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Paper Authors

**K.Sh.Khabibulloyevna<sup>1</sup>, A.M.Salakhiddinovna<sup>2</sup>, Kh.N.Nematilloevna<sup>3</sup>,  
Khayrulloev Islomjon<sup>4</sup>**



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## ORGANIZATION OF REGIONAL TOURISM BASED ON TOURISM AND INNOVATION CLUSTER

K.Sh.Khabibulloyevna<sup>1</sup>, A.M.Salakhiddinovna<sup>2</sup>, Kh.N.Nematilloevna<sup>3</sup>, Khayrulloev Islomjon<sup>4</sup>

Lecturer of BSU, department of Tourism and Hotel Management, Uzbekistan<sup>1</sup>

Lecturer of BSU, department of Tourism and Hotel Management, Uzbekistan<sup>2</sup>

PhD student of Bukhara State University, Uzbekistan<sup>3</sup>

Bachelor student of Bukhara State University, Uzbekistan<sup>4</sup>

[shafokatdirova@gmail.com](mailto:shafokatdirova@gmail.com), [aripovamahlie@gmail.com](mailto:aripovamahlie@gmail.com), [xayrullayevan@gmail.com](mailto:xayrullayevan@gmail.com)

**Abstract:** The work aims to illuminate the tourist cluster as a complex of socio-economic institutions, which includes organizational, economic and financial mechanisms, as well as a mechanism of legal regulation.

By considering the shortcomings of the cluster approach identified in this study, the necessity of transition to an innovation-oriented development of regional tourism systems is substantiated, which is proposed to be called a "tourism-innovative cluster".

The study analyzes the influence of tourism organisations' organizational and legal forms on innovation activity and sustainable development of tourism and innovation clusters. As a result of the work, it was found that the most optimal organizational and legal form of a tourist enterprise is a joint-stock company of workers (people's enterprise). This form of management contributes to increasing competitiveness, enhancing employees' creative and innovative activity, and sustainable development of the organization. An essential property of organizations with a collective form of management is integrating into the regional planning system.

**Keywords.** tourist cluster, regional tourism, tourism-innovative cluster, regional tourist state corporations, SROs (Self-regulatory organizations), regional tourism system

### Introduction

Uzbekistan ranked fourth in the top 20 fastest growing tourism destinations globally, the British The Independent announced the United Nations World Tourism Organization (UNWTO).

According to UNWTO, the number of tourists in the country increased by 27.3% over the year. In first place on the list is Myanmar (40.2%). The second and third places were shared by Puerto Rico (31.2%) and Iran (27.9%).

The list also includes Azerbaijan (11.4%) and Kazakhstan (10%), which took 17th and 20th places, respectively.

In general, last year, the number of overseas trips worldwide reached 1.5 billion, which is 4% more than in 2018.

France remained the most travelled in the country, with over 90 million tourists. Spain follows it with 83.8 million visitors. To realize the high tourism potential of Uzbekistan in conditions of tough international competition in the tourism market, economic and political

instability, it is necessary to introduce an innovative approach both to the creation and implementation of a tourism product and tourism services and to the system of organizing the tourism sector at all levels of the economic system. In this regard, it is relevant to study the regional level's economic systems since the national economic system's sustainable socio-economic development depends on the competitiveness of its regions.

**Literature review.** The study of the development of tourist clusters' innovative activity is based on domestic and foreign scientists' research in various economic science fields.

Issues of innovative development of socio-economic systems are reflected in the works of B. Twiss, B. Santo, F. Nixon, Yu.P. Morozov, A.I. Prigozhin, R.A.Fatkhutdinov, L.E. Mindeli, O.S. Belokrylova. ., Yashina S.N., Gorfinkel V.Ya., Aganbegyana A.G., Yudanov A.Yu. and etc.

