

Possibilities of Activating the Economic Growth Point of the Region Through the Local Food Market

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Abstract

The article reveals the need to establish strong economic ties between regional growth points of Namangan region. The city of Namangan was analyzed in terms of geographical convenience and as a node that directly connects other regions of the region. Also, growth points of Yangikurgan, Pop and Uchkurgan districts have been determined. With the development of existing growth points and the emergence of new forms, there are opportunities to increase the potential for the development of local food markets.

Keywords: region, local food market, growth point, city, district, specialization, food industry.

Introduction

It is known that in the concept of regional economy, the growth points were originally developed for the sectoral structure of the economy, that is, the idea that the leading sectors are able to expand their economic potential is prioritized. Later, studies were conducted within the framework of the influence of urban agglomerations, the origin of any development point from the center and its spread to the surroundings were scientifically justified. In other words, growth points do not develop autonomously in a separate area, but the area where they are located gives impetus to the development of the entire region.

The Cabinet of Ministers of the Republic of Uzbekistan "Namangan Region in 2022-2026" in order to determine the prospects of industry, agriculture and services in the regions of Namangan region for the next five years, as well as the "growth points" of each district and city, to further improve the health and living standards of the population through the development of the social sector. "On additional measures for the comprehensive socio-economic development of the regions and further improvement of the living standards of the population" was adopted. In this Specialization of cities and districts of Namangan region, "growth points" and "driver areas" are defined (Table 1).

In this regard, the need to establish strong economic ties between regional growth points of Namangan region is of urgent importance. Here, the city of Namangan represents a unique system of the growth pole and performs the function of organizing development for other regions.



Table 1 Specialization of cities and districts of Namangan region, "growth points" and "driver areas"¹

T/r	Territory name	Growth of district (city) . points " and "driver areas "
1.	Namangan city	Small industry zones , textiles industry and medical service to show development
2.	Mingbulok	Fruit and vegetable growing , fishing fields development , cotton- textile clusters organize reach
3.	Kosonsoy	Fruit and vegetable growing , viticulture fields , construction materials , pharmaceutical industry development
4.	Namangan	Greenhouse cooperations organize village _ _ economy products Cultivation and again work fields development , small industry zones organize reach
5.	Norin	Fishing and rabbit breeding cluster organize farming , ecotourism, textiles industry development
6.	Pop	Fruit and vegetable growing , construction materials industry and tourism sectors development
7.	Turakurgan	Intensive garden , grapes , vegetables cooperation , free establishment of an economic zone farming , poultry farming fields development
8.	Uychi	Leather- shoes , textiles industry , poultry fields development
9.	Uchkurgan	Small industry zones organize farming , fishing field development
10.	Chortok	Fruit and vegetable growing , viticulture , medical and pilgrimage tourism development , animal husbandry clusters organize reach
11.	Chust	Textiles , construction materials industry , crafts , and tourism development
12.	Yangikurgan	Fruit and vegetable growing , viticulture , construction materials industry , tourism development

The city of Namangan is significantly different in its socio-economic development compared to other regions and is the basis for economic growth that spreads throughout the region. At the same time, the formation of mutual economic ties with other regions at the national and global level has increased the separation from all other regions. This is due to the fact that the development of such growth points occurs not with the regions adjacent to them, but with other regions that exchange impulses with each other. In such a situation, the growth point does not create conditions for rapid spread to all areas.

In particular, the positive changes achieved in the light industry are the reason for the significant increase in the production volume of industrial products in Namangan region in recent years. However, there is almost no change in the food industry's adoption of local projects. Because, In terms of the development of the food industry in the city of Namangan, it leads in comparison to other regions of the region.

Of course, the city of Namangan is located in the center of the region, and in terms of geographical convenience, it can be considered as a node directly connecting other regions of the region. Therefore, in terms of economic potential, it is clearly superior to other regions of the region.

¹Resolution No. 211 of the Cabinet of Ministers of the Republic of Uzbekistan dated April 25, 2022 "On additional measures for comprehensive socio-economic development of the regions of Namangan region in 2022-2026 and further improvement of the living standards of the population".

<https://lex.uz/uz/docs/5984308>



This situation shows, on the one hand, that it has a relatively high attractiveness and advantage in terms of attracting many investment projects in its territory. On the other hand, the fact that it has a relatively developed food industry attracts a quality workforce. Such an advantage may allow it to act as a locomotive in the implementation of interregional projects in the future.

