

INNOVATION SCIENCE AND TECHNOLOGY

ISSUE 5



Acceptance of papers **May, 2026**



**Acceptance of
papers**

Published monthly



Topics

economics,
technology, social
sciences



EDITOR-IN-CHIEF:

Mirzaliyev Sanjar Makhmatjon ugli

DEPUTY EDITOR-IN-CHIEF:

Makhmudov Nosir Makhmudovich
DSc., Prof., Academician

DEPUTY EDITOR-IN-CHIEF:

Ochilov Bobur Bakhtiyor ugli – Senior
lecturer at TSUI

THE SCIENTIFIC-POPULAR ELECTRONIC
JOURNAL **"INNOVATION SCIENCE AND
TECHNOLOGY"** HAS BEEN REGISTERED
UNDER THE NUMBER **C-5669633** BY THE
AGENCY FOR INFORMATION AND MASS
COMMUNICATIONS (AOKA) OF THE
REPUBLIC OF UZBEKISTAN, EFFECTIVE
FROM OCTOBER 9, 2024.

CONTACTS

Phone: **+998 50 737 87 88**

Website: <https://ist-journal.uz>

Email: innovationist2025@gmail.com

The scientific electronic journal "Innovation Science and Technology" has been included in the list of scientific publications recommended for the publication of main scientific results of dissertations for the award of PhD and DSc degrees in economics and technical sciences, in accordance with the Resolution No. 370 of the Presidium of the Higher Attestation Commission of the Republic of Uzbekistan, dated May 8, 2025.

Editorial board:



Sharipov Kongiratbay Avezimbetovich,
Doctor of Technical Sciences (DSc), Professor



Abdurakhmanova Gulnora Kalandarovna, Doctor of
Economic Sciences (DSc), Professor



Cham Tat Huei,
Doctor of Philosophy (PhD), Professor (Malaysia)



Muhammad Imran Sadiq
Doctor of Philosophy in Economics (PhD), Professor,
Malaysia



Ahmed Aziz Ismail
Doctor of Technical Sciences (DSc),
Professor (Egypt)



Lee Chin
Doctor of Philosophy in Economics (PhD), (Malaysia)



Asongu Simplice
Doctor of Philosophy in Economics (PhD), Cameroon



Rui Dang
Doctor of Chemistry (DSc), Professor, China



Zahoor Ahmed
Doctor of Philosophy in Economics (PhD), Turkey



Shujaat Abbas
Doctor of Philosophy in Economics (PhD), Russia



Tina A Coffelt
Doctor of Philosophy in Educational Sciences (PhD),
USA



Abdikarimova Dinara Rustamxanovna
Doctor of Economic Sciences (DSc), Professor

Kurbonbekova Mohichehra Turobjonovna
Doctor of Economic Sciences (DSc), Professor

Alimardonov Ilkhom Muzrabshokovich
Doctor of Economic Sciences (DSc), Professor



Razakova Barno Sayfiyeva
Doctor of Philosophy in Economics (PhD)



Khasanov Sarvar Ulugbek ugli
Doctor of Philosophy in Economics (PhD)



Kholikova Rukhsora Sanjarovna
Associate Professor (PhD)

