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## **Cluster Approach in Tourism**

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**Abstract:** The article explores the cluster approach in tourism. The industry is based on the creation and sale of a unique product that does not have a material form, but is capable of developing and improving to attract many other sectors of the economy, including small and medium-sized enterprises.

**Key words:** tourism, competition, small and medium-sized businesses, cluster, cluster approach.

People have been traveling since ancient times and this has affected the socio-economic life of society. Now tourism is one of the most powerful factors that allows countries' economies to develop, introduce new technologies, and solve social problems. That is why we increasingly hear such characteristics of tourism as "a phenomenon of the twentieth century", "tourist explosion". Unfortunately, for a long time the role of tourism was underestimated, and it began to develop most intensively only in recent decades.

In order to competently, expediently and effectively manage this industry, in addition to a clearly developed and effective strategy, an analysis of its functioning in previous periods is necessary. The tourism industry combines not only a large number of tourism enterprises, but also enterprises in tourism-related industries and those enterprises that are indirectly involved in the process of providing tourism services.

Recently, the phrases "cluster", "cluster business", "cluster approach" are increasingly heard in Uzbek scientific and government circles. The word "cluster" comes from the English word cluster, which means swarm, accumulation. Initially, a cluster was a compact group of atoms, molecules or ions connected to each other, which has properties different from the properties of its constituent elements. The decisive thing here is that the elements are interconnected, but their community has different properties than each element separately.

Cluster business is the joint development of companies united by territory, infrastructure, human resources and other characteristics, which allows for the best optimization of the production process and more efficient allocation of funds for development. There is an opinion that a cluster is a special organizational system that involves not just enterprises, but an entire production chain. Michael Porter, a professor at Harvard School, is considered to be the founder of cluster theory. He is also the author of the concept of competitiveness strategy. In his book "Competition," Porter emphasizes that one of the important factors for the successful development of a cluster is the presence of a sustainable development strategy. According to M. Porter, "clusters are an organizational form of consolidating the efforts of stakeholders aimed at achieving competitive advantages in the conditions of the formation of a post-industrial economy".

The task of cluster association is to ensure that stronger enterprises pull up weaker ones. In the period of post-industrial economy, clusters are groups of enterprises, including medium and small ones, located in the same territory; this is the basis for the effective economic development of regions and the state as a whole. They are initiated by business, but joint efforts of business, the executive and legislative branches are required. All this is the basis for regional economic development.

The cluster approach for small and medium-sized businesses has a number of significant positive aspects. This includes a significant reduction in barriers to entry into the market due to unification within the cluster, and a rational distribution of resources (human, financial, technological, technical), and the spread of the positive reputation of the cluster to all its participants. For the region, this means ensuring employment for the population, attracting qualified specialists, and developing social infrastructure.

A. Marshall said that associations of entrepreneurs play a significant role in clustering. Undoubtedly, an association of entrepreneurs can solve their problems much more effectively than an individual entrepreneur. Small and medium-sized businesses have their own difficulties. The peculiarities of the tourism business currently make the cluster approach relevant, since tourism is characterized by a wide range of inter-industry connections, the predominance of small and medium-sized businesses, the intangible nature of the tourism product, and the different nature of perception of this product by producers and consumers. All the general patterns of formation and functioning of the cluster resonate in the tourism industry. This is expressed in the interrelations of the firms included in the cluster, and in the combination of cooperation and competition, their functioning on the basis of public-private partnership.

According to the concept of A.Yu. Alexandrova, "the tourism industry has a number of features that make the cluster approach relevant in the development of the leisure and travel sector. The tourism industry is distinguished by the breadth of intersectoral connections, fragmented structure,... the predominance of small and medium-sized businesses, the intangible nature of the tourism product, its unequal perception by producers and consumers, etc."

When talking about a tourism cluster, it is advisable to talk about the so-called diamond of competitive advantages of M. Porter. This diamond is formed through the following elements: conditions for factors of production, demand conditions, sustainable strategy, structure and competition, and related and supporting industries.

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