The presence of large industrial enterprises in the city, as well as the successful implementation of technological parks, is inextricably linked with the convenient location of transport (highway) roads, raw material resources and consumers, as well as proximity to retail and wholesale points. The demand for products produced by large industrial enterprises is high not only in the regions of the region, but also in other regions of the republic.

In particular, joint ventures of "Nestle Uzbekistan" and "Coca Cola", JSC "Hamangandonmahsulot" have a significant share in the city's food industry, making up more than 35 percent of the total manufactured industrial products. Dairy products, mineral water and non-alcoholic drinks produced by them are delivered to all regions of the republic.

It should be noted that one of the 3 largest enterprises of the "Ozdonmahsulot" company in the Namangan region (Pop District "Don Product" OJSC, "Uchkurgan Grain Products" OJSC and "Namangandonmahsulot" OJSC) is located in the city. Therefore, 31 percent of the flour products produced in the region are accounted for by the city. However, the use of physically and morally outdated equipment in these enterprises has a negative impact on the reduction of the production volume, the decrease in the use of opportunities and the state of product quality.

The most necessary products such as bread and bakery products, pasta, sausages, fruits and vegetables and dairy products are produced by small businesses and entrepreneurial entities. The production of ready-made food products processed on the basis of modern technologies from the agricultural products grown in the cities and suburbs is an important reserve in the development of the industry, and their effective use is of urgent importance. Using the available resources, many joint projects specializing in the production of tomato paste, dried and processed fruits and vegetables can be implemented in the urban area.

In the city of Namangan, there are untapped opportunities and great potential for the development of the food industry in the direction of processing fruits and vegetables and meat and dairy products. This provides an opportunity to produce food industry products that are in high demand in the domestic and foreign markets due to the implementation of many projects on the processing of agricultural products. In addition, the fact that the production of flour products takes the main place in the city gives impetus to the production of confectionery, bread and bakery products.

It is also possible to identify growth points due to the establishment of "Namangandon products" JSC, "Nestle-Uzbekistan" JV and other large industrial enterprises. Based on the signs of specialization of the areas around the city of Namangan, the industrial nodes that enable the combined use of natural resources and create a technological chain together with infrastructure facilities are of particular importance. Areas with a high concentration of financial flows are selected, taking into account that the activation of growth points is often associated with the creation of clusters and technological parks. However, in Namangan, Toragorgon and Uychi districts, the absence of the above conditions and limited opportunities



to create new production capacities lead to reliance on the funds of enterprises identified as a growth point. Or it will be possible to activate growth points using existing regional management mechanisms.

The analysis of the activity of local food markets of Namangan region showed that today there is a significant regional difference in the indicators of the development of retail trade of food products. It is required to systematize information about the processes taking place in local food markets, as well as to identify trends in the development of food retail trade common to certain groups of regions. The division of local food markets into groups based on the level of development allows for a better justification of regional policies in relation to these areas.

When justifying the strategic priorities and directions for the development of local food markets, it is necessary to remember that changes in the economic space of the region will occur in the future, taking into account the socio-economic situation of a certain region in the regional space.

The development potential of local food markets may change with the development of existing "growth points" or the emergence of new forms of spatial organization of the economy.

The development of local food markets in Namangan region is largely related to the socio-economic status of the regions where they are located, and stratification is observed. The differentiated development of local food markets cannot be mitigated. However, it is necessary to realize the existing potential based on the determination of the difference between the current level and the possible level of development of the local food market. It is required to complement it with a strategic analysis aimed at determining the development trajectories of local food markets.

Therefore, in order to reduce the economic inequality between regions, introduce new approaches to the development of districts and cities based on their conditions, potential and capabilities, as well as further improve the business environment, improve the procedure for providing state support and increase its effectiveness, the President of the Republic of Uzbekistan dated December 30, 2022 The Decree No. PF-287 "On measures to classify the territories of the Republic into categories and introduce a differentiated system of business support" was adopted. The territories of Namangan region are divided into 5 categories, and the 1st category includes the city of Namangan, New Namangan and Davlatobod districts. Norin district with low socio-economic growth indicators belongs to category 4 and Mingbulok district to category 5 (Table 2).