CONTENTS

MECHANISMS FOR FORMING AND IMPLEMENTING INVESTMENT POLICY OF COMMERCIAL BANKS... 8 Abduvaliyev Sanjar Abdurahmanovich	8
EVALUATION OF MANAGEMENT EFFICIENCY BASED ON BUDGETING IN ENERGY ENTERPRISES (A FACTOR ANALYSIS CASE OF "HUDUDGAZTA'MINOT" JSC)..... 17 Sobirov Shoyadbek Kurbonaliyevich	17
PORTFOLIO OF POSTAL SERVICES AND THE ECONOMIC EFFICIENCY OF ITS DIGITALIZATION23 Mamatkulov Gulom Rustamovich	23
OPTIMIZING THE BALANCE BETWEEN LIQUIDITY AND CREDIT RISKS IN ENSURING BANKING STABILITY30 Anvarov Asliddin Nabijon ugli	30
ECONOMIC EFFICIENCY OF RENEWABLE ENERGY DEPLOYMENT IN UZBEKISTAN.....34 Hamroyeva Sabina Ismoil qizi, Dilshod Anvarjonovich Ismailov	34
MODERN TRENDS AND EFFICIENCY OF LENDING TO AGRICULTURAL PRODUCERS IN UZBEKISTAN..39 Shamshetova Gulraushan Sarsenovna	39
ANALYSIS OF THE RELATIONSHIP BETWEEN YOUTH EMPLOYMENT AND CRIME (CASE OF UZBEKISTAN)42 Khusniddinova Gulnoza	42
PRIORITY DIRECTIONS FOR IMPROVING THE INFRASTRUCTURE OF UZBEKISTAN'S FINANCIAL SYSTEM47 Qobilova Nodira Qayumjon qizi, Normurodov Kh.E.	47
FOREIGN EXPERIENCE OF INCREASING THE EXPORT CAPACITY OF THE REGION AND SPECIFIC FEATURES OF ITS APPLICATION IN UZBEKISTAN52 Mamadzhanova Tuygunoy Akhmadzhanovna	52
INSTITUTIONAL APPROACH TO WASTE MANAGEMENT AND ITS ECONOMIC EFFICIENCY56 Otbosarov Abrorbek Adhamjon o'g'li	56
LOSS MANAGEMENT MATRIX (LOSS MANAGEMENT MATRIX) MODEL IN POWER GRID ENTERPRISES..61 Khojimurodov Zukhriddin Shukurullo oglu	61
MICROPROJECTS AS A MEANS OF INCREASING THE FINANCIAL ACTIVITY AND LITERACY OF THE POPULATION67 Irgashev Anvar Farxodovich	67
INSTITUTIONAL VA TEXNOLOGIK O'ZGARISHLAR SHAROITIDA INNOVATION BANK XIZMATLARINI JORIY ETISH METODOLOGIYASINI TAKOMILLASHTIRISH.....74 Azlarova Aziza Axrorovna	74
PROBLEMS OF FORMATION AND DEVELOPMENT OF REGIONAL CLUSTERS IN THE LIGHT INDUSTRY OF UZBEKISTAN80 Umarkulov Kodirjon Maxamadaminovich	80
DIGITAL FINANCIAL INCLUSION AS A DRIVER OF SUSTAINABLE DEVELOPMENT: EVIDENCE FROM GLOBAL TRENDS AND IMPLICATIONS FOR EMERGING ECONOMIES.....84 Sabitov Oybek Abduganievich, Sattoriy Fayzullokh Abdijabbor ugli	84
PROPERTIES OF HEAVY CONCRETE DISPERSEDLY REINFORCED WITH NON-METALLIC FIBERS AND SPECIFIC FEATURES OF CALCULATING CONCRETE STRUCTURES BASED ON THEM90 Usmonova Durdona, Gulomova Dilnura	90
THE EFFECT OF STABLE AND DYNAMIC PRICING ON CONSUMER BEHAVIOR98 Anvar DEBERDIYEV	98
ECONOMIC MECHANISMS FOR IMPROVING PRODUCTION EFFICIENCY IN INDUSTRIAL ENTERPRISES..102 M.O. Yo'ldoshova	102

