## USING CLUSTER METHOD IN THE FORMATION OF INTEGRATED CORPORATE STRUCTURES IN THE VINE AND WINE INDUSTRY

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#### ABSTRACT

The article discusses the features of the application of the cluster method in the formation of integration corporate structures in the wine and wine industry. A model of vertical clustering of the main production stages of the Intersectoral integration corporate structure of viticulture and winemaking is proposed, as well as the formation of a cluster in the regions of the republic. The proposed approach of cluster policy will allow to form a model of innovative development of the wine-making industry.

**Keywords:** Cluster, integration multistage production process, interbranch integration corporate structure, grape and wine cluster, strategic planning.

### INTRODUCTION

In the modern domestic economy, the formation of mechanisms for structuring and improving efficiency, implemented and planned for implementation of integrated corporate agroindustrial organizational and production structures, require a systematic and comprehensive solution of strategic tasks. The economic system of the Republic of Uzbekistan is a complex multi-level and multi-stage structure, consisting of interconnected objects that perform a large number of functions. The effectiveness of the formation of the functioning of such complex systems must be satisfied in many areas, including the correct organizational and managerial decisions.

Any cluster consists of entities representing different industries, then there is an urgency to create economic integration of intersectoral structures and to ensure close interconnections in the production of products between enterprises of the same cluster. Forming cluster and planning its strategical development should be based on regional characteristics of the field. Determining the direction of development of cluster formations is necessary for the implementation of the innovation and investment strategy for the development of the economy by improving the mechanisms of innovation and investment policy.

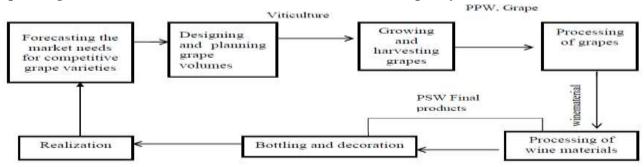


Fig.1. Scheme of the cluster system of organizational, technological and industrial relations of the grape and wine cluster.

# GALAXY INTERNATIONAL INTERDISCIPLINARY RESEARCH JOURNAL (GIIRJ) ISSN (E): 2347-6915 Vol. 10, Issue 1, Jan. (2022)

Where PPW are primary wineries; PSW - secondary wineries

The business model in the grape and wine industry, having its own features, includes a set of development models for all enterprises and organizations that are part of it. Cluster organizational and production interaction between all organizations involved in the development of the economy, in the whole industry, is carried out according to the scheme in Fig.1.

During consideration the issues of corporate integration at the agro-industrial level, in relation to the grape and wine cluster, it is required:

- 1) Determine, how corporate integration differs from the simple establishment of external relations of completely independent business entities;
- 2) Determine the specific goals of corporate integration and the expected complex effect in various aspects (economic, social, legal);
- 3) Determine the possibility of corporate management of production business processes at various stages of multi-stage production;
- 4) Reveal the stages of organizing the management of multi-stage production processes;
- 5) Determining and comparing the economic results of corporate integration according to the developed criteria and determining the specification of goals.

The development of integrated agro-industrial structures should not be the goal itself, but should act as a tool for the long-term progressive innovative development of socio-economic systems. In some regions, in the process of creating integrated agro-industrial structures, a qualitatively new formation is being created on the basis of an efficient-rational principle. Here, a consistent combination of two or more interacting elements, a consistent multi-stage production gives a new high-quality organizational management.

To solve strategic tasks aimed at the development of the vine and wine cluster, it is necessary to have a number of factors that determine the expediency and effectiveness of the formation of these integrated structures. The grape and wine cluster has the following most characteristic features:

- The presence in the composition of the cluster participants of subjects from various sectors of the economy, connected by some common strategic goals, but at the same time retaining independence (autonomy in decision-making and ownership of assets);
- -Integration of production processes, resources, other competitive advantages;
- -The presence of certain relatively stable relationships, especially along the technological chain;
- -A combination of internal cooperation with internal competition;
- The simultaneous presence of unity and opposition of the interests of the participants.

Each model of strategic planning is characterized by the formation of mechanisms for the interaction of subjects of the production cluster that ensure the stable development of the industry. The importance of the development of the grape and wine cluster is associated with the potential of the industry, its competitive advantage (sugar content, grapes, favorable climate, established experience and traditions, regional conditions), as well as the presence of direct production and technological links and a multi-stage production process that allows to produce goods after each stage of production.

The main strategic goal of the integration process is to create such a vertical integration corporate structure that can not only ensure the competitiveness of enterprises and make a profit, but also ensure a stable position in the market and profitability of production and economic activities in the long term.

The above model shows the main stages of the multi-stage production process of the grape-wine cluster. The multiplicity and heterogeneity of elements in the vine-growing cluster testifies to the multi-stage production process (Fig. 2).

