

# Processes For Social And Economic Development Of The Network

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**Abstract:** This article analyzed promising indicators of the socio-economic development of the agricultural sector, as well as measures to develop the sector and the problems associated with this area.

**Index Terms:** agricultural, economic, industry, indicators, network, social, prospects.

## 1 INTRODUCTION

In recent years, large-scale reforms have been implemented to ensure stable supply of the population of the country with basic food products, strengthen the raw material base of the processing industry, improve the quality of agricultural products and export potential. In particular, the Decree of the President of the Republic of Uzbekistan from April 17, 2019, No. PD-5708 "On measures to improve the system of state management in the agricultural sector" and the PE-4421 "On measures to further improve the activity of Tashkent state agrarian university" dated August 19, 2019 was adopted. Agriculture occupies a leading position in the economy of Uzbekistan. About 45% of the population lives in rural areas. In addition to water and forestry, the industry employs 3.6 million people (27% of the total employed in the economy) and accounts for 32.4% of the country's GDP [1,2,3,4,5]. Exports of agricultural products make up about 20-25% of the country's total exports, with more than 180 types of agricultural and food products being exported to more than 80 countries. 76 cotton and textile clusters were established in the regions to increase labor productivity and value added in agriculture. Despite these successes, there are many untapped opportunities for developing the agro-industrial sector as a sector that promotes market and export-based competitiveness of the economy, enhances farmers' incomes, creates new jobs, food security and sustainable use of natural resources. In-depth analysis of the current state of agriculture and comprehensive study of best international practices, introduction of effective mechanisms for the production, manufacturing, processing, storage and export of agricultural products, provision of resources and services; Prospects for socio-economic development of agrarian sector with the aim of wide and effective use of agriculture, further development of agriculture on the basis of human resources development in the sector. the development of art. The prospects of socio-economic development of the agricultural sector in the country have not been studied, and the theory and practice of managing innovation processes in this area is insufficiently studied.

Therefore, creation of high-quality products and achievement of high productivity, that is, socio-economic development of the agricultural sector is one of the urgent tasks of the country. The aim of our scientific research is to formulate scientific conclusions and recommendations by examining the factors for promising stages of socio-economic development of the agricultural sector. Socio-economic development of the agricultural sector in the country is studied in the scientific works of our economists M.K. Pardaev and O. Murtazaev. They have made a significant contribution to the development of theory and practice of effective agricultural production in market conditions. M.K. Pardaev's research indicates that the transition to an innovative way of economic development is related to the need to address the main challenges facing the agricultural sector. In the scientific works of O. Murtazaev the ideas on sustainable economic growth on the basis of an innovative way of development of agricultural production, to bring this strategically important branch to the modern requirements [6,7,8,9,10]. Food security is a key component of the national development plan because it is linked to a wide range of socio-economic, demographic and environmental factors. Population growth, increased demand for land and water, increased demand for energy resources, and climate change are major food security challenges [11,12]. Food security today is considered as a comprehensive concept that combines the availability and affordability of safe and quality food for the population. The concept of the four components of food security (availability, purchasing power, use and sustainability of food) is mandatory in determining the state policy priorities in food security and developing food security programs and long-term investment decisions. and the development of emergency response mechanisms at global, regional, national and local levels.

## 2 METHODS OF RESEARCH

In recent years, a number of measures have been taken to strengthen food security in the Republic of Uzbekistan. The ongoing reforms have made a positive contribution to ensuring food security and strengthening its position in the world, which is why the country is gradually improving its position in the world. However, it should be noted that the existing food security model does not fully meet the existing needs and problems and is not able to fully meet the UN's goal of addressing hunger, food security, consumption improvement and sustainable agriculture. In 1995, the main export commodity was cotton, accounting for 90% of export revenue. In 2018, the share of textile and cotton products in total exports of food and textile products was 55%, cotton fiber 8%, agriculture and food products (mainly fruit and vegetable products) 30%.The geography of exports has expanded over

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the past 5 years and is now trading with over 80 countries. By the end of 2018, more than 180 fresh and processed fruits and vegetables were exported from the Republic. In 2018, about 80% of total exports of foodstuffs and 30% of agricultural and food products (including foodstuffs, cotton fiber and textile products) accounted for fruits and vegetables, while in 2000 it was only 10%. percent. Growth in fruit and vegetable exports is the second largest exporter of dried apricots in the world, third in palm, fourth in raisins and apricots, fifth in sixth place in dried plums, fresh cherries and plums. As a result of our research on promising goals of the socio-economic development of the agricultural sector, based on the main indicators of the sector for today, the prospective targets for the next years have been developed (Table 1).