PEDAGOGICAL EFFECTIVENESS OF ARTIFICIAL INTELLIGENCE TECHNOLOGIES IN TEACHING POLITICAL SCIENCE AT HIGHER EDUCATION INSTITUTIONS	106
Rasulev Bobirjon Atkhamovich	
IMPROVING THE ORGANIZATIONAL AND ECONOMIC MECHANISM FOR REGULATING NON-STANDARD EMPLOYMENT IN THE DEVELOPMENT OF SMALL BUSINESSES	110
Fayzullayev Nurulla Bakhromovich	
PRIORITIES FOR IMPROVING THE HEALTHCARE FINANCING SYSTEM IN UZBEKISTAN	117
Gulira'no Atabekovna Ruzmetova	
FACTORS AFFECTING TAX PAYMENT SYSTEMS, EXISTING PROBLEMS, AND THEIR CAUSES	124
Tangirqulov Gulom Baxtiyorovich	
EFFECTIVENESS OF ENVIRONMENTAL TAXES IN REDUCING CARBON EMISSIONS IN UZBEKISTAN: AN ECONOMETRIC APPROACH.....	129
Kuziboev Bekhzod Hamidovich	
WAYS TO DEVELOP QUALITY MANAGEMENT IN THE SILK INDUSTRY OF UZBEKISTAN'S ECONOMY	134
Bahriddinov Asror Rakhmatovich, Boltaev Nazarbek Narzullaevich	
STATE OF LENDING TO SMALL BUSINESS PROJECTS IN COMMERCIAL BANKS AND ITS ECONOMIC- STATISTICAL ANALYSIS.....	138
Nargiza Norqobilova Abdiqodirovna	
CONCEPTUAL DIRECTIONS FOR IMPROVING THE MECHANISMS OF ENSURING FINANCIAL STABILITY IN ENTERPRISES.....	143
Asomidinova Mohigulbonu Oybek kizi	
ORGANIZATION OF MANAGEMENT ACCOUNTING IN NON-STATE HIGHER EDUCATION INSTITUTIONS	148
Xojiboyev Muxiddin Shodimuxamedovich	
THE NATURE AND ESSENCE OF DIGITAL TRANSFORMATION PROCESSES IN MASS MEDIA ORGANIZATIONS.....	151
Sharipova Shahlo Istamovna	
COMPARATIVE ANALYSIS AND EXPERIMENTAL EVALUATION OF ALGORITHMS FOR RECOVERING MISSING (NAN) VALUES IN INFORMATION SYSTEM DATA	156
Yarmatov Sherzodjon Shokir oğlu, Orifov Oxunjon Fazliddinzoda	
ANALYSIS OF THE STATE OF MARKETING MANAGEMENT IN MANUFACTURING ENTERPRISES	167
Musayeva Shoirazimovna	
IMPROVING LOAN PORTFOLIO QUALITY AND CREDIT RISK MANAGEMENT MECHANISMS	173
Turgunov Nodirbek Muminjanovich	
INNOVATION CAPABILITIES AND EXPORT PERFORMANCE: THE MEDIATING ROLES OF SUPPLY CHAIN INNOVATION AND ENTREPRENEURIAL ORIENTATION — EVIDENCE FROM UZBEKISTAN	177
Mukhammadyaminova Shakhzoda	
URBAN PLANNING OF TRANSPORT INTERCHANGE HUBS NEAR TUBERCULOSIS CARE FACILITIES IN UZBEKISTAN	183
Gabibova Irina Vagifovna, Abdumuminova Diyora Gayratovna	
ADAPTING INTERNAL AUDIT STANDARDS IN BUDGET ORGANIZATIONS TO PUBLIC PROCUREMENT PRACTICES.....	192
Meliboyev Askar Eshmuratovich	
ECONOMETRIC EVALUATION OF INVESTMENT EFFICIENCY IN KHOREZM REGION	197
Otajonov Umid Abdullayevich	
SCIENTIFIC AND PRACTICAL SIGNIFICANCE OF MODERN RECLAMATION AND GIS TECHNOLOGIES ON SALINE SOILS IN KARAKALPAKSTAN	205
Tajibaev Berdakh	
ISSUES REGARDING THE IMPLEMENTATION OF THE “TOLLING OPERATIONS” MODULE IN THE GOODS MOVEMENT MANAGEMENT SYSTEM UNDER THE CUSTOMS TERRITORY PROCESSING REGIME	212
Lutpullaev Shukrullo Kudratullaevich	

