

Varazdin Development and Entrepreneurship Agency and University North
in cooperation with:
Azerbaijan State University of Economics (UNEC)
Faculty of Management University of Warsaw
Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat
Polytechnic of Medimurje in Cakovec



Economic and Social Development

55th International Scientific Conference on Economic and Social Development

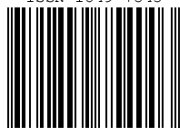
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Editors:

Altay Ismayilov, Khatai Aliyev, Manuel Benazic



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IMPACT OF E-GOVERNMENT SERVICES ON BUSINESS ENVIRONMENT DEVELOPMENT IN AZERBAIJAN

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ABSTRACT

In this paper author describes impact of e-government services to the business environment in Azerbaijan. Paper also discusses strategies and specific regulations which give tangible results in economic development.

Keywords: *Economy, E-government, business environment, development, government-business relations, entrepreneurship, e-services*

ADAM SMITH WEALTH PRODUCTION SCHEME (NEW INTERPRETATION)

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ABSTRACT

The main scientific task of Adam Smith was to explain the reasons for the wealth of peoples. Thrift is not the only factor that A. Smith distinguishes. In addition to frugality, he also speaks of labor productivity. Indeed, productive workers can be more or less productive. And, discussing this issue, we come to the next crucial topic that Adam Smith raises - what does labor productivity depend on? Smith's answer - it depends on the division of labor. What is the division of labor? This is the specialization of workers in certain types of activities, in certain operations, which allows them to develop skills and, accordingly, increase their productivity. Smith goes to the factor that we today call technological progress. A factor that, indeed, provides unlimited opportunities for the development of production, but Smith does not stop there. He would not be a great economist if he limited himself only to the technical side of things. He explains that the division of labor itself is possible only where there is a scale in order to produce a lot of products and, accordingly, to divide the labor. And now we can say that the main scheme, as Adam Smith thinks of the production of wealth, is completed. If our society is lean, that is, it is not wasteful on consumption, if it provides a

*high level of division of labor, then the annual social product will grow and the next year will be richer than the previous one. This is the essence of economic growth. Smith's book *On the Wealth of Nations*, in modern terms, is a book on economic growth.*

Keywords: *thrift, labor productivity, division of labor, wealth production, economic growth*

PROBLEMS OF DEVELOPMENT OF PUBLIC-PRIVATE BUSINESS PARTNERSHIP

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ABSTRACT

The article reveals the essence and significance of public-private partnerships, the advantages and disadvantages of using this form of cooperation. Public-private partnership is a type of interaction between the parties, which includes the optimal distribution of risks, responsibilities and revenues, as well as the effective implementation of industrial and social infrastructure projects. The process of forming a public-private partnership and foreign experience in using this form of cooperation, as well as the work carried out in the field of public-private partnership in the Republic of Azerbaijan, are analyzed in detail. The public-private partnership, which allows attracting additional investment resources for infrastructure projects, is considered as a stimulating tool for replacing imports through local production and as a factor in ensuring the country's economic security. An increase in the share of imported products in the consumer market of Azerbaijan may impede the development of local production, which is not able to compete with foreign products due to the climatic and geographical conditions of the country. The current state of public-private business partnership in the

Republic of Azerbaijan has been carefully analyzed and the priority areas for further development have been substantiated. It was proposed to create a Center for Public-Private Partnership under the Ministry of Economy of the Republic of Azerbaijan in order to meet the needs of market consumers in the necessary information on the development of public-private partnership mechanisms, to form a single database, to increase the professionalism of employees and to apply innovative management systems.

Keywords: *public-private partnership, interaction between the state and private business, a tool for stimulating import substitution, standard approach, stage of partnership, agreement*

THE ROLE OF BIG DATA TECHNOLOGY IN THE EDUCATION MANAGEMENT SYSTEM

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ABSTRACT

In modern conditions, the main educational trends are personalization, adaptive learning, the involvement of the learner in the process of forming the content of the program, the use of open data, active interaction of students and intercollegiate educational projects. Big data technologies can be considered as means of developing educational systems. The article discusses the possibilities and prospects of using big data analysis in education in the context of rapid technology development, identifies the distinctive features of big data technology, structured the system management processes, the direction of data collection in education, and defines the properties of the collected base given big data in education.

Keywords: *digital technologies, big data technology, management, educational systems*

THE USE OF COMMUNICATION IN MANAGING COMPETITIVENESS

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ABSTRACT

The role of marketing communication in management of competitiveness is investigated in the article. Here, evaluation of the enterprise's competition relations and information and communication support in the management of marketing is analyzed. The use of marketing conception in modern period is not satisfied with production of qualitative product conforming to the requirement of consumers and determination of suitable price for consumers. It also requires to create a need for the product produced, to encourage the sale of product, to pass necessary information to its own consumers for this purpose, to select information attentively and to establish opposite relation with consumers. Implementation of all such measures and fulfillment of duties arising out of them make necessary the creation and realization of communication system of marketing. Communication provides normal activity of internal environmental system and creation of mutual relation with environment. In order to achieve to efficient communication system, the firm uses of services of specialists on encouraging of sale, the specialized advertising companies and direct marketing. The most firms are interested in the issue of the number of funds to be spent for communication measure rather than establishment of relation with consumers and the methods of information transfer. Each category of consumer requires the application of specific methods of relation and implementation of proper measures. Exterior design of products, their price, packing form, sellers' clothes and behaviors and other such features give certain information to buyers. In order to achieve more efficient relationships as possible, it is necessary to coordinate not only communication system of the firm, but also all marketing complex

profoundly. The competitiveness of enterprise is determined thanks to the product produced by it. The main method for increase of competitiveness of processing industrial enterprises is creation of condition for determination of the stages such as correct selection of competition strategy, determination of funds and provision of competitiveness. It is possible to provide objective evaluation in the process of investigation of the evaluation method of competitiveness thanks to complex methods of evaluation of competitiveness - development of integral indicators of competitiveness. Competitiveness is one of the main features for development of processing industrial enterprises.

Keywords: *competitiveness, producer, consumer, qualitative product, communication, methods for evaluation of competitiveness*

INFLATION IN AZERBAIJAN AND THE ANTI-INFLATION POLICY OF THE GOVERNMENT

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ABSTRACT

The inflation in Azerbaijan and the anti-inflation policy of the state, as well as the general features for inflation processes in the post-soviet period have been revealed in the article. The price indexes of consumer goods and paid services to the population, non-food products, price indexes for total products and services have been analyzed. The importance of examining the reasons for inflation rise for effective anti-inflation measures is emphasized, the growth of money supply, which is one of the most important factors in the formation of inflation, the level of money provision of the Azerbaijani economy is analyzed. One of the main channels

of impact of the growth of money supply on inflation is the high level of cash turnover, the condition in fiscal area which is one of the factors affecting the increase in inflation - the budget deficit (surplus) to GDP and the ratio of non-oil GDP, the main impact of the budget channels to inflation processes in the country, untransfer budget deficit from the State Oil Fond of Azerbaijan (SOFAZ), the issue of the non-oil sector growth have been pointed out. The high cost of credit, one of the main factors of expenditure for price increase in Azerbaijan economy, the higher wages and salaries of products and services, the real wage and labor productivity in the economy, and the specifics of recent wage increases have been analyzed in the article. Monopoly, which is one of the key factors for rising prices, has also been explored in terms of reducing its impact on inflationary processes and in most countries with transition economies and developing economies. One of the main factors of the price stability in Azerbaijan in modern condition was the increasing supply of inadequate demand level. One of the most important economic trial was the strengthening of global inflation which the Azerbaijani economy faced on at that time. The main factors that influence the impact of foreign economic processes on the economy and inflation processes in Azerbaijan are the ineffectiveness of the structure of foreign trade, the use of imported semifinished goods mainly in domestic production, the tendency for dollarization in the country, and the domination of imported goods, especially the consumption of the population. It should be noted that the underdevelopment of the financial markets in Azerbaijan, and the incomplete integration of the international financial markets, is unlikely to affect the domestic economic processes, especially inflation, unlike some other post-Soviet countries. When analyzing possible inflation factors, it is important to identify correlations between price indexes and relevant macroeconomic indicators. Influenced by all these factors, the increase in inflation in Azerbaijan has led to a number of problems, raising the need for government anti-inflation policies.

Keywords: *inflation, government anti-inflation policy, price indexes, monopoly, monetary and fiscal policy*

THE UNITY AND DIFFERENCE OF METHODS OF POLITICAL ECONOMY AND ECONOMICS

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ABSTRACT

Significant differences between political economy and economics are reflected in the use of various methods in the study of economic phenomena and processes, in the inconsistency of their methodological approaches. The first one. Political economy, studying the original, internal cause-and-effect relationships in production, reveals its essential features. While economics studies superficial, visible relationships and describes functional links based on the principles of rationalizing consumer choice. Political economy uses dialectical and historical methods to identify the main essence of production relations and demonstrate cause-and-effect relationships in their logical structure, and the economy is based on positivism and serves to search for functional dependencies. The second one. In the sciences under consideration, the objects of research also differ. The object of economic research is not production and supply, and not even their relationship with consumption and demand, but directly the sphere of exchange, consumption and demand, more precisely, the demand curve. Political economy, in contrast to economics, assigns a leading role not to consumption and demand in social reproduction, but to production and supply. The third. In political economic studies, the movement of the gross national product is based on the principles of integrity of social reproduction, reflecting the stages of production, distribution, exchange and consumption. In economics textbooks, the object of study is considered mainly at two levels - macro- and microeconomics. Fourth. In political economy, as a logical starting point of analysis, social production as a whole, the national economy or society as a whole, consisting of economic entities, is accepted.