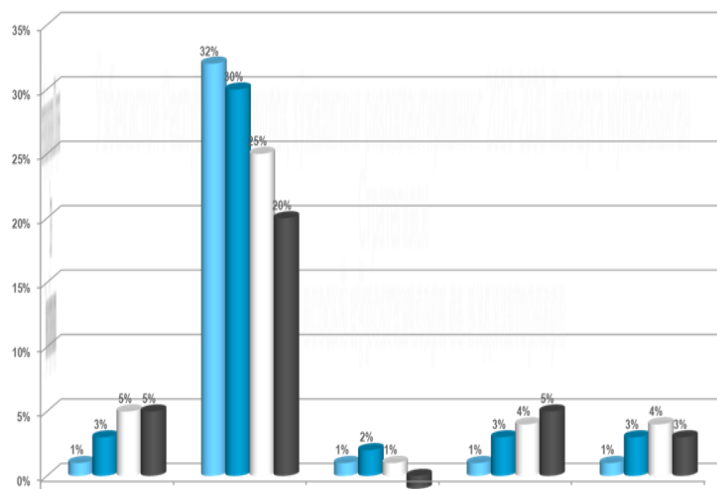
**Table 1. Main indicators and indicators of the industry**

Title of indicators	Background (2018)	Aim for 2021	Aim for 2025	Aim for 2030
Annual growth in value added in agriculture (%)	117.315 billion soum (US \$ 14.5 billion)	3%	5%	5%
Agriculture's share in total GDP (%)	32%	30%	25%	20%
Increase of the World Bank's Global Logistics Performance Index (LPI)	99th in the world	96th place in the world Climb up 3 points	89th place in the world climb up 10 points	79th place in the world climb up 20 points
Decrease in the share of food products in the structure of consumer expenses (World Bank)	50%	45%	40%	35%
Increasing agricultural and food exports	2,3 billion USD	2.8 billion USD 50% increase	10.0 billion USD 100% increase	23.0 billion USD 10 fold increase

Source: Developed by the authors based on the data of FAO and the State statistics committee

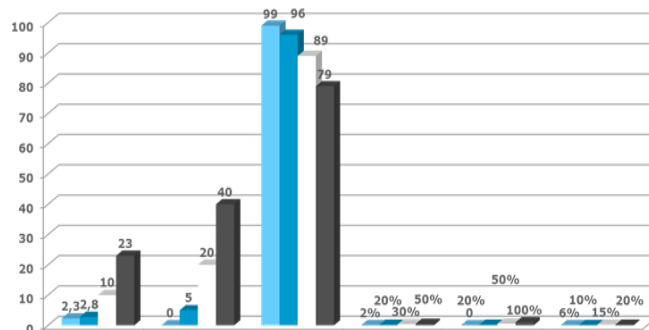
Table shows that the annual increase in value added in agriculture is expected to reach \$ 117.315 billion in 2018. and 20%, 5% and 5% respectively, in 2021, 2025 and 2030, while the share of agriculture in total GDP was 32% in 2018, and in 2021, 2025 and 2030 respectively. 30%, 25% and 20% predicted the decline in the share of foodstuffs in consumption expenditures by 50% in 2018, and by 20%, 40% and 35% in 2021, 2025 and 2030, respectively. in progress. Although the World Bank does not have the World Bank's Business Growth Index (EBA) Index, the rating was set in 2025, rising by 5 points, by 10 points in 2030, and by the World Bank's Global Logistics Efficiency Index (LPI). Increase in agricultural production and food exports by 2018 is expected to increase by 3, 10 and 20 points, respectively, by 2021, 2025 and 2030, respectively. In 2021, 2025 and 2030 it will be 2.8, 10.0 and 23.0 billion, respectively. soums. The high cost of resources

required for agricultural production limits the development of the sector and the increase in labor productivity.



**Fig.1. Perspectives of development of agrarian sector**  
Source: Developed by the authors based on data from the State statistics committee

The value chain development is an important factor in ensuring agricultural competitiveness. The high cost of collecting, transporting, storing, processing, packaging and certification of agricultural products from the field to the end consumer reduces the profit of agricultural producers.



**Fig.2. Perspectives of creating a favorable agribusiness environment and value chains**

Source: Developed by the authors based on the data of FAO and the State statistics committee

The underdevelopment of the food industry limits the ability to increase production of high value added products. Developed financial markets, a favorable business environment, and government policies to support producers and develop production and sales chains are required to attract the necessary investment in infrastructure development. Dekhkan farms that produce the major part of exported fruits and vegetables have limited losses in processing and packaging. They are also affected by seasonal fluctuations in prices and unstable market conditions. In recent years, small producers have begun investing in modern warehouses and processing equipment, thanks to various financial sources, including loans from international financial institutions. However, they are significantly different from the processing industry and exporting organizations. Since there are no effective

mechanisms for integrating small agricultural producers, their activities remain unorganized, hampering the achievement of large-scale economic performance, and limiting access to existing or emerging value chains. It should be noted that the share of cooperatives in the markets of developed countries (EU, USA, Canada) exceeds 40%, and in Uzbekistan this direction is only developing. Exports of fruits and vegetables have increased, despite the lack of necessary infrastructure. There is a lack of equipment for laboratories and systems, wholesale markets and logistics centers, as well as customs and border facilities for phytosanitary control of fruits and vegetables, ensuring that local producers meet international standards and quality requirements. This, in turn, prevents the increase in the volume of production and sale of products, growth of added value and diversification of export geography and nomenclature. Most processes are based on paper documents, market participants have limited access to information and the digitalization is low. Due to the lack of systematic and limited marketing of products for export markets, marketing leads to the sale of inexperienced intermediaries at low prices for local producers. Partnerships between dekhkan farms and homeowners and large agro-industrial enterprises, whose share in gross agricultural output is more than 70%, have not been developed. There are ample opportunities to create effective and feasible value chains that link the agricultural and food sectors to further competitiveness. An analysis of the key performance indicators of the industry has also produced the network indicators that are expected in the future (until 2030) (Table 2).