THE ROLE OF DIGITAL MARKETING IN ENHANCING TOURISM-RELATED BUSINESSES IN UZBEKISTAN Akmaljon Odilov	218
INTERNATIONAL TRENDS OF DIGITALIZATION IN CUSTOMS MANAGEMENT Radjapova Latofat Sardarovna	222
THE ROLE OF TAX POLICY IN THE TRANSITION TO A GREEN ECONOMY Dexkanova Shodiyona Kaxramon qizi	230
PRACTICES IN ENTERPRISE COST STRUCTURE MANAGEMENT AND DIRECTIONS FOR IMPROVEMENT Aymukhammedova Amina Kakajanovna	236
IMPROVING THE ECONOMIC EFFICIENCY OF CLOTHING MANUFACTURING ENTERPRISES IN UZBEKISTAN THROUGH DIGITAL TRANSFORMATION Axmedova Gaziza Azim kizi	242
RECONCEPTUALIZING BUSINESS INCUBATORS IN STARTUP ECOSYSTEMS: THEORETICAL FOUNDATIONS AND INSTITUTIONAL MECHANISMS Gafujon Usmanov	246
DEVELOPMENT OF MODERN MARKETING APPROACHES TO CUSTOMER RELATIONSHIP MANAGEMENT IN RETAIL ENTERPRISES Safarov Bakhtiyor Djurakulovich	257
MECHANISMS FOR EVALUATING AND IMPROVING THE EFFECTIVENESS OF MARKETING STRATEGIES IN THE PUBLIC TRANSPORT SECTOR Berdiyrov Temur Azamatovich	263
THE INFLUENCE OF HYDRODYNAMIC ASPECTS OF GROUNDWATER LEVEL RISE ON URBAN WATERLOGGING B.D. Abdullaev, B.R. Nasibov, Sh.T. Irgashev, D. Abdullaev	268
BASIC INFORMATION MODEL OF A DIGITAL OBJECT Gulyamov Shukhrat Mannapovich, Karakhanova Alsu Muratalievna, Keldiyorov Sirojiddin Tura ugli, Zayniddinova Zebiniso Akmalovna	277
COMPARATIVE LIFE CYCLE AND TECHNO-ECONOMIC ANALYSIS OF SOLAR PANEL MATERIALS FOR SUSTAINABLE PHOTOVOLTAIC SYSTEMS Urishev Omadjon, Kushakova Sarvinoz, Kamolboyev Sirojbek	281
PRIORITY DIRECTIONS FOR FORMING ECOLOGICALLY ORIENTED MANAGEMENT IN CONSTRUCTION INDUSTRY ENTERPRISES Kholov Hamza Tajiddinovich	294
INVESTIGATION OF GERMANIUM EXTRACTION TECHNOLOGY FROM TECHNOGENIC METALLURGICAL WASTE Yormatov Dostonbek, Shodiyev Abbos, Muhammadiyev Elbek	301
MECHANISMS FOR IMPROVING RESOURCE EFFICIENCY AND OPTIMIZING PRODUCTION COSTS IN THE CONSTRUCTION MATERIALS INDUSTRY Utbasarov Doniyorjon Bakhtiyarovich	309
THEORETICAL, PRACTICAL AND METHODOLOGICAL PROBLEMS OF AUDITING THE ACTIVITIES OF ECONOMIC ENTITIES ON THE BASIS OF INTERNATIONAL STANDARDS Mirzaeva Sabina Khushnudovna, Khaydarova Dildora Djakhongirovna	318
THE IMPACT OF DIGITAL AND INNOVATIVE TECHNOLOGIES ON WOMEN'S LABOR IN INDUSTRIAL ENTERPRISES OF UZBEKISTAN UNDER INDUSTRY 4.0 Doniyorova Zukhrabonu Alisher qizi	322
LEVEL OF ENSURING FOOD SECURITY: IMPLEMENTATION MECHANISMS AND INSTRUMENTS Sodiqjon Qodirovich Mattiyev	328
DIGITAL TRANSFORMATION, ECONOMIC EFFICIENCY, AND LOCALIZATION POLICY OF THE PUBLIC PROCUREMENT SYSTEM Turabov Sarvar Abdumalikovich	334
TA'LIM XIZMATLARI BOZORIDAGI INNOVATSIYALAR IQTISODIY XAVFSIZLIKNI TA'MINLASH VOSITASIDA Bozorova Madina Raxmat qizi	339