While in economics, the logical starting point of research is a single, private economic entity that independently carries out activities in society and in social production.

Keywords: *economic theory, political economy, economics, methods*

EFFECT ON THE ENVIRONMENTAL AND ENERGY-SAVING OF WHITE LEDS APPLIED IN THE LIGHTING AND FUTURE BENEFITS IN TERM OF ECONOMICS

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ABSTRACT

This study is dedicated to the study of application perspectives of white light emitting diodes (white LEDs) in lighting, and its environmental and economic benefits in the world have been discussed. White LEDs becoming more and more popular due to the several advantages compared with traditional lighting systems. The main advantages of these systems are stability, adjustable, long lifetime, good thermal stability and environmentally friendly. Moreover, here in term energy-saving problem should be noted as the most important feature. Because, 20% of produced energy is spent on lighting and this value can be significantly reduced by the application of white LEDs in the lighting as well as other systems in modern technologies. Therefore, the perspectives of white LEDs production to application in lighting systems have been investigated in this study. The main object for light emitting diodes to create white LEDs is phosphor materials which is detailed discussed in this work. Because, the phosphors selecting is one of the most problem

in this direction to producing high-efficiency and stable systems. It's known that rare-earth elements are the main materials of various compounds and the right choice of these elements in the host matrixes give high quality consequences. In this regard, a detailed discussion was held on materials suitable for rare earth elements and other elements activated white light emitting diodes. The perspectives of white light emitting diodes in various fields of industry and technology, in particular, in lighting and the ecological and economic benefits of such systems have been studied.

Keywords: *White LEDs, rare-earth doping, thiogallates, environment, economical benefit, lighting, phosphors*

INVESTIGATION OF INNOVATION PROCESSES IN AZERBAIJAN AND ITS FORMATION FEATURES

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ABSTRACT

Modernization of globalization processes occurring in the world economy, the rapid development of scientific and technical progress creates conditions for the formation of new economy,

the process of consolidation of the economy in the hands of large companies increases, the role of financial institutions in the implementation of innovation processes grows, enterprises operate under the influence of the mentioned processes and they try to improve the marketing behavior, to participate closely in innovation processes. There are specific peculiarities and problems of the formation and implementation of innovation processes in Azerbaijan. Their consideration allows to identify correctly the role and place of innovation processes in the socio-economic development of the country.

Keywords: Innovation, enterprise, competitiveness, strategy

ECONOMICS IS A SCIENCE FIELD ABOUT EFFECTIVE USE OF LIMITED RESOURCES

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ABSTRACT

The article discusses three stages divided in the development of the subject of economic theory: the research about long-term historical development related to economy, political economy and economics and justification of typical features of their emergence. The methodology of the research - systematic approach and comparative analysis methods. The results of the research – Setting forth offers that fit in the background of innovative scientific-theoretical justifications based on the works and the researches by classical political economists. Limitations of the research – more extensive investigations are required in

terms of scientific-theoretical grounds. Practical significance of the research – public production process must stand in the focal point of political economy, not wealth. Then price theory won't drive out value theory, theory of production won't drive out labor theory, and analysis of specific situations won't drive out abstraction theory. Originality and scientific innovation of the research – presented as one of the initial scientific-research justifications varied with its specificity for the investigation of classical political economists' ideas.

Keywords: *political economy, chremastics, mercantilist, value theory, labor theory, orthodox Marxist political economy*

KEY FEATURES OF THE LEGAL REGULATION OF SUSTAINABLE DEVELOPMENT IN AZERBAIJAN

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ABSTRACT

The creation of the law to sustainable development and the beginning of development has already begun with the idea of the rule of law, which emerged on the philosophical and conceptual basis of Europe in the political and legal thought of a new civilizational model. The idea of the rule of law was one of the most important principles of the organization of state power, spreading along with the political ideas of democracy, and an

extremely useful factor in the development of forms of social integration in the interactions of countries and peoples, as well as an important legal form of regionalization and globalization processes. The globalization of the rule of law, that is, recognition at the international level, is important for the triumph of new international legal principles arising from the principles and objectives of the strategy and policy of sustainable development. Given the global scale of the transition to a new civilizational paradigm, the norms adopted by the United Nations should be given priority over the UN. However, this does not mean that, firstly, it is necessary to develop international aspects of sustainable development law and to adopt regulatory legal acts at different levels. These processes of development of the right to continuous development should simultaneously feed each other with their ideas. It is necessary to form a common position of stakeholders on the fundamental concepts and principles of the right to sustainable development, which will be formed at the present stage of globalization and, at least, at the national level for the adoption of legislative acts.

Keywords: Sustainable Development, Legal Regulations, Republic of Azerbaijan

THE PROBLEMS OF MAXIMIZING HUMAN POTENTIAL AND ATTRACTING TALENT IN THE CIVIL SERVICE

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ABSTRACT

The article presents a theoretical interpretation of reforms in the model of public administration, increasing the potential of people as a result of changes in the economic system and attracting talents to civil service. Defined the objectives of regulating the activities of people in the modern model of public administration and the modern concept of human resources management in the civil service. Revealed the significance and legal foundations of additional education and training, as well as the requirements for education to increase the potential of people in the civil service

system. Defined the requirements of the administrative management apparatus, the role of the human factor in evaluating the implementation of solutions, and the existing problems in attracting talents. It emphasizes different approaches to the selection criteria for talents, different approaches to the selection of talents, measures to identify and expand competencies and gain international experience. The article, using the methods of observation, analysis and comparison, identifies (describes) the difficulties associated with the use of talents in the civil service system, as well as the problems that in practice are faced by the leaders of talented staff. The results of the recruitment to the civil service system of Azerbaijan were analyzed by age groups and classifications, and was identified the need for special measures to attract talent. The article includes findings and practical recommendations, made during the study.

Keywords: *education, professional, talent, public service system, employment of civil servants, criteria*

INTERNATIONAL EXPERIENCE ON INSURANCE OF FARMS FROM EXPORT RISKS: EXISTING PROBLEMS AND PERSPECTIVES IN AZERBAIJAN

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ABSTRACT

The agricultural sector plays an important role in the economy and people's lives. One of the areas of material production is agriculture and first of all its features are caused by natural and biological factors. Agricultural producers in the country face numerous risks that jeopardize their products, income and sometimes their consumption. Various preventive measures are taken against the risks affecting agrarian production, using risk management tools at the farm level. A number of countries also use state support for the development of agricultural insurance. This support is determined by the role and functions of the state, the level of agricultural production risk, the degree of government intervention in the economy, the effectiveness of government agencies and other factors. In our opinion, comparative analysis of state support and insurance mechanisms, risk management of exporter farmers for Azerbaijan and can

contribute to the improvement of the optimal agrarian production and export insurance systems as a whole. Trend analysis of export dynamics around the world shows that Azerbaijan's share in world exports of agricultural and food products varies by 0.04-0.05% over the years [4],[8]. However, export insurance is an important mechanism that stimulates the export of goods and services used by a number of countries for a long time. The practice of carrying out export insurance transactions is rarely found in our country. The fact that all these mentioned nuances have led to positive trends around the world and study of international experience in export insurance has also become an actual issue.

Keywords: *farm, export, risk, finance, credit, insurance*

THE STRATEGIC ASPECTS OF NEW CHALLENGES OF AZERBAIJAN TRADE LOGISTICS IN THE AGE OF INDUSTRY 4.0

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ABSTRACT

In the article, the strategic aspects of new challenges of Azerbaijan trade logistics in the age of industry 4.0 have been researched. The problems of developing the country's economy on the basis of high technologies in a global context and a time of deepening of economic transformation have been explicated. The importance of improving the current mechanisms of industrial activity and the priorities for reducing the country's dependence on oil have been substantiated. The necessity to systematically research on the new challenges of trade logistics in the age of industry 4.0 at an international level and in this

regard the implementation of pilot projects have been elucidated. The need to provide strategic approaches to the problems of developing and implementing activity mechanisms that are adequate with the standards of the fourth industry era have been emphasized. To increase the competitiveness of the country's economy and strengthen its position in international trade, the problems of formation and development of logistics system meeting the standards and criteria of the age of industry 4.0 to have been explicated. The effectiveness taking public-private partnerships to a new level and strengthening has been emphasized. Because of the significant difference of new challenges of the era of industry 4.0 from previous mechanisms and approaches, the necessity to develop and adapt feasible models of trade logistics mechanisms and management systems has been substantiated. The potential of adapting Azerbaijan's trade logistics system to industry 4.0 requirements has been revealed and the situation in this area has been researched. The volume of cargo transportation in the transport and non-transport sectors in Azerbaijan and the dynamics of cargo transportation and transit cargo transportation in the Azerbaijan section of the European-Caucasus-Asian transportation corridor have been analyzed. Directions for the development of trade logistics in Azerbaijan in accordance with the standards and principles of the era of industry 4.0 have been provided.