Kvartalnov V.A., Vlasova T.I., Zakorin N.D., Zorin I.V., Kozyrev V.M., Gulyaev V.G.,

Birzhakov M.B. made a significant contribution to the study of the economy and organization of tourism. , Zdorov A.B., Lavrova T.A., Saak A.E., Gorenburgov M.A., Kleiman A.A., Temny Yu.V., Cherevichko T.V., Ushakov D.S., Novikov V.S., B.N. Navruz-zoda, and etc.

The works of M. Porter, G.L. Azoev, D.L. Napolskikh, E.V. Pilipenko, N.I. Larina are devoted to the cluster concept of the development of territories and etc.

**The analysis of work literature** revealed that the issues related to the development of innovation in the field of tourism remain insufficiently studied and require further development.

**The study aims** to develop theoretical, methodological, and practical aspects of implementing the innovative potential of tourism clusters.

The implementation of the set research goal made it necessary to solve the following tasks:

- to analyze the essence and main directions of innovative development of Uzbekistan;

- to identify the features of innovative activity in the field of tourism and substantiate the need to improve the cluster approach to the organization of regional tourism in Uzbekistan;

- develop a model for the formation of a regional tourism and innovation cluster;

- to analyze the influence of the forms of ownership of tourist organizations on innovative activity and sustainable development of regional tourism;

- to expand and test a methodology for assessing the innovative potential of a region in the field of tourism to identify the need and feasibility of forming a regional tourism and innovation cluster;

- to identify economic and institutional changes necessary for the transition to an innovative way of developing the Yaroslavl region's tourist cluster.

In our opinion, despite the reasonably widespread attention in the scientific, economic literature to the cluster concept of organizing regional tourism, the problem of determining the economic nature of a tourist cluster remains

controversial. In this regard, the author attempted to clarify the tourist cluster's economical nature to give a more precise definition.

It is proposed to understand the tourist cluster as an economic institution.

Modern institutional economics interprets the economic institution as "a set of formal and informal rules created by people, acting as restrictions for economic agents, as well as the corresponding mechanisms for monitoring their observance and protection" [5, p.26] In turn, the concept of "rules" in the new institutional economics, it is proposed to understand as "generally recognized and protected prescriptions that prohibit or permit certain types of actions of one individual or a group of people when they interact with other individuals or groups" [5, p.22]

The modern concept of an economic institution is close to an economic mechanism, which sets a specific set of economic entities' choices and the results associated with them, thereby forming a system of rules and incentives. It is impossible to identify these two concepts completely, but it is advisable to speak of an economic institution as a group of economic mechanisms.

The critical condition that makes it possible to speak of a tourist cluster as an economic institution is the existence of relations and functional dependence between the cluster members, which determine the set of rules and restrictions characteristic of an economic institution.

The tourist cluster is characterized as an artificial institution because its formation does not take place in a natural evolutionary way, but according to the planned program for the development of the region. A formal cluster as an institution is due to the mandatory implementation of all cluster members' rules, which is established at the legislative level. A tourist cluster is a secondary institution since the cluster rules are consistent with higher-level institutions' rules. From the same point of view, the cluster is an internal institution included in larger institutions. A tourist cluster is an economic institution focused on specific



participants, as it is created based on a particular territory, limiting the range of possible cluster participants.

A set of the following mechanisms establishes the rules for the functioning of economic entities within a tourist cluster:

1. organizational and economic mechanism,
2. financial mechanism,
3. mechanism of legal regulation.

As an integral part of the tourist cluster, the organisational and economic mechanism is a form of interaction between all cluster members and economical methods for ensuring this interaction.

The financial mechanism is a set of methods for organizing financial relations between the tourism cluster participants.

The mechanism of legal regulation is a set of legal means that regulate the relations between the tourism cluster participants.

This study is devoted to improving the organizational and economic mechanism as one of the tourism cluster components.