Table 2 **Cities and districts divided into categories based on the specialization and existing conditions of the territories²**

Category	Cities and districts					
Type 1	Namangan city	New Namangan district	Davlatobod district			
Type 2	Turakurgan	Uychi	Uchkurgan			
Category 3	Kosonsoy	Namangan	Pop	Chortok	Chust	Yangikurgan
Type 4	Norin					
Category 5	Mingbulok					

This approach is of great importance in the development of measures to support business activities based on the categories of districts and cities, and in determining the increased amounts of subsidies for the population and business entities. This makes it possible to determine growth points based on specialization and categories of regions of Namangan region.

In particular, the high export potential of potatoes, vegetables, fruits, grapes and milk in Yangikurgan district allows to choose it as a growth point. In this case, the distribution of the growth point around covers Kosonsoy and Chortoq districts.

Pop district is of particular importance as a growth point in connecting the city of Namangan with the establishment of trade branches and logistics centers . In this case, the territorial coverage of the growth point is focused on the creation of new production capacities in Mingbulok and Chust districts. In return, the opportunities to activate the point of economic growth will increase.

There is a high possibility of satisfying the population's demand for meat and other canned products by establishing the activities of clusters and introducing fishery cooperation in Uchkurgan district. In this regard, Uchkurgan district covers Uychi and Norin districts as a growth point and is distinguished by the possibility of creating new production capacities for the development of tomato paste, fish products, soft drinks and gastronomic tourism.

The implementation of these measures will help to prevent high stratification in the development of regions, create cluster structures, develop interregional economic relations, and solve the problems of uneven distribution of population and resources in the region and their effective use.

For this, it is necessary to create a favorable investment environment and a perfectly functioning financial mechanism in the regions of Namangan region. In this case, it is of

²Decree of the President of the Republic of Uzbekistan No. PF-287 of December 30, 2022 "On measures to classify the territories of the Republic into categories and introduce a differentiated system of business support". <https://lex.uz/docs/6333225>



particular importance that the financial mechanism is designed in such a way that it is compatible with the tasks to be solved in the development of the region. Because the trend of active development of regions can be observed only if there are sufficient number of "growth points" that collect investors' capital.

Another form of growth points are clusters, which today represent one of the advanced types of economic activity organization in the region. Clusters make it possible to bring together organizations and enterprises of different directions, qualified personnel, and infrastructure facilities. Cluster formation can increasingly affect the competitiveness of certain regions and individual sectors of the economy. At the same time, in the development of the cluster concept, the development of competition from the point of view of the international division of labor and the organization of enterprises that ensure the effective solution of socio-economic problems should be given priority.

In general, growth points are strategically located industries that create a chain reaction of industrial centers and economic growth in a given area. On this basis, it will be possible to divide the regions of Namangan region into the following groups: regions that require support; regions with functional change; developing regions. Each of these groups requires a different approach to regional development policy development. In doing so, each group of regions must provide supportive, stabilizing and developing policies.

The use of such grouping ensures the direction of state policy in regional development. In particular, it allows to implement investment projects that do not require a lot of capital, to reduce the amount of budget subsidies and to reduce the gaps in the level of development of the regions.

No matter how positive the above measures are described, there are constantly observed problems in the field of activation of growth points, including:

- Ineffective use of the implemented forms of activation of regional growth points, that is, failure to establish mutual relations between newly located enterprises and existing enterprises;
- The need to renew outdated production facilities in a number of regions and the lack of financial flows to this process;
- Lack of an effective mechanism for attracting small businesses to the field of innovation;
- Lack of development of a mechanism for evaluating the characteristics of the location of the population and labor resources, production and financial results of enterprises, local budget support and natural and economic resources in the region.

Therefore, today there is a need to involve some areas of the region lagging behind in economic development in innovative processes and at the same time to establish strong economic ties between major growth points. In this case, regional policy should be aimed at stimulating growth points in all regions. The necessary solution for the justification and implementation of the policy of activation of growth points requires the development of criteria for the concentration of regional resources in priority areas and the selection of appropriate areas.



In general, the identification of growth points in terms of the level of socio-economic development and specialization of regions in Namangan region allows us to conclude that there is an unrealized potential for the development of local food markets. The reason for this is that the problem of finding new sources of economic growth, which ensures the socio-economic development of the regions, becomes more acute with the increase in population. It is necessary to identify the points of economic growth that are closely related to the justification of the new strategic choice. If the strategic choice traditionally includes specialized activities for certain regions, its implementation may not be directly related to the diversification of the economy. However, the formation of the need for diversification within these types of activities is the basis for determining the growth points of economic development.

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