Keywords: Azerbaijan, industry 4.0, international trade logistics, trade logistics, trade logistics infrastructure

WHY CRYPTOCURRENCIES SCARE BANKS AND GOVERNMENTS?

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ABSTRACT

If we look at the real world today, we can see the effects of digitalization in all areas. But are we ready for all aspects of digitalization? Because of the digitalization of traditional money that we use today is an actual issue, extensive research is needed in this area. This article will focus on many nuances, such as the transformation of money, created as a human activity reciprocal, to digital money, the positive and negative results of digital money and the prohibition of the use of cryptocurrencies in many countries. As we know, money is the driving force behind economic factors, an asset used in the settlement of transactions and also the equivalent of the service provided by the employment of labor. But if money is digitized, will it make us more free—or less? Although there are some organizations that support the cryptocurrency, most central banks tend to be cautious considering the extreme volatility of the market. Because of that, some countries of the world are taking a number of measures to limit the use of digital money. These measures can have a negative impact on the emergence of digital money. But we currently see new cryptocurrencies created by the different companies. If there are prohibitions on the use of cryptocurrencies, what are the reasons for new cryptocurrencies to create? It is essential to implement tracking process of illegal activities to eliminate the expression "black e-commerce". Research on the availability of certain mechanisms to control cryptocurrencies will be included in the article.

Keywords: *cryptocurrency, digital money, prohibitions on cryptocurrency use, transformation of money*

ASSESSMENT THE ROLE OF INDUSTRIAL AND TECHNOLOGY PARKS IN THE DEVELOPMENT OF NON-OIL SECTOR IN AZERBAIJAN

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ABSTRACT

Internationally, technology and industrial parks play an important role in terms of the development of information technologies, job creation, the establishment of business companies, attraction of international investments and development of the geographical area of technology parks. International experience also shows that universities, companies, research centres and technology transfer offices usually operate within the geographical locations of technology parks which creates a favourable condition for their cooperation thereby leading to success. Furthermore, technology parks are an important place for international investments and innovation activity. Despite the fact that the government of Azerbaijan invested in the creation of industrial and technology parks in Azerbaijan as a part of development policies, this paper finds out that technology parks have not contributed to the national economic development due to certain factors including poor management, lack of global business connections, and infrastructure facilities. The paper's conclusion is that technology park can contribute to the technological development in Azerbaijan, if their management is enhanced, proper infrastructure is established and global business connections is built.

Keywords: *Industrial park, technology park, non-oil sector, innovation activity*

CURRENT STATE AND REGULATION OF THE EXTERNAL PUBLIC DEBT OF AZERBAIJAN

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ABSTRACT

The problems associated with the management and regulation of external public debt of Azerbaijan, as well as with the choice of the right debt policy, have always been relevant. Since, their successful solution leads to macroeconomic stability in the country. This article focuses on the current state of Azerbaijan's foreign public debt. The article analyzes the development, dynamics and structure of the external public debt of Azerbaijan. In addition, were considered modern methods of managing external public debt. For the main objectives of the study, we took the study of the socio-economic aspects of the external public debt of Azerbaijan and their features, as well as the assessment of signs that affect the amount of debt. From the point of view of the research methodology, the following was carried out: generalization, grouping, systemic relation, statistical analysis, econometric analysis and moderation. The methodologies used in this article are based on econometric methods. Since Azerbaijan is an exporter of raw materials, price fluctuations in the global oil market are one of the signs that affect some economic indicators, and especially external public debt. Which in turn, through the creation of fluctuations among other signs affecting debt, leads to certain restrictions. The presence of a statistical and econometric analysis of the features that affect the volume of Azerbaijan's external public debt, as well as the determination of their dependence on the state budget, monetary, credit and currency policy, made up the originality and novelty of this study. As a result of the study, an assessment was made of signs that affect external public debt.

The practical significance of the study was the study of external public debt, its management, regulation and its application in choosing the right debt policy of the state.

Keywords: *foreign public debt, state budget, monetary and monetary policy, GDP, oil prices*

DETERMINING THE MAIN METHODS AND EFFICIENCY ISSUES OF ASSESSING A COMPANY'S FINANCIAL CONDITION

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ABSTRACT

The article reveals the importance of audit and financial monitoring to assess the financial condition of the company, determines the methods for conducting financial analysis. The possibility of revealing shadow cash flows in the management of the company's value is considered. The main directions of improving the financial condition of the company are proposed and their effectiveness is determined. The financial position of the company can be sustainable, unsustainable and critical. The financial status of the company directly depends on the results of its production, commercial and financial activities. Thus, successful implementation of the production and financial plan has a positive impact on the company's financial position. However, due to the lack of production and sale of the product,

revenues and profits are declining, and as a result, company's financial position and solvency are deteriorating. In turn, the stable financial position of the company has a positive impact on the implementation of the production plan and ensures the provision of the necessary financial resources of the company.

Keywords: *financial analysis, audit, financial monitoring, solvency, financial stability, shadow cash flows, company value*

IMPORTANCE OF MARKETING RESEARCHES IN FORMATION OF COMMODITY MARKET

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ABSTRACT

The article dealt with the increased role of marketing researches in formation of products market, also records were made about creation of alternative sale and distribution network in the sale of product and services, progressive methods of sales encouraging, increase of sale capacity and finally increase of profit. Naturally, the purpose of marketing researches consists of learning of existing condition of market and factors influenced to it, conducting of measures on their considering in the activity of company and hereby the decrease of uncertainty and risk level, also preparation of recommendations on coordination of company's opportunities with opportunities of the market and consumer demand. The principal duty of marketing researches is elimination of inexact information allowed in entire marketing activity, risk and all kinds of unproductive costs and losses. The importance of marketing researches is determined with uncertainty in market activity of company and increase of the

level of risk factor as a result of aggravation of competition struggle in the market, constant change in consumers' purchase motivations and behaviors, unstable economic and social behavior of other market subjects, etc. Marketing researches are accepted as collection of information on its environment, use, analysis, generalization and preparation of recommendations on marketing activity. Correct preparation and realization of marketing strategy in this direction creates a condition for increase of market portion of company and being as a competitive company. Besides those said in the article, a comparative analysis of strategic and operative marketing is indicated and the information about functions and principles of marketing are stated in both approaches for firm. Also, it was emphasized that, marketing may be formed not only with finding of existing demand and substantial learning in spite of rival companies, but also it may be formed with new demand in consumers by means of integrated marketing communication. Moreover, the importance of this and other marketing researches and serving of these researches to consumer satisfaction was brought to the attention.

Keywords: *marketing researches, consumer satisfaction, risk factor, strategic marketing, operative marketing*

FORECASTING MODEL FOR GROSS DOMESTIC PRODUCT IN AZERBAIJAN

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ABSTRACT

One of the indicators of the country's economic growth is the gross domestic product (GDP), and one of the factors of economic growth is capital. The main criteria and source of economic development is economic growth. Economic growth is a sustainable increasing tendency of the main indicators of national theory production (GDP, GNI). Furthermore, absolute value and growth per capita are also considered. In economic and statistics, various indicators are used to measure the volume of national production. The most important of these is gross domestic product (GDP). GDP is expressed by monetary unit of the final products and services produced in the economy. Here should be taken into account the fact that GDP comprises final products and services produced within the particular country. In this work, was created the dynamic model that demonstrates the dependence of GDP on investments in case of Azerbaijan economy. This approach provides an opportunity for strategic planning of GDP for the country. In this work, to achieve the desired level of GDP, the volume of investment is used as the independent variable in the dynamic model. But as indicated above, many other factors affect GDP. We chose one of them: the amount of investment. But even so, the dynamic model of the optimal GDP trajectory yielded good results. Further research will take into account the other most influential factors on GDP.

In this case, a dynamic model of the optimal trajectory of GDP will give even more adequate results.

Keywords: *macroeconomics, gross domestic product, investments, dynamic model, model of the optimal trajectory of GDP*

FINANCIAL AND INVESTMENT ISSUES IN THE STRATEGIC MANAGEMENT OF SUSTAINABLE DEVELOPMENT OF THE ECONOMY

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ABSTRACT

In the article, financial and investment issues in the strategic management of sustainable development of the economy are researched. The essence, functions and strategic importance of financial services in strategic management are explained. The role of financial and investment issues and resources is analyzed in accelerating sustainable development of the economy and ensuring sustainable economic development. The significance of considering financial stability as an integral part of the state's main economic and financial policy is emphasized. In the context of macroeconomic and macro finance stability of the country's economy, the formation of a higher potential for the deepening of sustainable development of the economy is indicated. The multi-functional importance of the financial and investment strategy in increasing the gross domestic product and the income of the population, and improving the living standards has been researched. Ensuring the intensive development of financial markets and the functioning of the financial and credit system has

been considered important. The importance of developing and actively implementing effective and efficient financial and investment mechanisms has been substantiated. In accelerating economic processes, developing, managing new innovations and technologies and applying them in production processes in modern times, the necessity for flexible financial and investment provision has been emphasized. The effects of financial and investment issues on increasing the welfare of the population and strengthening the competitiveness of the national economy through the efficient and targeted use of the country's natural and economic resources, have been taken into consideration. The problems of diversification of insurance services, one of the other important segments of the financial market, have been addressed. Based on global influences and new challenges, the recommendations and suggestions have been made on financial and investment issues in the strategic management of sustainable development of the economy and the problems in this direction and approaches to their solutions have been summarized.