Section 1.3 identified the weaknesses of the existing approach to the organization of regional tourist clusters. To eliminate the identified problems and contradictions, it is necessary to improve the organizational and economic mechanism of regional tourist clusters' functioning. According to the author, the solution to these problems lies in the transition to an innovation-oriented development of regional tourist systems.

The following types of clusters are distinguished by innovative activity [4, p.42]:

- innovation clusters;
- contributing to innovative development;

Borrowing innovations.

The innovation cluster has research and educational centers at its base. Within the framework of a cluster that promotes innovative development, innovative activities do not take place regularly but by individual enterprises.

Within a cluster that borrows innovations, there are no innovation generation centers.

A tourism and innovation cluster is a union within the same territory of private and

public organizations and local governments based on standard socio-economic, financial and information flows to create the final highly competitive tourism product (service) based on innovative developments [1].

The tourism and innovation cluster can be distinguished among other clusters and agglomerations in the tourism sector according to the following criteria:

- a special structure of the cluster members, since in addition to the providers of tourism services, travel agents and tour operators, the cluster includes scientific, research, consulting, insurance and educational organizations;

- developed innovative infrastructure, stimulating the inflow of highly qualified specialists, as well as investments;

- a high share of innovative products in the total production volume.

Consider the process of forming a tourism and innovation cluster at the regional level.

This process can be initiated by representatives of the business community or government authorities.

The first option involves the manifestation of initiative on the part of economic entities with stable informal ties, united by standard views on the ways and prospects for the industry's development in the structure of the regional economy. This option can be implemented only in those industries and regions where there is a high concentration of enterprises in this industry, developed infrastructure, and highly competitive products. All these factors allow enterprises to create the organizational and economic core of the cluster.

The second option is based on the regional government initiative, which is expressed in the formation of a state program for developing the industry based on the cluster approach [3]. This approach is advisable in cases where the product of the industry is not competitive on a national and global scale, the development of the infrastructure of the industry lags, individual economic entities are disunited and do not have a single idea of the direction of development, external factors significantly influence the industry.

For the organization of tourist clusters, it is most expedient to use the second approach, namely, creating regional clusters based on an initiative from the government.

The creation of tourist clusters is one of the regional authorities' primary tasks since only the state in the current economic situation can finance the creation of the necessary tourist infrastructure, the absence of which is a severe barrier to the entry of private capital into the industry. Consequently, the leading role in the creation of tourism clusters belongs to regional authorities.

The process of forming a tourism and innovation cluster consists of several stages: the emergence of prerequisites for creating a cluster in the region. At this stage, an innovative infrastructure is being formed and developed and the institutional environment of the cluster.

A tourism and innovation cluster's innovation infrastructure is understood as a complex of subsystems that provide access to various resources and provide services to cluster members [2]. The institutional environment of the tourism and innovation cluster is formed by the legal framework regulating innovation and tourism activities in the region.

Based on the prevailing prerequisites, the need for the formation of a cluster structure is revealed at the second stage.

For a successful transition from the stage of inception of the prerequisites for the formation of a cluster to the final goal in the form of an efficiently functioning cluster, it is necessary:

- *ensuring the necessary stable financing of innovative activities;*
- *creation (development) of innovation infrastructure;*
- *support of the demand for innovative products;*
- *creation and development of a system of training and retraining of personnel, information environment, scientific potential;*
- *creation and timely modernization of the legal and regulatory framework.*

The third stage in forming a tourism and innovation cluster is the formation of the organizational structure of the cluster (Figure 2.1), the creation of a mechanism for interaction between all members of the cluster.

Let us consider in more detail the structural elements of the tourism and innovation cluster.

The government and, above all, the Agency for Tourism are developing a strategy and target program for the development of tourism, guidelines for the formation of regional clusters, and improving the legislative framework.

The regional government develops a target program for the development of tourism at the regional level, creates a legal and organizational basis for the formation of a tourism and innovation cluster.