PROJECT-ORIENTED ESP32 IOT CURRICULUM WITH A SHARED-RESOURCE LABORATORY MODEL: DESIGN, IMPLEMENTATION, AND LESSONS LEARNED	344
Ulugbek Tursunaliyev, Lazizbek Yusupov	
FIVE-CRITERION METHODOLOGY OF INTERNAL CONTROL ENVIRONMENT ASSESSMENT IN TEXTILE INDUSTRY ENTERPRISES	353
Babakulova Matluba Kurbannazarovna	
THE EFFICIENCY OF EDUCATION-INDUSTRY INTEGRATION IN THE CONTEXT OF THE KNOWLEDGE ECONOMY.....	357
Uzaydullayev Sherzod Shukurullayevich	
MECHANISMS AND DIRECTIONS FOR DEEPENING REGIONAL INTEGRATION PROCESSES IN CENTRAL ASIA.....	361
Akbarova Kamola Akmaljonovna	
EVALUATION OF THE EFFECTIVENESS OF MANAGEMENT SYSTEMS IN HEALTHCARE INSTITUTIONS	368
Saidov Suhrob Shodmonovich	
IMPROVING INVESTMENT ATTRACTION MECHANISMS IN UZBEKISTAN'S SERVICE SECTOR: BARRIERS, OPPORTUNITIES, AND POLICY RECOMMENDATIONS.....	371
Shermatov Axror Abdixakimovich	
METHODOLOGICAL FOUNDATIONS FOR FORMING CUSTOMS RISK PROFILE INDICATORS BASED ON MATHEMATICAL AND STATISTICAL METHODS	377
Niyazov Sherzod Shovkat ugli	
AN INSTITUTIONAL GOVERNANCE FRAMEWORK FOR CRYPTO-ASSET REGULATION: ADDRESSING LEGAL UNCERTAINTY IN DIGITAL FINANCIAL SYSTEMS	385
Iminokhunov Abdukokhor A., Khakimov Abdurakhmon Mukhammad-Ali ugli	
THEORETICAL AND ORGANIZATIONAL-ECONOMIC FOUNDATIONS OF THE SERVICE SECTOR	396
Kurbanova Rahima Jamshedovna	
REGIONAL ASSESSMENT OF THE OPENNESS OF SPECIAL ECONOMIC ZONES IN UZBEKISTAN BASED ON A SYNTHETIC INDICATOR.....	401
Anvarkhonov Abdulatifkhon Jamshidkhon ugli	
IMPROVEMENT OF THE REGIONAL INVESTMENT ENVIRONMENT ASSESSMENT CRITERIA AND INDICATORS SYSTEM.....	407
Maxmudov Jasurbek Ergashevich	
ANALYSIS OF FOREIGN INVESTMENT ATTRACTION PRACTICES IN THE NATIONAL ECONOMY.....	412
Ochilov Bobur Bakhtiyor ugli	
ASSESSMENT OF SOURCES OF EQUITY FORMATION IN JOINT-STOCK COMPANIES AND THE EFFECTIVENESS OF THEIR USE.....	421
Savinova Galina Anatolevna	
DIGITAL MARKETING INTEGRATION, KPI ARCHITECTURE AND CAUSAL EVALUATION OF ENTERPRISE COMPETITIVENESS IN EMERGING MARKETS: A CONCEPTUAL-METHODOLOGICAL FRAMEWORK FOR UZBEKISTAN	429
Bakhtiyor Ruziev Eshmuminovich	
IMPROVING FOREIGN EXCHANGE RISK MANAGEMENT PRACTICES IN COMMERCIAL BANKS OF UZBEKISTAN	434
B.K. Tugalov	
CHANGES IN THE BIOLOGICAL DIVERSITY OF HOOFED ANIMALS IN THE TUGAI FORESTS OF THE SOUTHERN ARAL REGION UNDER CLIMATE CHANGE CONDITIONS.....	438
J. U. Tilepov, A. A. Jumamuratova	
ECONOMETRIC ASSESSMENT MECHANISMS OF THE IMPACT OF TRADE SERVICE QUALITY INDICATORS ON THE LEVEL OF COMPETITIVENESS	442
Toxirov Javlon Raximovich	
O'ZBEKISTONDA BIZNES MUHITINI RIVOJLANTIRISHDA XORIJIY INVESTITSİYALARNING AHAMIYATI ..	447
Xazratov Abror Panjiyevich, Muratkulov Xumoyun Dilshodovich	

LEGAL FOUNDATIONS AFFECTING THE DEVELOPMENT OF THE COTTON PROCESSING INDUSTRY IN BUSINESS ENTITIES	452
Abdullayev Hamidulla Abdug'ani o'g'li, Sayitbayev Shermirza Datkamirzayevich	

LEGAL FOUNDATIONS AFFECTING THE DEVELOPMENT OF THE COTTON PROCESSING INDUSTRY IN BUSINESS ENTITIES

Abdullayev Hamidulla Abdug'ani o'g'li

Independent Researcher, Namangan State Technical University

E-mail: hamidullaad@gmail.com

Scientific Supervisor:

Sayitbayev Shermirza Datkamirzayevich

Doctor of Economics, Professor

Abstract. This scientific article analyzes the legal foundations affecting the development of the cotton processing industry in business entities. It also examines the regulatory and legal documents governing this sector in the country, their practical significance, and current development issues. Based on the results of the research, proposals have been developed to improve legal mechanisms for the further advancement of the cotton-textile industry.

Keywords: cotton processing, business entities, legal foundations, industrial development, investment, cluster system.

Annotatsiya. Ushbu ilmiy maqolada tadbirkorlik subyektlarida paxtani qayta ishlash sanoatini rivojlantirishga ta'sir etuvchi huquqiy asoslar tahlil qilingan. Shuningdek, mamlakatimizda ushbu sohani tartibga soluvchi normativ-huquqiy hujjatlar, ularning amaliy ahamiyati hamda mavjud rivojlanish masalalari ko'rib chiqilgan. Ilmiy izlanishlar natijasida paxta-to'qimachilik sanoatini yanada rivojlantirish uchun huquqiy mexanizmlarni takomillashtirish bo'yicha takliflar ishlab chiqilgan.