Keywords: Azerbaijan, finance and investment, strategic management, sustainable development of the economy, financial markets

SOME ECONOMIC AND LAW PROBLEMS ABOUT TRANSPORTATION SECURITY OF STATES FROM THE ASPECT OF THE INTERNATIONAL TRADE RELATIONS DEVELOPMENT

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ABSTRACT

In this article, the topicality and importance of problems about transportation security of states in international trade relations, as one of the components of economic law, are reviewed. The problems, significant for the formation of a new international economic law, are also referred.

Keywords: *economic safety, international economic relations, international economic law, Azerbaijan Republic, transportation security*

AZERBAIJAN'S SUSTAINABLE DEVELOPMENT MIRACLE: INFORMATION- COMMUNICATION TECHNOLOGIES AND INTELLECTUAL PROPERTY INDUSTRIES AS THE DRIVER, ENGINE AND CATALYST FOR INNOVATIVE DEVELOPMENT

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ABSTRACT

Information-communication technologies (ICT) and intellectual property industries play a crucial role in promoting Azerbaijan's efficient transition to innovation, technology and knowledge-based economy. According to the UN, Azerbaijan's development cost of being landlocked equals to 11.24%. Taking into account the country's geographical disadvantage due to the landlockedness, ICT and intellectual property industries have been identified as key priorities in non-commodity sector development, economic diversification, balanced development of the country's regions, promotion of "Make in Azerbaijan" concept and "Made in Azerbaijan" brand. ICT and intellectual property matters have been included in "Azerbaijan 2020: The Vision to the Future" development concept, as well as strategic roadmap of the national economy and its key sectors. Azerbaijan's strategic geo-economic location at the crossroads of international corridors, as well as transport and logistics potential enables the country to emerge as a digital bridge and ICT hub, in the immediate region and beyond, by offering competitive and favorable opportunities. Enhancing the role of small and medium-sized enterprises (SMEs) in global trade is pivotal for Azerbaijan. The country's policy is directed towards better integrating local SMEs into global value chains. Industrial and techno parks established in the country are aimed at

promoting digital economy and increasing the global competitiveness of the small and medium-sized enterprises. Azerbaijan is uniquely located and has built international digital marketplace to become a digital hub for business growing in the region. The rate of internet, electronic and mobile services usage in the country, as well as Industry 4.0 and digitalization offer necessary potential and tremendous opportunities for Azerbaijan's innovative development. According to the United Nations Development Programme, Azerbaijan was put on high human development category.

Keywords: *creative economies, information-communication technologies, innovation, intellectual property, multilateral cooperation*

ENVIRONMENTAL SAFETY AND INTERNATIONAL TRANSPORT CORRIDORS

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ABSTRACT

The article is devoted to the environmental issues of the formation of international transport corridors at this stage - to reflect environmental problems and plans for the development of the transport industry. In the context of expanding international cooperation and deepening integration processes, the formation of international transport corridors plays a leading role in solving transport problems associated with ensuring interstate economic, cultural and other ties, with the advisability of creating an international transport infrastructure that has agreed technical parameters and ensures the use of compatible transportation technologies, as the basis for the integration of national transport systems. The strategic function of international

vehicles and its own form of export services are of particular importance to international transit countries. Important is the development of international economic relations between Europe and Asia, which have a tendency for future growth. A comprehensive analysis of the issues addressed in this study allowed us to identify opportunities for enhancing the environmental components of the transit potential. A model of the process of strengthening environmental components of the countries' transport and transit potential is proposed. The model incorporates key international identifiers, implementation areas, government challenges, greening targets and strategic guidelines, and measures necessary to strengthen the environmental component of some countries' transportation and transit potential. The need for the creation of surface transport corridors is being updated.

Keywords: *greening, safety, environmental safety, international transport corridors, transit traffic, transport infrastructure, integration*

SOME CONSIDERATIONS ON FREQUENCY ELECTRONIC DICTIONARIES OF THE AZERBAIJANI LANGUAGE

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ABSTRACT

The article deals with dictionaries that reflect the lexical base of the Azerbaijani language, especially the frequency or frequency e-dictionaries. Although the history of lexicography in Azerbaijan goes back to ancient times, the compiled dictionaries have their own specific requirements and criteria for each period. In our

modern age, the rapid development of science, technology, and especially computer technologies has caused the necessity the creation of a new field, electronic forms of new lexical events. The most noteworthy of such dictionaries as machine dictionaries are electronic dictionaries. The essence of these types of dictionaries is disclosed here, and their importance is highlighted. Frequency electronic dictionaries are ideal for quick access to any information. By typing the word you want in a specific search engine, we can get the frequency of that word or all of the relevant words. In general, electronic dictionaries are not only the most useful source in search engines, but also act as a valuable source in teaching of foreign languages.

Keywords: *Azerbaijani, lexicography, electronic dictionary, frequency dictionary, internet, computer linguistics, machine dictionaries*

FACTORS OF SUSTAINABLE DEVELOPMENT OF REGIONAL CITIES

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ABSTRACT

The purpose of the work is to identify factors of sustainable development of regional cities, their connection with the development of tourism, as well as to determine the conditions that influence the development of tourism in small towns of the Republic of Azerbaijan. In the work, methods of expert evaluations were used: in-depth individual interviews and questionnaires. The study showed that tourism can have a positive impact on the sustainable development of regional cities. Factors affecting tourism development were identified. It is

shown that the “appearance of the city” and the transport infrastructure are important factors affecting the attendance of the destination. The historical and cultural heritage of settlements can be used both to create new attractors, and to form the image of tourist destinations. Brands of a place have high potential as attractors.

Keywords: *regional cities, sustainable development, tourism, historical and cultural heritage, brands of the territory, tourism infrastructure*

AZERBAIJAN'S FOREIGN TRADE STRATEGY IN THE WORLD MARKET

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ABSTRACT

The article discusses the foreign trade activities of the Republic of Azerbaijan. Zavaeva’s economic freedom Azerbaijan for this historical period has formed its worthy place in the system of international economic and trade relations. In the article, carrying out specific facts in the ongoing balanced multivariate structure, Azerbaijan's place in the international division of labor, analyzes trade relations at the global market level. Today it has trade economic and diplomatic relations with more than

182 countries of the world economy. As a result, the economic integration of the national economy into the world economic system is based on quantitative and qualitative change. Trade relations are based on legal, economic, administrative acts, at the global market level. Azerbaijan conducts its foreign trade policy independently in the regional and business sphere. This policy expresses economic interest, which is based on balanced and multi-vector cooperation, because such a policy is aimed at consolidating the economic strategy in the international sphere of Azerbaijan. The conceptual basis of this strategy is a way out of the isolation of the community in the world, an effective providence that will balance foreign policy: the direction of economic potential in strengthening the position in international politics, the development of a stronger organization of the Azerbaijani diaspora and will turn into one of the strong economic centers of the region, which is a conceptual strategy . It should be noted that, in modern conditions on the world market, the difficult economic situation, especially the blow that the microeconomics of receiving the virus's crown from the country, will make it difficult to provide such a policy. The geopolitical weight, dynamics and incentives carried out in all areas, especially the non-oil sector and the confidence of the ways the entire world market out of this situation, gives confidence in the implementation of a stimulating economic strategy. But again it is clear that, this does not reduce its complexity and difficulties. As you know, international trade is a means by which countries develop and simultaneously develop economic relations in the field of specialization, increasing the productivity of economic resources, and increasing the total volume of production. The main mission in modern international conditions is that there is world trade in that, it acts as an international resource mobility. Important in modern conditions is, in our opinion, the concept of international trade. Foreign trade activities are divided by product specialization into trade in finished products, machinery and equipment, raw materials and services. Foreign economic relations of the state, based on interstate agreements, become part of the reproduction process, contributes to the development

of cooperation in science and technology, production, trade, in all areas, as well as tourism and culture, etc.

It should be noted that, cultural, linguistic is attractive for solving these problems. The article analyzes what is on the problems of further growth of international trade in the economic development of Azerbaijan.

Keywords: *political interference, foreign trade relations, trade balance, commodity circulation, geopolitical position, trade relations, multi-vector cooperation, conceptual strategy, equal relations, diplomatic relations, economic potential, regional market, product specialization, international structures*

PERSPECTIVES ON THE SUSTAINABILITY OF THE ECONOMIC GROWTH OF THE NATIONAL ECONOMY

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ABSTRACT

A key problem of our time is the achievement of economic growth. Reducing the resources available to the state makes it difficult to solve strategic problems, as a result of which most countries are reducing their investment activity and lowering their accumulation rates to the detriment of current consumption. This trend makes it difficult to solve structural problems, because without a fundamental change in structural relationships the prospects for economic growth are significantly limited. The article shows that, despite certain improvements in the social-economic dynamics that have occurred in the republic due to the holding of state measures in recent years, problems of eliminating macroeconomic imbalances and optimizing the structure of the

economy still remain. While maintaining the existing imbalances, the achievement of sustainable economic growth is transferred to the distant future. The analysis carried out in the article showed the dependence of economic growth on the results of the functioning of extractive industries and on the need to diversify the economy of the republic in order to use innovative development factors.