The coordination center is created by regional government bodies, while the coordination center should include representatives of all structural elements of the cluster, namely representatives of:

- *regional legislative and executive authorities;*
- *educational and scientific institutions;*
- *organizations of the tourism industry in the region;*
- *objects of regional tourist infrastructure.*

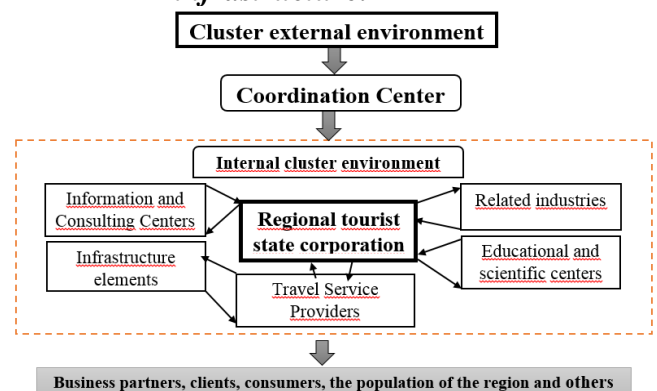


Figure 1. The organizational structure of the regional tourism and innovation cluster (Completed by the author)

The main tasks of the coordination center of the tourism and innovation cluster are:

**1) creation of conditions necessary for the integration of scientific and educational centers with enterprises of the tourism industry;**

**2) development and improvement of the cluster's innovation policy;**

**3) making proposals for improving the regulatory framework of regional tourism and the field of innovation;**

**4) development and implementation of a system of indicators reflecting the effectiveness of the tourism and innovation cluster's functioning in the region.**

As part of the task of creating conditions for the integration of research and educational centers and enterprises of the tourism industry, the main areas of activity of the cluster coordination center are to establish a correspondence between the needs of tourism enterprises in labour resources and the number, areas of training specialists in higher educational institutions of a tourist profile, reorientation of the scientific sector to solving practical tasks of the tourism sector in the region, as well as attracting leading foreign and domestic specialists to study the experience of other regions and countries with a view to its subsequent adaptation.

The development and improvement of the cluster's innovation policy involve the formation of the innovation policy of the tourism and innovation cluster and the strategy for its development. The strategic plan for the development of the cluster makes the cluster's behaviour more predictable. Simultaneously, planning at the level of an individual entity within a cluster should be carried out following the general development strategy.

The solution to improving the regulatory framework of the region, which regulates legal relations in the field of tourism and innovation, is carried out by analyzing the existing legislation, identifying contradictions that impede the development of the cluster and the growth of innovative activity of its participants.

Developing a system of indicators that reflects the effectiveness of the tourism and innovation cluster's functioning is essential

since the planning of future development indicators should be based on existing achievements. Without a unified assessment system, it is impossible to assess the dynamics of cluster development.

The tourism and innovation cluster's infrastructure is made up of elements of the tourism and innovation infrastructure. The elements of the tourist infrastructure include accommodation facilities, catering establishments, and the transport system. The innovation infrastructure elements are banks, funds, stock exchanges, technology parks, business incubators, information and consulting centers, etc.

Accompanying industries are organizations that produce goods related to the provision of tourism services and provide related services. These include financial services, medicine, utilities, security, retail, and more.

In the concept of the cluster organization of regional tourism, implemented within the framework of the program "Development of inbound and domestic tourism in Uzbekistan (2018-2025)", it is assumed that the core of the tourist cluster is made up of organizations engaged in tour operator and travel agency activities. The overwhelming majority of tour operators and travel agents in Uzbekistan are private organizations[6].