Kalit so'zlar: paxtani qayta ishlash, tadbirkorlik subyektlari, huquqiy asoslar, sanoat rivoji, investitsiya, klaster tizimi.

Аннотация. В данной научной статье проанализированы правовые основы, влияющие на развитие хлопкоперерабатывающей промышленности в субъектах предпринимательства. Также рассмотрены нормативно-правовые акты, регулирующие данную сферу в нашей стране, их практическая значимость и существующие вопросы развития. По результатам исследования разработаны предложения по совершенствованию правовых механизмов дальнейшего развития хлопково-текстильной промышленности.

Ключевые слова: переработка хлопка, субъекты предпринимательства, правовые основы, развитие промышленности, инвестиции, кластерная система.

INTRODUCTION

In the current era of globalization, deep processing of raw materials, production of high value-added goods, and enhancement of export potential are regarded as priority directions in the world economy. Especially in light industry sectors closely connected with agriculture, the presence of innovative approaches, effective management systems, and a strong legal framework is considered an important factor ensuring economic growth.

In the economy of the Republic of Uzbekistan, cotton cultivation and its processing industry have historically occupied an important place. While for many years the country mainly pursued a policy focused on exporting raw cotton, in recent years this approach has been fundamentally reconsidered. Priority is now being given to deep domestic processing of cotton, production of finished textile goods, and their expansion into international markets.

From this perspective, the role of business entities in the development of the cotton-textile industry has been steadily increasing. In particular, small businesses and private enterprises make a significant contribution to the sustainable development of the national economy through processing raw cotton using modern technologies,

creating new jobs, and producing export-oriented goods.

The role of legal foundations in effectively organizing this process is highly significant. Any economic activity, especially production and processing processes, is regulated by clear normative and legal documents. The legal conditions created for business entities, incentives and preferences, as well as state support mechanisms, directly influence the pace of development of the cotton industry.

In recent years, the Republic of Uzbekistan has been implementing broad reforms aimed at developing this sector through the introduction of the cotton-textile cluster system, improvement of the investment climate, encouragement of export activities, and expansion of tax and customs incentives. In particular, decrees and resolutions adopted by the state serve to strengthen the legal status of business entities, ensure their free operation, and improve the competitive environment.

However, despite the reforms being implemented, certain systemic issues still remain in the development of the cotton processing industry. In particular, some aspects of the legal framework require further improvement, coordination among normative legal acts can be strengthened, access to financial resources for small business entities may be expanded, and regional development differences can be further balanced in order to fully realize the sector's potential.

LITERATURE REVIEW

The issue of legal foundations affecting the development of the cotton processing industry in business entities has been studied in scientific literature from different perspectives within the fields of economics, law, and industrial policy. Analysis of the available academic sources shows that research in this area is mainly concentrated in three key directions: legal regulation of the cotton industry, efficiency of the cluster system, and improvement of the investment climate.

In domestic scientific literature, the development of the cotton-textile industry is considered one of the priority directions of state economic policy. According to a number of economists and legal scholars, the existence of a stable legal framework in this sector plays an important role in ensuring the free activity and competitiveness of business entities. In particular, it has been scientifically substantiated that the clarity and stability of normative legal acts directly influence production processes.

Furthermore, local studies interpret the cluster system as the main institutional model for modernizing the cotton industry. Research devoted to the cluster approach emphasizes that integrating the full production chain under unified management contributes to efficient use of resources, reduction of logistics costs, and growth of export potential. However, some studies note that the effectiveness of the cluster system depends on the quality of its legal foundations and the clear regulation of relations between the state and the private sector.

In foreign academic literature, the cotton and textile industry is often studied within the frameworks of the concepts of "value chain governance" and "industrial cluster development." These approaches analyze the processes from raw material cultivation to finished goods production as a unified value chain. International studies show that legal stability, investment protection, and state support mechanisms are decisive factors for the effective development of industrial sectors.

A number of scientific works place special emphasis on the role of business entities in the economy. According to these studies, the involvement of small and medium-sized businesses in the cotton processing industry leads to increased production volumes, the introduction of innovations, and improved employment levels. At the same time, creating a favorable legal environment for business entities is identified as one of the important tasks of state policy.

The literature review shows that although considerable scientific work has been carried out in this field, a comprehensive and systematic analysis of the legal foundations influencing the development of the cotton processing industry has not been sufficiently explored. In particular, there remains a need for deeper scientific research regarding the interconnection of normative legal acts, the legal efficiency of the cluster system, and the role of business entities within the legal environment.