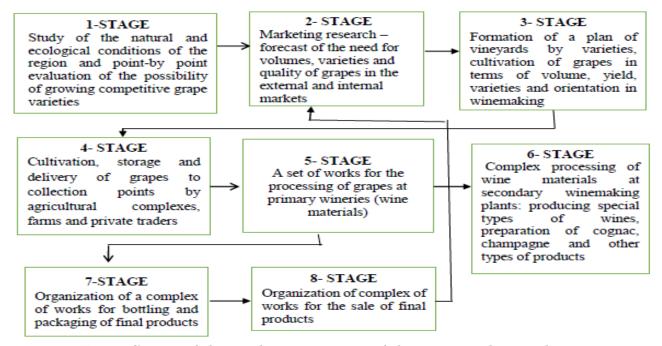


Fig. 2. Stages of the production process of the grape and wine cluster

The first four stages are carried out by agricultural organizations, the next three by industrial enterprises, and the last, eighth stage is carried out by commercial organizations. The goals and objectives pursued at each stage of production must be consistent with each other.

For the successful solution of the tasks pursued at each stage, it is important to provide scientific support for the ongoing transformations in the agro-industrial complex (AIC), namely in the grape and wine subcomplex, which predetermines the development of appropriate theoretical, methodological provisions and practical recommendations.

A relationship is emerging between three areas: agriculture, which is responsible for the cultivation of grapes; processing enterprises producing wine products; commercial organizations that sell products. Therefore, it is important to establish cooperation between representatives of each stage.

In this regard, cooperation acts not as an element of production relations, but as production management, reflecting the forms of production corporate relations in a given sector of the economy.

The formation of corporate associations in the republic presupposes the existence of common interests of all subjects of the grape and wine cluster. The most similar of these interests are the conditions for the joint conduct of the grape and wine business, and participation in a single

# GALAXY INTERNATIONAL INTERDISCIPLINARY RESEARCH JOURNAL (GIIRJ) ISSN (E): 2347-6915 Vol. 10, Issue 1, Jan. (2022)

production and technological business process involves the creation of a single technological chain, including: forecasting the needs of competitive market varieties, business planning for the cultivation of specific (European and local) grape varieties, their processing and promotion of the final product in the technological chain within the framework of the full technological cycle.

On the basis of the compiled models of functioning of the sectors of the raw material complex, output volumes in the corresponding industry are formed. For the purposes of analyzing indicators of economic dynamics, the choice of composite models of intersectoral balance (IOB) involves the use of the calculation of official information as the initial statistical base. The main integrator of the grape-wine cluster is the farm vineyards, and the main subjects are enterprises that process grapes. A well-established system of information interconnection will lead to a more effective implementation of the set strategic tasks. Forecast materials of relevant ministries, committees and agencies can serve as initial information.

To ensure the required quality of wine products, the following are taken into account: the level of economic development of the industry; infrastructure features of the industry; production and technological features of grape processing; the level of marketing activities at the enterprise; marketing factors for finished products; factors in the provision of services by enterprises; the level of information exchange aimed at solving strategic problems.

When solving the problem of econometric modeling of demand for grape and wine products, the input information is: data on actual results for the past period, production volumes of raw materials and finished products, consumption volumes in the domestic market, the amount of finished products sent for storage, areas allocated for growing grapes and etc.

Forecast data on the demand for finished products serve as input information for solving the problem of choosing effective competitive grape varieties. When solving this problem, a selection of important technical indicators of grape quality for each region is made separately, the prospect of growing the selected grape variety is determined, an econometric model is created to optimize production and select the most competitive grape varieties characteristic of each region.

Then, having received the results of solving the problem of optimizing the choice of effective competitive grape varieties, a comparative analysis is carried out. At the same time, the qualitative characteristics of all cultivated grape varieties are compared. The result of this stage of calculations is an effective variant of breeding grape varieties that meets the requirements of consumers and provides the maximum total effect from the organization of production in accordance with this variant.

Thus, the implementation of an econometric approach in predicting the level of supply and demand for grape and wine products, a deep study of all factors and conditions affecting this process in Uzbekistan, is considered a promising direction that makes it possible to create economic programs for the development and reform of the grape and wine complex, creation of new jobs, which is considered in Uzbekistan as an industry that provides the main export potential in the subsequent finished products.

The formation of production and technological clusters in accordance with the choice of competitive industries requires the development of a new economic development strategy for

the republic, focused on creating conditions for the formation of new competitive industries and enterprises - high-tech industries and services, which will help increase the competitiveness of the country's economy

### CONCLUSION

Analyzing the features of the formation of modern integration corporate structures in the vineyard and wine industry, in relation to the agro-industrial complex based on integrated technologies, we can conclude that integration processes are a complex multi-stage production and economic system with a multi-level structure. At the same time, integration corporate processes are quite mobile, adaptive, able to provide competitive positions for business entities. When creating a grape and wine cluster, it is necessary, first of all, a clear specific model of investment partnership of all cluster entities, it is necessary to improve the mechanism for distributing income between the subjects of integration, depending on price ratios in the market.

The proposed systematic cluster innovative approach makes it possible to improve the corporate management system of viticulture and winemaking in the Republic of Uzbekistan. The development of an integrated corporate structure is one of the most important factors in the development of the region's economy. The specificity of the development of the agro-industrial complex system in the region is due to its socio-economic characteristics, natural and climatic features and traditional methods of growing grapes.

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