Keywords: *sustainable growth, structure of the economy, balanced development, factors of economic growth, growth period, growth prospects, diversification of the economy*

REGIONAL POLICY AND STATE REGULATION OF AGRARIAN PRODUCTION IN THE REPUBLIC OF AZERBAIJAN

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ABSTRACT

The purpose of the study is to single out the regional policy separately in the field of regulation and support of agricultural production, and also to highlight the level of socio-economic development of the regions as a distinctive feature of this policy. In each of the developed countries, agricultural organizations are treated with caution and, of course, this is welcome. Given that agriculture provides employment for a large part of the population, it is important to create innovative opportunities in this area. The implementation of a single regional policy is as follows: identification of regions with a low level of development and high unemployment; identification of the growth potential of enterprises in these regions; development of programs and projects for their development; preparation of relevant

information and proposals to attract those who are interested in participating in these projects. The agricultural field is a strategic direction for us. This is an economic and social sphere. All this again requires state attention to this vital area. Without the comprehensive development of the agricultural economy, it is impossible to ensure food security and proper nutrition of the population. We believe that the objectives of the state control system should mainly be to support and resolve the following issues: production of environmentally friendly and high-quality food; gaining consumer confidence in food security, especially in domestic goods; access and integration of national producers to international food markets, export promotion; increasing the responsibility of state bodies in the field of consumer control and the effectiveness of their efforts; application of the latest scientific approaches, concepts and methods at all stages and stages of the food monitoring system; Dynamic growth of agricultural production, maximum support for agricultural and food producers.

Keywords: *Agrarian sector, Food security, Agriculture, Priority area, Gross domestic product*

ON DIRECTIONS FOR IMPROVING THE EFFICIENCY OF THE FINANCIAL MECHANISM IN THE CONTEXT OF SUPPORTING COMPETITIVENESS IN THE AGRIBUSINESS SYSTEM

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ABSTRACT

In the context of economic reforms in the Republic of Azerbaijan, the growing role of the financial mechanism in the formation of a competitive environment for entrepreneurship is always observed. In this regard, it was noted that the study of the problem is of particular importance due to the great importance of the financial mechanism in supporting the competitiveness of the country's agribusiness system. The article focuses on theoretical views on the financial mechanism of the agribusiness system, as well as the factors that lead to the long-term nature of the production cycle in this area. Regardless of ownership, the agribusiness system began to form a multifaceted system of financial relations in the economic activities of entrepreneurs, and the main stages of its turnover were discussed. The

sustainability of inter-sectoral and intra-sectoral economic relations in the agribusiness system requires adequate flexibility of the financial mechanism for the reform period. Otherwise, the opportunities for income-generating activities, especially in the agribusiness system, are severely limited. There are local and external reasons for this. The article discusses the factors that create a competitive economic environment and, under certain conditions, are presented as factors of local development of the agribusiness system, as well as pricing policy. It was noted that the protection of the local market and the intensification of international relations are complementary processes in the agribusiness system. In these relations, the importance of relations with international organizations was highlighted. The directions of increasing the efficiency of the financial mechanism in the context of supporting competitiveness in the agribusiness system are reflected in the article.

Keywords: *agribusiness system, competitive, support, financial mechanism, efficient, agrarian sphere, business entities*

SOCIAL INVESTING IN PROVIDING SUSTAINABLE GROWTH IN MODERN ECONOMY

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ABSTRACT

The crucial part of the whole investment activities are the social investment activities. This conception is wider than the simple sum of investments directed to the branches of social sphere and involves all the amount of investments directed to the development of human being. Quantitatively we speak about

investment activities, first, in the framework of the branches of social sphere, second, in the framework of several other, “adjacent” branches and directions. Along with we must precise that the volume of social investment activities should not be considered as simple “arithmetic” sum of money directed to the branches of social sphere and above mentioned “adjacent” branches. We should also consider multilateral, synergetic effect of such type of investments for both economy and society which appears because of increasing quality of the whole human potential and positively affects the results of whole economic development. Besides, the social investment activities should be considered from the point of view of not only direct economic & direct social effect, but also with obligatory consideration of indirect social effect which includes long-range multiplicative changes in the whole social life of society. The investment activities in national economy are been regulated with the help of economic specific mechanism as a component of the whole economic mechanism. Respectively, mechanism of social investment activities includes the complex of mutually connected forms, methods and instruments directed, first, to forming and maintenance the general business climate and the most favorable investment climate as a part of the former, second, to concrete stimulating of investment activities as a whole and social investment activities particularly, third, to forming favorable environment for potential investors who are ready to invest to social projects.

Keywords: *investments, national economy, social sphere, science, education, public health*

ISSUES OF EXTENSION OF TRADING RELATIONS BETWEEN AZERBAIJAN AND THE EUROPEAN UNION

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ABSTRACT

The issues of extension of trading relations between Azerbaijan and the EU were analysed in this article. After the collapse of the former USSR Azerbaijan as an independent country gave priority to the strategy of building relations with different regions and leading countries of the world on the basis of national interests. Collaboration with the EU is of special importance for our country, thus this is a major export market for such important national resources as oil and gas. The relations with the EU were quite intensified and although they were built in 1991, they mainly started in 1996. Starting with 2009 the collaboration in the framework of 'Eastern Partnership' Program as well as trading relations was extended. The share of the EU in the trade turnover of Azerbaijan is 50 per cent. More than 1500 companies representing different countries of the EU function in the country. Relations with the European Union were one of the serious factors in the implementation of transnational energy and transport projects. Azerbaijan became one of the key energy security partners of the Europe. It strengthens as a major investor and trading partner of the country. On July 11, 2019 in Brussel Azerbaijan and the EU agreed on 'Partnership Priorities', and at present the relations within the framework of this document, including trading relations have entered a new stage of development. Azerbaijan has active trade and economic relations with many countries of the EU such as Italy, Germany and France. Long years Italy leads the export of Azerbaijan, and has close ties with our country in realization of oil-and-gas projects.

Business forums are regularly held with the countries of the Union and the diversification measures on trading relations are taken.

Keywords: *Azerbaijan, economic cooperation, the European Union, trade turnover, trading relations*

THE ECONOMIC PREREQUISITES AND PROSPECTS OF DEVELOPMENT ECONOMICS IN AZERBAIJAN

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ABSTRACT

In the modern world, prerequisites for economic development are formed in a number of leading countries. The author, considering all this, examined the main factors affecting the transition of the Azerbaijani economy to a new economic model in the context of economic development. In recent years, a new area of economics has been the focus of development economics. The main theme of research in development economics is the study of key factors that accelerate and slow down development. There are various factors affecting development in modern times. One of the main factors of this factor is institutions. Institutions based on development economics are the rules for the "game", the participants of which are economic, political and social units. There are also different approaches to institutions. North Douglas (1990) classifies institutions according to formality to formal and informal institutions, and Daron Acemoglu (2001) classifies economic, political, and legislative institutions. At the World Economic Forum in Davos, Switzerland, January 21-24, 2020, the views on the transition to a new stage of the economy were heard.

According to the World Economic Forum, the economy has already shifted from shareholder capitalism to stakeholder capitalism. In the globalized world, institutional changes are fundamental for Azerbaijan to meet the world's current economic challenges. The current state of the Azerbaijani economy makes it necessary to study the problems that stimulate economic development and slow down. In the early years of independence, Azerbaijan provided economic development by prioritizing natural resources. This development took place at the expense of rich oil resources and was due to the need for that period. But it is impossible to ensure sustainable economic growth through the use of natural resources only in the long run. Gradually Azerbaijan, as in the modern world, prefers a new model of development. In the Strategic Roadmap for the National Economic Perspectives of the Republic of Azerbaijan, adopted by the President of the Republic of Azerbaijan in 2016, this issue has been raised as a strategic goal of the state. It states: "It is an important strategic decision to ensure the future economic growth of the country through which" growth points ". There are two options for a country to actively pursue a future growth approach as a result of the narrowing of its value-added capability in the new strategic period: a. multidimensional growth approach b. productivity-effective growth approach. Integration into the global value chain, in terms of the quality and sustainability of economic growth, can be a strategic choice in transforming a cost-effectiveness-based economic growth approach. " So today Azerbaijan is on the threshold of a new model of economic growth. The article explores the factors most likely to affect this development.

Keywords: *development economics, institution, growth model, effectiveness, stakeholder capitalism*

ANALYSIS AND EVALUATION OF THE OPTIMAL USE OF PRODUCTIVE CAPACITIES IN THE OIL ENGINEERING COMPANIES OF AZERBAIJAN

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ABSRTACT

Modern conditions made important and urgent tasks, such as the formation of regional industrial complexes, the expansion of international economic agreements, and the justification of the assessment of the results of the socio-economic development of production. Based under these conditions, intensification of direct economic links between enterprises in all sectors of the national economy and especially in the oil-and-gas industry, the efficient use of production capacities and ratio of potential stock yield (the average value of fixed assets) to the most important parameters of efficiency in modern times. Unlike the sciences, economic analysis requires the establishment of new principles. Maximum performance of work by machine-building industry and, in particular, by oil-and-gas industry enterprises with their main production capacities, characterizes the potential possibilities for the use of certain economic entities within the planned time and quality. At present, the potential capacity of machine-building enterprises for the commissioning of new facilities is assessed by calculating the level of production capacity. In the process of calculating and identifying existing production capacities, the degree of complete load and utilization of technological equipment, interdependence and interconnection between business entities, material, labor and financial resources

requirements for mechanical engineering are disclosed and studied. This proves that the structure, technical and technological level of industrial production by types of economic activity has not yet been adapted to the acute requirements of the free economy, and it expects a number of technical, technological and organizational-economic problems in these areas. Today, one of the most important constituents of the industry is oil engineering. But after the collapse of the Soviet Union, the oil and gas industry, whose production capacities were calculated for the post-Soviet space, lost their traditional suppliers and began to operate at low power. Therefore, it is important for scientific engineering organizations to effectively organize and operate new market structures in oil-and-gas industry, to apply mathematical methods to fully utilize their production capacities and optimize their use in these areas. The optimal use of production capacities in the modern conditions dictates the relevance of the research of scientific and methodological and practical problems of resources, the need for scientific justification of the development of the national economy, and in particular the determination of the optimal use of existing productive forces in the market economy.

