drainage systems. The growth of agricultural production in the future will be ensured by the availability of high-quality irrigation water and increased soil fertility. The main direction of development of the agricultural sector is the formation of highly productive agricultural production with a combination of cotton growing and food products;

¹Compiled by the authors according to sociological demand.

- - mountain foothill zone (Shakhrisabz, Kitab, Yakkabag, etc.) The main area of specialization is cotton-grain, fruit and vegetable, viticulture and livestock production. One of the main factors limiting the growth of the agricultural sector in the region is the deficit of irrigated land (with excessive labor resources). The scale and pace of the redistribution of labor resources in agriculture determine the need for the development of promising labor-intensive industries and the creation of new types of industries. In this regard, in our opinion, the development of low-water-intensive branches of agriculture in this region is gaining importance: self-production, viticulture, grazing, livestock breeding, etc.

- In our opinion, based on the study of foreign experience, it is necessary to form large commodity export-production zones in the Shakhrisabz and Kitab districts in order to promote horticulture, viticulture, vegetable and vegetable products and their processed products to foreign markets. The implementation of these tasks requires the implementation of a whole range of measures and the justification of the active involvement of the resources of the non-irrigated zone in the economic turnover, taking into account the environmental characteristics of these territories, including: improving and adopting new regulatory acts, adopting a state-targeted program with determining sources of investment, timing and stages of implementation ; to form and attract to the regions private companies specializing in procurement, storage, processing and wholesale, creating equal conditions for them to sell products in the domestic and foreign markets; stimulate the creation of sales offices abroad; development of private production (transport) and market infrastructures (certification systems, insurance), etc.

- - desert-pasture zone (Mubarek, Nishansky, etc.). Along with a combination with the branches of irrigated agriculture (cotton growing, grain growing, etc.), the development of livestock farming sectors (sheep breeding, cattle breeding, etc.) is a priority. When determining the potential of the desert-pasture zone as a starting point, it was adopted the provision that through its development the problem of increasing the production of wool, as well as providing the population with meat, should be mainly solved. Production volumes were determined in strict proportionality with the fodder potential of desert and semi-desert pastures and a possible increase in their productivity on the basis of: watering, improving the natural renewal of pastures based on the introduction of rational pasture turnovers and a set of measures for reclamation and the creation of long-term cultivated pastures.

- The most important goal of agrarian reform is the formation of an effective competitive agricultural production, based on the initiative and enterprise of commodity producers. In our opinion, one of the effective mechanisms for mutually beneficial cooperation between local authorities and the private sector to create new sources of income and increase employment is the development of agricultural

- the presence of a developed agricultural sector in both Mubarek and Shakhrisabz regions with food specialization;

- the conversion of shirkats to farms and dekhkan farms is almost complete;

- the presence of the largest oil and gas companies in the Mubarek fog: the Mubarek gas processing enterprise and the Shurtan gas-chemical complex - potential consumers of goods and services of cooperation;

- livestock and fruit and vegetable sectors of agriculture are in the private sector;

- availability of own financial resources and resources of farmers;

- the presence of entrepreneurs interested in directly participating in cooperatives;

- availability of communal infrastructure (gas, water, electricity).

Achieving these goals requires a phased solution of a number of tasks of the development strategy of agro-industrial production in the region:

At the first stage (until the end of 2025), it is necessary to ensure:

- development of a set of measures of an economic, social, legal nature, defining a system of relations and providing increased powers and functions, as well as the responsibility of local authorities for the development of the agricultural production industry and the expansion of economic independence of producers;

- creation of an effective system and mechanism for rational distribution of agricultural sectors;

- transition to economic regulatory methods; development of agricultural production in the territories.

At the second stage (2026-2030), the main tasks are:

- a significant decrease in the level of interregional differentiation and increased production efficiency in areas of specialization;
- deepening territorial shifts in agricultural production aimed at improving the efficiency of using the natural and economic potential of the territories.

Conclusions

In conclusion, conclusions and suggestions are formulated, the main content of which is as follows:

- The most important problem at the present stage of development of the Kashkadarya region is the transition to sustainable economic growth through overcoming structural imbalances in the agricultural sector of the economy. Studies have shown that agricultural production in the Kashkadarya region has significant potential for economic growth based on:
 - - developing a strategy for the development of agricultural production, solving as an integral part of a comprehensive program of socio-economic development of territories;
 - - identifying the causes and factors hindering agricultural reforms, taking into account demographic, environmental conditions and the provision of land and water resources.
 - - the formation of territories with special status in order to create a mechanism of susceptibility to innovation and increase the competitiveness of producers;
 - . World experience in regional development shows that a rapid increase in the productivity of the agricultural sector is associated with the removal of institutional, price and trade barriers that inhibit efficiency growth. At the same time, various levels of the formation of the agricultural product market (producers, region, state) determine the specifics of the economic regulation mechanism, the main elements of which are: at the macro level - the mechanism for restricting monopoly by the state, at the micro level - the mechanism for regulating the regional market by territorial bodies. The current economic mechanism for regulating regional development does not fully meet modern management requirements in market conditions.
- 7. The consistency of the development trends of the theory and practice of the formation of agrarian policy was revealed and the structuring of its content into the food, industrial and foreign economic component was proposed, which was the basis for the development of an appropriate structured system of goals, objectives and tools of the regional strategy for the development of agricultural production.
- 8. The causes of differentiation of the results of agrarian reforms in transition economies (initial resource characteristics, the pace of liberalization of prices and trade, the nature and pace of land reforms and the strategy of reorganization of agricultural producers) are identified, which ensures the unity of the comparative analysis of models of economic transformation of the agrarian sector and makes it possible to justify differentiated principles development of agricultural policy.
- 9. The labor redundancy of agricultural enterprises is an objective basis for the release of labor from agriculture, the rate of institutional changes in agricultural production. This involves mobilizing local resources to provide employment and increase rural incomes through the development of agricultural cooperation.
- 10. The objective basis for the formation of an effective regional agricultural policy is to take into account the degree of differentiation of regions in terms of the economic potential of agriculture, including resource, bioclimatic and production components. Resource and bioclimatic (risk factors) components of the economic potential of the regional agrarian sector are characterized by the productivity of agricultural land, for the determination of which various estimates are used based on the properties of soil and climate indicators and other features of the territory.

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