Therefore, this study is aimed at filling the existing scientific gap and serves to comprehensively analyze the role of legal foundations in the development of the cotton processing industry.

RESEARCH METHODOLOGY

This scientific article applies comprehensive research approaches to study the legal foundations affecting the development of the cotton processing industry in business entities in the Republic of Uzbekistan. The methodological basis of the article consists of general scientific and specialized scientific methods of inquiry.

A system approach was applied in this study, through which the legal norms regulating the cotton-textile industry were analyzed as a unified economic and legal system. This approach made it possible to identify the interrelationship between normative legal documents, institutional mechanisms, and economic processes within the sector.

In addition, the article employed the comparative legal analysis method. Using this method, the legal mechanisms regulating the cotton industry in the Republic of Uzbekistan were compared with similar systems in other countries, and their distinctive features and effectiveness were examined. This made it possible to identify the strengths and areas for further improvement within the national legal system.

Through the analytical method, the content of current legislative acts, presidential decrees and resolutions, Cabinet of Ministers decisions, and sectoral strategic programs was examined. This approach provided an opportunity to assess the current state of legal regulation in the cotton processing industry.

Furthermore, the article used the statistical analysis method to study official data on production volumes, export indicators, and investment flows in the cotton-textile industry. Based on these data, conclusions were developed regarding the economic effectiveness of legal reforms.

As the empirical basis of the study, data from the Statistics Agency of the Republic of Uzbekistan, sectoral state programs, normative legal documents, and scientific literature were analyzed. At the same time, expert assessment and generalization methods were also used in order to gain a deeper understanding of practical processes in the sector.

These methodological approaches ensured the scientific validity of the article and made it possible to comprehensively analyze the legal factors influencing the development of the cotton processing industry.

ANALYSIS AND RESULTS

The analysis of the legal foundations affecting the development of the cotton processing industry in the Republic of Uzbekistan shows that, as a result of the reforms implemented in recent years, significant institutional and economic changes have taken place in this sector. In particular, normative legal acts aimed at liberalizing entrepreneurial activity have strengthened the legal basis of production processes and contributed to increasing the share of the private sector in the economy.

The analysis revealed that the introduction of the cluster system has been one of the most important institutional reforms in the development of the cotton-textile industry. This system integrated the processes from cotton cultivation to deep processing and finished product manufacturing into a single economic chain. As a result, production efficiency increased, logistics costs decreased, and the level of raw material losses was significantly reduced.

As a result of improvements in the legal framework, a favorable investment environment was formed for business entities. Tax and customs incentives, as well as subsidies and credit mechanisms provided by the state, stimulated new investments in the cotton processing sector. This, in turn, led to the modernization of production capacities, the introduction of modern technologies, and the adaptation of product quality to international standards.

The analysis also shows that the growth of export volumes in the cotton industry is directly linked to legal reforms. The simplification of export procedures, liberalization of foreign trade regulations, and greater flexibility in currency policy significantly expanded textile product exports. This contributed to increasing the country's foreign currency revenues and strengthening economic stability.

However, the analysis also identified certain areas requiring further improvement. In particular, frequent changes in the normative legal framework may create legal uncertainty for business entities. In addition, limited access to credit resources and insufficiently developed infrastructure in some regions were identified as factors affecting the balanced development of the industry.

According to the scientific findings of the article, the efficiency of the cotton processing industry directly depends on the following key factors:

- stability and consistency of the legal framework;
- effectiveness of state support mechanisms;
- attractiveness of the investment environment;
- institutional maturity of the cluster system;
- introduction of elements of the digital economy.

In general, the implemented legal reforms have had a positive impact on the development of the cotton industry, reflected in increased production volumes, expansion of export geography, and the creation of new jobs. At the same time, the research results substantiate that by addressing the existing issues, it is possible to further enhance the competitiveness of this sector.

CONCLUSION AND RECOMMENDATIONS

The development of the cotton processing industry is considered one of the strategic directions of Uzbekistan's economy. In this process, legal foundations play a decisive role. As a result of the reforms being implemented, significant positive changes are taking place in the sector. At the same time, by addressing existing issues and further improving legal mechanisms, it is possible to ensure the sustainable and competitive development of the industry.

For the further development of the cotton industry, the following measures are recommended:

- ensuring legal stability;
- improving the cluster system;
- supporting small business entities;
- introducing digital management systems;
- simplifying export procedures.

In addition, the introduction of electronic contracts and digital monitoring systems would increase transparency and efficiency within the sector.