Keywords: *free economy, mathematical method, vector matrix, optimal option, estimation*

ECOLOGICAL AGRICULTURE AND LAND RESOURCES IN AZERBAIJAN

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ABSTRACT

The subject of the article is ecologic agriculture, its priority issues, significance using of mineral and organic fertilizers. Issues of preserving of land resources as main recourse of agriculture were investigated. It was studied dependence of agricultural products on import and use of technique, investment, main funds, man power, land area, mineral fertilizer, interaction between productivity of various products and adding mineral fertilizer to the sowing. The results showed that there was no line relation between using fertilizers and productivity of some plant products. On ecological point it was concluded to reduce adding mineral fertilizer to sowing.

Keywords: *Ecologic Agriculture, Mineral and organic Fertilizers, Land recourses*

FOOD SECURITY IN STATE PROGRAMS OF AZERBAIJAN (FOR EXAMPLE OF THE MAJOR CAUCASUS)

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ABSTRACT

Food security is an issue of high strategic importance for a country. Providing food security makes necessary the increase in output of various subsectors of agriculture, the efficient territorial regulation of this economic sector as well as sustainable development of the agro-industrial businesses with benefiting international experience. The mentioned problems are very topical for the Republic of Azerbaijan in condition of low territory area of arable lands per capita and increasing demand of the population for foodstuffs, while needs in foodstuff are not completely met in the country. This article deals with the analysis and substantiation of the necessity in strengthening food provision, increasing of food supply capacity and the issues of transformation of the food market on the example of the Major Caucasus region of Azerbaijan. The aim of the article is to define priorities of food supply policy, with taking into account the current situation present in the food market. To define the mentioned, statistic data on quantity indicators of the agrarian sector and food supply are used, on the basis of which the situation analysis is conducted. The state documents accepted on agriculture and food supply are stated. Particular emphasis is

laid on livestock products supply. It is concluded that the formation of a healthy farming business environment eligible to provide economic relations must be considered as one of the main tasks. Regulation of economic, social and environmental processes that must ensure sustainable development trends should be put as a target as well. It is very important also to establish a system of food safety and quality control, with taking into account international experience. Also, strengthening of trade relations based on free market principles is needed.

Keywords: *Major Caucasus, agriculture, food market, agro-industrial, livestock, food security*

THE EFFICIENT PREPARATION OF MECHANISM OF BUSINESS PLANS BY USING PRICING CRITERIA IN THE APPLICATION OF INVESTMENT STRATEGIES IN THE INTERNATIONAL CAPITAL MARKET

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ABSTRACT

In this article, by using pricing criteria in the formulation and modernization of investment strategies, the differentiation of the decisions about mechanism of the preparing business plans and feasibility of any project and its ability to attract to investment and the capital investment for the evaluation of investment opportunities, the ways of using the hierarchical system of the world existing economic relations in the efficiency of investments and the analysis of methodological advice on efficiency were conducted. The calculations of different budgets in terms of commercial of financial results of the project of the commercial

efficiency of investments and in terms of budget efficiency, in the context of economic efficiency, the efficiency of the accounting of the expenses and results beyond the financial interest of participants were identified and by identifying the problem of the estimation of the efficiency of investments by the methods which don't into account the time factor, the mechanism of use indicators was defined, the analysis of the compilation of the business plan was carried out.

Keywords: *securities, investment strategy, financial instruments, commercial efficiency, net discounted income, project risk accounting*

ECONOMIC BASES FOR PROVISION OF SUSTAINABLE DEVELOPMENT

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ABSTRACT

The article was analyzed issues such as economic bases of sustainable development, analyzes and assessments in terms of efficient management, impact of socio-economic development of the country on environmental improvement and international cooperation in the field of environmental protection. Today, the development of many countries and regions is accompanied by changes in the structure of public production, especially the gradual transition from the industrial society to the post-industrial society occurs. Increasingly, the greater part of the working population is employed in the non-material sector and a small number in the industrial and agricultural sectors. Areas called as base areas can no longer play that role and never be

able to play. Consumption is becoming individualized, production balance declines, process for loss of production mass occurs. Intelligence of production is deepening and information resources become the main production factor. Additional value is mainly created in the non-material sphere, and then labor gets new lines: the creative functions at work begin to prevail, the dominant type of worker is a creative personality who is connected to his/her work and is trying to bring new elements to his/her work. Differences between high and low technological areas are increasingly eliminated and all areas are beginning to become more scientific, combining the flow of management, financial and commercial innovation. Employees' habits and progressive technologies are becoming more important than the low cost of manpower and other traditional factors of competitiveness. Traditional advantages of countries and regions are increasingly beginning to lose their importance. All these tendencies manifest themselves to some degree in almost all countries of the world. Training of specialists based on modern knowledge is very important in ensuring sustainable development of Azerbaijan. In this regard, reforms conducted in the country are considered to be important. It is known that the development and quality improvement of education directly affects the socio-economic development of the country. Thus, only quality education level provides the favorable basis for the sustainable development of any country.

Keywords: *sustainable development, efficient management, environmental improvement, international cooperation*

THE INFLUENCE OF TOURISM ON THE ECONOMIC DEVELOPMENT OF AZERBAIJAN

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ABSTRACT

In the Republic of Azerbaijan, tourism has been given the status of one of the main state priorities. The country has created all the necessary conditions for the development of international tourism. In this regard, the issues of the study of tourism development and evaluation of its role in the modern economy of Azerbaijan are very relevant today. The impact of tourism on the economy of a country or region is difficult to overestimate. In general, we can state that the complexity of the economic analysis of indicators of the tourism industry is due to the lack of a holistic concept, methodology and methodologies for analyzing statistical indicators of tourism. Today there are no generally accepted unified approaches to isolation from the totality of generalizing indicators of such indicators that would characterize the tourism industry. Economic and statistical research methods, particularly correlation-regression analysis, are often used in modern research. When the national income per capita increases, the incomes of the tourist industry increase in direct proportion, as the increase in tourism incomes also directly affects the growth of the gross domestic product. In the article, a correlation analysis was made between such socio-economic categories as paid tourist services, per capita income and gross domestic product.

Keywords: *correlation and regression analysis, dependent and independent variables, statistical indicators of tourism, income per capita, the volume of paid tourist services*

THE ROLE OF THE STATE IN ENSURING FOOD SECURITY

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ABSTRACT

The problem of food security is one of the most important problems in the modern world economy. It is becoming more and more relevant to the interests of different countries, social and political forces with the deepening of the international division of labor, the development of world trade in agriculture and food, the acceleration of globalization. However, food security remains one of the most debated issues. In recent discussions on food security, the role of government regulation has become increasingly important. This development stems from the idea that decisions or approaches to food security need to take into account not only the technical and environmental aspects of the problem, but also the social, economic and political aspects. Emphasizing the role of the state, it is argued that private entrepreneurship and market mechanisms cannot ensure the state's food independence priorities. This issue is solved only by the system of state economic regulation, and in this case, the private sector of the economy is given a secondary, subordinate role. In food security, the state has a dual function: on the one hand, it forms the country's food complex, regulates its activities in the market, on the other hand, provides favorable legal, political and organizational conditions for sustainable development, food security from internal and external risks and protects from threats. The latest situation makes the state's regulatory role as a guarantor of food independence and security especially relevant.

Keywords: *Food, Food safety, global problems*

THE MODERN STATUS OF EMPLOYMENT IN THE REGIONS IN POST-OIL ERA

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ABSTRACT

The social policy of the modern state should have a content that covers the most important aspects of public life. The objective of effective social policy is to build the social protection system enabling to expand the ability of population to meet their needs, to maintain stability in the society, to create a confident life for every citizen, to reduce the social tension and to support the overall regular reproduction process in the society. The successful economic policy implementing in the country has a powerful impact on the development of the economy of regions along with the increase in the economic growth of the country. The major steps have been taken to ensure the balanced development of regions of Azerbaijan. The four state programs for the socio-economic development of the regions have been adopted so far and the latter one is being successfully implemented at the moment. One of the main directions of the state social policy is the case with employment. The Azerbaijan's independence and the transition to a market economy had major positive effects on the employment of the population. The status of the employment should also be considered as an indicator of the demand to the workforce in the country. One of the main goals of the state programs in Azerbaijan is to bring the regional development to the highest level and achieve its sustainable growth. Within the framework of the mentioned programs, a number of solutions are planning to be taken to resolve the problem of employment in the regions by reducing the dependence of the economy from the oil sector and stimulating the development of the non-oil sector. One of the key directions in the implementation of the employment strategy is to eliminate

the factors that limit the opening new workplaces and to create the institutional condition that stimulates the increase of the level of employment. From this point of view, the effective implementation of the fiscal and monetary policies, which are the main components of the state regulation mechanism and the adoption of measures aiming the development of entrepreneurship, especially small and medium-sized businesses are very crucial. Strategic Road Map includes the planning to increase an employment, to achieve the macroeconomic stability, to improve regional development, to upgrade the structure of economy and to increase the share of the private sector in the economy. It is planning to implement much more work to achieve more sustainable, diversified, inclusive economy and to increase the development of social sector in the country.