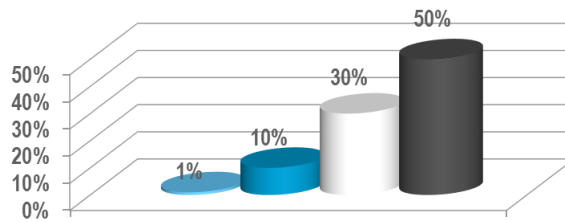
**Table 2.** Main indicators and indicators of the industry

Title of indicators	Background (2018)	Aim for 2021	Aim for 2025	Aim for 2030
Introduction and promotion of the brand «Agriculture and Food products of Uzbekistan»	A brand that embraces few products	At least 5 additional products will be covered	At least 20 additional products will be covered	At least 40 additional products will be covered
Share of workers in the food and light industry (in percent to total number of workers in agriculture)	6%	10%	15%	20%
Total investment in agriculture and food business	650 million USD	780 million USD 20% growth	910 million USD 40% increase	1,170 million USD 80% increase
Increasing the number of graduates of agricultural educational institutions (on request)	-	10% increase	30% increase	50% increase
Increasing the number of farmers who will be able to	-	10%	35%	50%

access counseling and additional services				
Increasing Number of Farmers Satisfied with Knowledge Centers / Consulting Services (upon request)	-	20%	40%	80%

Source: Developed by the authors based on the data of FAO and the State statistics committee

Clearly, if the introduction and promotion of the Uzbekistan Agriculture and Food brand in 2018 covers a limited number of products, we need to increase it to 2030 by 2030, in the food and light industry. share of workers (as a percentage of total number of agricultural workers) from 6% in 2018 to 10%, 15% and 20% respectively in 2021, 2025 and 2030, and 650 million \$ 780, 910 and \$ 1,170 million in 2021, 2025 and 2030, respectively. We need to increase the dollar. It is also expected that by 2030, the number of graduates of non-existing or non-existent educational institutions will increase by 50%, the number of farmers who will benefit from consultations and additional services by 50%, and the number of farmers who have access to knowledge centers / advisory services. We must increase.



**Fig.3.**Prospects for the development of science, education, information and consulting services in the agricultural sector  
Source: Developed by the authors based on data from the State statistics committee

### 3 RESULTS

In order to achieve promising socio-economic development of the agricultural sector, today it is necessary to achieve the following scientific and practical results:

- ❖ adopt well-planned and sustainable programs for investment in agriculture;
- ❖ expanding the range of high value added products for the development of transport and logistics infrastructure and services, improving transport and storage systems, upgrading and upgrading processing facilities;
- ❖ increase access to transport to ensure new products enter new markets;
- ❖ the introduction of digital technologies for the efficient use of agricultural land and water;
- ❖ introduction of automatic control technologies, computerized intellectual technologies;
- ❖ introduction of digital technologies in storage and processing of agricultural products, logistics and sales centers;
- ❖ improving the legal framework for implementing smart

agriculture.

#### 4 CONCLUSION

Consequently, agriculture and the food industry need to be constantly provided with energy resources, and it is important for stakeholders in agriculture and the food industry to have access to real sector statistics to make informed decisions.

In order to develop an integrated network of support systems, international production and sales chains will be established for agricultural products that can compete in the target international markets. To achieve this goal it is necessary to perform the following tasks:

- ❖ increasing the efficiency of using the existing infrastructure for the storage and transportation of agricultural and food products;
- ❖ upgrading and modernization of storage and processing capacities to increase the stability and harmonious functioning of the established production and sales chains;
- ❖ assistance to various associations of producers (co-operatives, associations, clusters, etc.) to increase profitability and introduce transparent contractual relations in the market to reduce production, processing, transportation and export costs;
- ❖ abolition of agricultural and food prices regulation through a gradual transition to market pricing mechanisms;
- ❖ abolition of the practice of allocation of "targeted" state credit resources, privatization of non-strategic state enterprises in the field of logistics and processing of agricultural products. This will give producers greater freedom of choice and flexibility by creating a competitive environment in the resource market;
- ❖ increase export potential by ensuring compliance with national quality standards and food safety, taking into account the requirements of major importers of domestic products;
- ❖ development of programs and mechanisms for ensuring the conformity of agricultural products with the quality standards recognized in the target export markets and their implementation by enterprises.

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