REFERENCES

1. O'zbekiston Respublikasi Konstitutsiyasi. – Toshkent: O'zbekiston, 2023.
2. O'zbekiston Respublikasi Fuqarolik kodeksi. – Toshkent: Adolat, 2022.
3. O'zbekiston Respublikasi Soliq kodeksi. – Toshkent: Adolat, 2020 (o'zgartirish va qo'shimchalar bilan).
4. O'zbekiston Respublikasi Bojxona kodeksi. – Toshkent: Adolat, 2016.
5. O'zbekiston Respublikasining 02.05.2012-yildagi "Tadbirkorlik faoliyati erkinligining kafolatlari to'g'risida"gi O'zbekiston Respublikasi Qonuniga o'zgartirish va qo'shimchalar kiritish haqida"gi O'RQ-328-sonli Qonuni, <https://lex.uz/docs/-2006789>
6. O'zbekiston Respublikasining 25.12.2019-yildagi "Investitsiyalar va investitsiya faoliyati to'g'risida"gi O'RQ-598-sonli Qonuni, <https://lex.uz/docs/-4664142>
7. O'zbekiston Respublikasi Prezidentining 19.09.2025-yildagi "To'qimachilik va tikuv-trikotaj sanoatida islohotlarni jadallashtirish va eksport salohiyatini kengaytirish chora-tadbirlari to'g'risida"gi PQ-290-sonli qarori, <https://lex.uz/docs/-7736682>
8. O'zbekiston Respublikasi Vazirlar Mahkamasining 04.12.2021-yildagi "Paxta-to'qimachilik klasterlari faoliyatini tashkil etish tartibi to'g'risidagi nizomni tasdiqlash haqida"gi 733-sonli qarori, <https://lex.uz/docs/-5760091>
9. O'zbekiston Respublikasi Statistika agentligi. Paxta-to'qimachilik sanoati bo'yicha yillik hisobotlar. – Toshkent, 2020–2025 yy.
10. Mirziyoev Sh.M. Yangi O'zbekiston strategiyasi. – Toshkent: O'zbekiston NMIU, 2021.
11. Abdurahmonov Q.X. Iqtisodiyot nazariyasi. – Toshkent: O'zbekiston, 2019.
12. Gulyamov S.S. Tadbirkorlik huquqi. – Toshkent: TDYU nashriyoti, 2020.
13. World Bank. Cotton Sector Development and Value Chain Analysis in Uzbekistan. – Washington, DC, 2022.
14. UNIDO. Textile and Apparel Industry Development Report. – Vienna, 2021.
15. FAO. Agricultural Value Chains and Industrial Processing. – Rome, 2020.

Proofreader: Zokir ALIBEKOV
Layout and Designer: Oloviddin Sobir ugli

2026. № 5

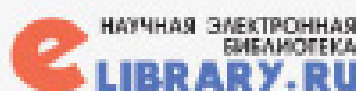
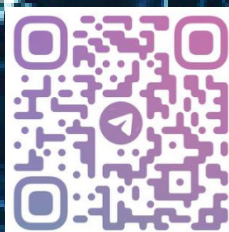
© When materials are reproduced, the INNOVATION SCIENCE AND TECHNOLOGY journal must be cited as the source. Authors are responsible for the accuracy of the information in materials and advertisements published in the journal. Editorial opinions may not always align with those of the authors. Submitted materials will not be returned to the editorial office.

To publish articles in this journal, you may submit articles, advertisements, stories, and other creative materials through the following links. Materials and advertisements are published on a paid basis.

You may subscribe to the journal at any time using the following details. Once subscribed, please send a screenshot or photo of your payment confirmation to our Telegram page @iqtisodiyot_77. Based on this, we will send the latest issue of the journal to your address each month.

“The journal “INNOVATION SCIENCE AND TECHNOLOGY” has been registered by the Agency for Information and Mass Communications under the Administration of the President of the Republic of Uzbekistan from 09.10.2024 under the registration number №390637. License number: C-5669633. PNFL: 30407832680027

Our address: Tashkent city, Yunusobod district, 19th block,
House 17.



Acceptance of articles

Published every
monthly



Directions

Social, economic, political,
technological, scientific



Scopus || Scientific electronic journal specializing in Scopus

CERTIFICATE NUMBER: №390637

**ORDER NUMBER ACCORDING TO
THE LICENSE REGISTER: C-5669633**

CONTACT:



Contact us
+998 50 737 87 88



Telegram channel
t.me/scopus_IST2100



Journal official website
<https://ist-journal.uz/index.php/IST>