Keywords: *social policy, balanced development, SWOT, employment, economic policy, regional policy, social welfare, diversification, fiscal and monetary policy, social sector*

TRENDS IN THE DEVELOPMENT OF AGRITOURISM IN AZERBAIJAN

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ABSTRACT

The tourism industry is currently one of the largest and highly profitable organically developing sectors of the global economy. About 10% of the world's gross national product, investment, jobs and consumer spending in the world account for tourism. In recent years, income from the tourism industry has increased annually by an average of 7.9%, according to the World Tourism Organization. Living and taking rest in rural homes, staying away from urban environments, and eating ecologically clean food is a favourite activity of tourists. Fresh mountain air, ice fountains, forests, high mountain peaks, waterfalls and streams, as well as mineral springs make everyone feel good. One of the reasons tourists prefer the countryside is that hotels and hostels in some cities are too expensive. However, the prices are quite reasonable in the villages. Today, rural tourism is developing not only in

economic areas, but also in remote mountain villages. The development of rural tourism, in addition to strengthening the economy, means increasing the incomes of the population and, most importantly, the socio-economic development of the regions. In this regard, the regions of Azerbaijan, which are rich in flora and fauna, provide great opportunities for rural tourism. Rural tourism also plays a key role in promoting the region's traditions, cuisine and other cultural spaces. When local people see that the tourist is interested in the culture of the area, they pay particular attention to it, and in a short time this attitude is spread among other members of the community. The growing interest of tourists in customs and traditions, encourages local people to gather more information and improve their knowledge. This article is devoted to the analysis of the problems of agrotourism development in Azerbaijan. The main trends in the organization of this relatively new branch of the agricultural economy are outlined, examples of successful projects in the field of agritourism in various regions of Azerbaijan are given.

Keywords: *agrotourism, ecotourism, sustainable development, recreational activities, rural settlements*

DIRECTIONS OF STRENGTHENING STRATEGIC MARKETING IN FOREIGN TRADE RELATIONS OF AZERBAIJAN

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ABSTRACT

In the article, the directions of strengthening strategic marketing in foreign trade relations of Azerbaijan are indicated. The problems of expanding foreign trade relations in line with modern

challenges and global transformations and increasing its efficiency are elucidated. The significance of strategic marketing in increasing the effectiveness of these relations is researched and its impact is assessed. The issues of planning and organizing strategic marketing are analyzed and their implementation in line with world experience is substantiated. The role and functions of strategic marketing in expanding the range and volume of foreign trade operations are researched. Problems and approaches in the organization of strategic marketing and the optimal development of its main mechanisms have been specified comprehensively. The role of strategic marketing in diversifying foreign trade relations and forecasting efficiency levels has been indicated. In addition to the export of Azerbaijani oil and gas products to the world markets, the problems of increasing the competitiveness of other products and exporting to international markets have also been emphasized. The issues of creating national brands, increasing the production of export-oriented products and export potential were widely covered. The issues of creating national brands, increasing the production of export-oriented products and export potential have been widely explicated. The importance of the formation and implementation of the strategic marketing concept of foreign trade participants in the diversification of foreign trade relations have been emphasized. The essence of the most widely used strategic marketing concepts and approaches at the international level has been indicated. More focus has been on the strategic role of foreign trade operations in achieving Azerbaijan's economic development and economic growth goals and to this end, recommendations and suggestions have been made to strengthen strategic marketing in expanding the geography of foreign trade relations and increasing their effectiveness in the near future.

Keywords: *Azerbaijan, foreign trade operations, foreign trade relations, strategic marketing, strategic marketing concept*

MODERN TENDENCIES OF STRATEGIC MANAGEMENT

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ABSTRACT

Modern tendencies of strategic management, main features of development strategies and strategic management models are elucidated in the article. The following general requirements shall be observed in the process of realization of strategy. The followings are concerned these requirements: creation of organizational structure of management which shall realize the strategy successfully; reconsidering of budget for allocation of necessary means for activity areas which provide the strategic success of the company; determination of management operations corresponding to the strategy; application of the best practice for providing of permanent development and improvement; reorganization of providing systems which create opportunities for best fulfillment of strategic functions by staff of the company; to provide the coordination of rewarding and encouraging systems with execution of strategy and archiving of purposes at the high level; establishment of environment and corporative culture for support of strategy; provision of management – leadership required for realization of strategy and its permanent improvement. In all cases, the development strategy formed on the firm shall become to reality. The followings are required to involve any firm in the activity in new direction during a short period: determination and distribution of multiple management duties, powers and responsibilities for realization of strategy; determination and selection of variants for realization of strategy; management abilities of employees; demand of perseverance for completion of works started; the ability to overcome resistance against changes and innovations. The environment for realization of strategy is always distinctive

from each other in different degree. This diversity appears as follows: diversity of competition environment; diversity of professional practice; diversities in the environment of professional culture and work; diversity in rewarding system; diversities in personal features and motivation of associates, etc. All of these require special approach for process of realization of each strategy. That approach must take into account all features of organization and abilities and opportunities of organizational changes of executor.

Keywords: *strategy, development strategy, strategic management system, development of enterprise*

THE IMPACT OF GLOBAL ECONOMIC INTEGRATION ON NATIONAL NON-OIL EXPORT GROWTH: THE CASES FROM THE UAE AND NIGERIA

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ABSTRACT

This paper analyses the impact of global economic integration on national non-oil export growth based on the cases of the United Arab Emirates (UAE) and Nigeria. The article reveals that national export growth and diversification is associated with the

degree of international integration, trade, and financial openness of national economies. First, the theory of economic integration is reinterpreted. Then, the cases from the UAE and Nigeria are presented to understand non-oil export growth. This article finds out that while economic integration has influenced the growth rate of non-oil exports in both countries, but the Nigerian economy faces the collapse due to the lack of 'good governance'. Furthermore, the article finds out that Nigeria does not invest its oil revenues in the development of infrastructure and building the capacity of its government institutions. Nigerian political institutions are not consistent with institutions of WTO. This is the main difference between the UAE and Nigerian economies about their policies towards global integration. At the same time, the article discusses that as the success of global economic integration might depend on geographical location of the country, Nigerian economy is exposed to the exclusion from the world economy from its geographical point of view. In the case of the economy of UAE, the article finds out that the global economic integration has positively affected the export diversification in the UAE, which permitted it to decrease its reliance on oil products. Today, the UAE receives 12% of its national revenues from oil sector exports, and 88% of its revenues is provided with non-oil exports.

Keywords: *Economic integration, non-oil export, Nigeria, UAE, diversification*

STABILITY OF NON GAS & OIL SPHERE AND THE ECONOMIC GROWTH

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ABSTRACT

The fluctuations in world economy and global financial sphere that we can see these days are the results of instability in oil-producing industry and uncertainty in its future perspectives. They both directly impact on behavior of leading global actors. Along with it is necessary to notice that these very factors are the consequences of the fundamental changes which took place in two last decades. Saying this, we mean the global shifts in position of the main actors in gas & oil production that became possible because of “breakthrough” achievements in discovering new technologies and their large-scale using. These achievements provided profitability of producing shale gas and oil that was earlier economically impossible. As a result, the USA became № 1 in the gas world production, driving out such producers as Russia and Iran, and later, in 2019, according to the preliminary data of the International Energy Agency, has won the first position in the oil production. So we can state that the new stage of scientific-technical progress in XXI century has led to global changes in world energy production, where the previous “picture” was rather “calm” in a long period. But also in other branches – first of all, of non gas & oil sphere – the former resources of providing economic growth on old base have been expired and the qualitatively new resources on newly technological base occupy their place. The very non gas & oil sphere plays key role in providing technological breakthroughs because it includes the main scientific potential and the majority of discoveries which impact on stable and qualitative growth of the whole economy.

Keywords: *shifts in gas & oil sphere, stable development of non gas & oil sphere, resources of economic growth*

ECONOMIC GROWTH AND SOSIAL PROGRESS AS FUNDAMENTAL INDICATORS OF A DEVELOPING SOCIETY

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ABSTRACT

The article proves that economic growth and social progress are essential features of any dynamically developing society. Economy in terms of growth of production has a greater ability to meet the needs of society, better adapted to the socio-economic problems. Economic growth is a prerequisite for the achievement of goals. In terms of qualitatively and quantitatively increasing globalization of economic growth in the national economy becomes an important factor in ensuring the country's competitiveness in the world economy. Therefore, the implementation of any model of economic growth is impossible without the active position of the state. In a real process of economic and social development of the events line up in such a way that the resources of the state and its economic policies have become leading factors of economic growth. The status of the state in modern conditions should represent and Express the public interest, the interests of the country as a whole. Only in such circumstances in the economy is the balance of public and private interests in which the freedom of satisfaction of private interest limited to just one – the interests of society as a whole. Economic growth of national economy will promote the economic security of the country. Economic growth creates the conditions for solving the problem of limited resources allows to predict the prospects of development of society, contributes to social progress, in connection with which the investigated subject is of special relevance.