For the Uzbekistan travel industry, 2020 was a crisis year. More than 28 major tour operators have declared bankruptcy, which has affected more than 200 thousand tourists. Such massive bankruptcy among travel companies was not observed even during the crisis of 2020-2021. The reason for the global pandemic period for this situation was a whole range of problems, among which experts single out:

**1) a decline in economic growth combined with a foreign policy crisis for pandemic;**

**2) a decrease in demand for tourist services due to a decrease in real incomes of the population, as well as a ban on travelling abroad for some categories of citizens in Uzbekistan ;**



- 3) the inability of many tour operators to meet their debt obligations due to Covid-19;**  
**4) instability of the insurance market.**

So, solving the problem, we recommend Self-regulatory organizations (SROs), which are understood as non-profit organizations based on membership and uniting business entities, based on the unity of the industry of production of goods (works, services) or the market of produced goods (works, services), or uniting subjects of the professional activity of a specific type [4].

The main task of self-regulatory tourism organizations is to protect the interests of tourists through compensation payments. Payments are made from the compensation fund, which is formed from contributions from a self-regulatory organization.

Self-regulatory organizations today exist in such sectors of the economy as construction, auditing, design and others. Considering the existing experience of the functioning of self-regulatory organizations in these industries, some key advantages and disadvantages of this form of a non-profit organization can be identified.

The advantages of an SRO include:

□ additional guarantees of compensation for losses for the consumer in case of inadequate performance of obligations by the organization - a member of the SRO;

• clearing the market from non-competitive organizations that do not meet the requirements for joining an SRO.

**The disadvantages of SROs include:**

□ the emergence of a new corruption scheme, which involves the collection of additional fees for the possibility of joining an SRO;

□ contributions are the same for all members, so the burden of paying contributions is unequal for organizations of different sizes;

• complication of entry into the industry for newly created organizations.

According to the author, the existing system of self-regulation of the tourism industry did not help avoid a crisis, as it is a

system for assisting in an already existing crisis. The self-regulation system can serve as an additional stabilizer for the development of the tourism industry.

Core competencies can be classified into infrastructural, labour, production, marketing, investment, management and social.

The necessary infrastructural competencies of the tourism and innovation cluster include:

- *the presence on the territory of the cluster of unique tourist and recreational resources, which serve as the main factor in attracting tourists;*
- *availability of a developed tourist infrastructure;*
- *availability of a scientific and educational center, which serves as a source of innovative enterprises participating in the cluster.*

Necessary labour competencies include:

- *training of highly qualified specialists in the field of tourism following the current needs of the regional tourism market;*
- *availability of an adaptive, modern system of retraining of tourist personnel.*

The tourism and innovation cluster's primary basic production competence is creating a competitive, demanded tourist product.

The basic marketing competencies of the tourism and innovation cluster are:

- + *ability to research the tourist market, competitors, consumers, suppliers, partners, etc.;*
- + *skills in the development of an advertising campaign, pricing policy, selection of distribution channels, etc.*

The newly created competencies of the tourism and innovation cluster include competencies created directly in the cluster's functioning.

In contrast to the basic ones, the newly created competencies have an exclusively

individual character; accordingly, they will differ for all tourism and innovation clusters. Their main feature is the development of innovative activities of tourism enterprises of the cluster.

The final stage in creating a tourism and innovation cluster is developing a system for assessing the effectiveness of the functioning of a regional cluster. At this stage, it is necessary to form a transparent system of objective criteria, which would most fully and reliably reflect the current situation and prospects for the cluster's development. This assessment system is the basis for strategic and ongoing planning of cluster development.

**Conclusion.** The tourism and innovation cluster is accepted as the union within the same territory of private and state organizations and local governments based on common financial and information flows to create the final highly competitive tourism product (service) based on innovative developments.

The core of tourism and innovation clusters, according to the author, should be regional tourist state corporations, the main feature of which should be vertical integration. To assess the need and feasibility of forming a tourism and innovation cluster in the region, it is necessary to assess the regional tourism system's innovative potential. The author has developed a system of indicators that most fully characterizes the region's innovative potential in tourism. This system of indicators can be used to construct a rating of regions by the level of innovative potential in tourism and index analysis, where the planned values of indicators act as a base.

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