Keywords: *economic growth, economic development, national economy, economic security*

IMPROVING ENVIRONMENTAL PROTECTION MANAGEMENT IN OIL AND GAS PRODUCTION

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ABSTRACT

The article investigates environmental and economic issues in the oil and gas industry, as well as environmental protection management. The article examines the system of the economic evaluation of nature use and shows that it plays a major role in solving environmental problems, provides elements of environmental costs for the use of nature by economic entities, explains the nature of environmental control over nature protection activities. In addition, the article substantiates the main objectives of environmental protection in oil and gas production, the reduction of emissions of harmful substances by enterprises in this field, as a result of economic activity of SOCAR's environmental protection and environmentally friendly. Priorities in the field of use were identified and ways to improve environmental management in the oil and gas industry were shown. As well as the main elements of the environmental standardization system were given in groups, a system of measures aimed at reducing the harmful effects on the environment was developed, a mathematical formula for assessing the effectiveness of environmental policy was given. The article also substantiates the need to create a low, medium and high-level environmental information system for industries, reflecting the existing environmental conditions in SOCAR, the man-made impact on the environment and the results of measures based on ISO 14000.

Keywords: *environmental protection, ecological problem, ecological information, oil production*

CURRENT SITUATION AND OPPORTUNITIES FOR INCREASING GRAPES AND WINE EXPORTS IN AZERBAIJAN

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ABSTRACT

Azerbaijan's rich natural resources create opportunities for economic diversification. Revenues from oil and gas are used to develop the non-oil sector. One of the promising directions of the export of non-oil products is export of grapes and wine. Although Azerbaijan has great potential for increasing exports of grapes and especially wine, there were certain problems with its implementation in the early years of independence. As a result, grapes production declined by 15.6 times in 2000 compared to 1990. The purpose of this study is to analyze the current state of the export of grapes and wine, identify opportunities for increasing their exports. The analysis shows that over the past 5 years, activities aimed at increasing the production of grapes and wine exports have been deepened, a state program has been adopted, and the goal of the 5-fold increase in wine exports by 2025 has been set. The realization of this goal conditions the export of grape wine to exceed USD 30 mln in value, and the country's wine production to increase by three times. The study has revealed that there is a potential to increase exports of grapes and wine in the coming years. It is proposed to develop and adopt a unified State Program for Development of Viticulture and Winemaking. Adoption of a unified State Program in this area will lead to more flexible and more targeted implementation of activities aimed at the development of the sector and timely achievement of the goals set.

Keywords: *agriculture, competitiveness, export, grapes, import, wine*

CRIMES AGAINST LIFE AND HEALTH IN CRIMINAL LEGISLATION OF THE REPUBLIC OF AZERBAIJAN

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ABSTRACT

The article states that crimes against life and health are included in Chapter 5 of the Penal Code of the Azerbaijan Public Council dated on December 9, 1922, Chapter 6 of the Criminal Code of Azerbaijani SSR of December 3, 1927, Chapter 3 of the Criminal Code Azerbaijani SSR of December 8, 1960. For the first time a separate chapter dedicated on crimes against life and health envisaged by the Criminal Code that is in force. According to the Criminal Code the following crimes are considered crimes against life and health: deliberate murder; deliberate murder by mother of a newborn child; deliberate murder committed in a condition of suddenly arisen strong emotional excitement; deliberate murder, committed at excess of limits necessary for defense or at excess of measures, necessary for detention of a person who have committed a crime; murder on imprudence; bringing a person to suicide; deliberate causing of serious harm to health; deliberate causing of minor serious harm to health; deliberate causing of less serious harm to health; deliberate causing of serious or minor serious harm to health in a condition of suddenly arisen strong emotional excitement; causing of serious harm to health at excess of limits necessary for defense or causing of serious or minor serious harm to health at excess of measures necessary for detention of person, which committed a crime; causing of minor serious or serious harm to health on imprudence; torture; threat to murder or causing of serious harm to health; Euthanasia; illegal artificial fertilization and implantation of embrioids, medical sterilization; sale - purchase and compulsion to withdrawal for transplantation of body organs

or tissues of a person; illegal implementation of biomedical researches or application of the forbidden ways of diagnostics and treatment, and also medical products; infection with Venereal Disease; infection with HIV of a person; illegal of abortion ; not rendering medical aid to the patient; leaving in danger; to force the use of doping substances and or doping methods.

Keywords: *crime, article, law, legislation, health*

FRANCHISING DEVELOPMENT MODELS BY AN EXAMPLE FROM THE WORLDS LEADING COUNTRIES

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ABSTRACT

The article touches on a subject of the development of franchising and its development in the leading countries of the world, as well as in Azerbaijan. Franchising in our country is just starting its progress. In 2018, Azerbaijan hosted the 1st International Azerbaijan Franchise Forum, organized by Caspian Event Organizers. The main goal of the forum was to bring together owners of franchise companies and potential franchisors. A platform for franchisees, franchisors, and investors was created at the Forum. The reason for use of the franchising is the introduction of a new business method for entrepreneurs. Recently, there existed a lot of enterprises that operate under the brand of well-known domestic and foreign companies. It is obvious that the appearance of subsidiaries or representative offices could require a much longer period of time and higher costs, which in recent years had clear downward trend that in our

view in this case there is a new way of organizing business that allows Russian enterprises to use well-known brands. This method is called franchising. The goal of the article is to study the domestic experience of implementation of franchising operations. The subject matter of the article is to study the economic relations developed between franchising entities in the process of organizing joint business activities. Any director of a small enterprise is eligible for creation his own brand and register it. But in order for the business to go successfully on down the line in future, so that it was well known in the market, you need to invest a lot of money. You need to create a good brand advertising campaign and participate in various exhibitions. It is too expensive for many small enterprises now. Therefore, it is easier for a small enterprise to buy rights to use a famous brand within the framework of franchising. In a spots like that, a large Franchisor Company provides all the opportunities for a small enterprise, namely: equipment and technology, training of personnel. In its turn, a small enterprise is obliged to use the trademark only of this company, regardless of where it is located in Azerbaijan or in any other country.

Keywords: *franchising, franchise companies, franchising operations, global brands, small enterprise*

FEATURES OF MARGINAL ANALYSIS IN ADMINISTRATION OF MANAGEMENT DECISIONS

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ABSTRACT

In the conditions of dynamic development of the economy, the task of making effective managerial decisions is becoming increasingly important for domestic enterprises. A special role in substantiating management decisions is assigned to marginal analysis. To form a qualitatively new level of management, it is necessary to justify management decisions as fully as possible and clearly evaluate their effectiveness at all levels of management. Margin analysis establishes a correlation between the most important indicators characterizing the activity of any enterprise - costs, volume and profit. Using this tool, enterprise management can predict the amount of profit, its change compared to the existing level and, based on this information, make the right managerial decisions on choosing an enterprise strategy. With the help of margin analysis, other management decisions are also substantiated: a choice is made of a change in production capacity, the product range is determined, the price of a new product is made, a decision is made on the purchase or purchase of component parts, the effectiveness of accepting an additional order is evaluated, and others. The methodology of marginal analysis is based on the study of the relationship between the most important indicators: costs, volume of production (sales) of products, profit, as well as forecasting the magnitude of each of these indicators for a given value of others. This analysis is also called breakeven analysis, since this analysis allows you to find the equilibrium point, i.e. critical sales volume, or break-even point - the point at which the total revenue is equal to the total cost. They represent the sum of fixed and variable

costs. Break-even point is a situation in which the company does not incur losses, but also has no profit. Sales below the breakeven point mean losses for the enterprise, above the equilibrium point - profit. The key elements of marginal analysis are operational, financial leverage, the stock of financial strength of the enterprise, the threshold of profitability. This article explores marginal analysis as a tool for making effective management decisions. The importance of using margin analysis to select an enterprise development strategy is noted. The basis of the marginal analysis is the division of production and marketing costs depending on changes in the volume of production into variables and fixed. The article discusses the content, advantages and disadvantages of various methods of dividing costs into constant and variable components. The author also considered the stages of margin analysis, provides examples of the calculation of the main indicators used in the analysis, substantiates their role in enterprise management.

Keywords: *fixed costs, margin analysis, management, profit, variable costs*

PROBLEMS OF THE REGIONAL ECONOMIC DEVELOPMENT

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Within the framework of the regional policy, development of both production infrastructure and social infrastructure is being implemented. The latter is important not only for the provision of the same level of service in all regions, but also for the economic development of the territories. The construction of social infrastructure facilities contributes to the growth of employment, and the development of higher education through the development of high-tech industries, enhancing the responsibility of investors and territories for high-skilled labor. Regional policy focuses on the development of social infrastructure, the creation of production infrastructure, the selection of areas suitable for industrial and commercial buildings, the improvement of transport links, and the creation of water supply systems. The choice of forms of regional policy is important for this purpose. In our opinion, these forms may include: investor awareness of regional priorities, direct donations to regional studies, low-interest loans to troubled areas, long-term low-interest loans for businesses, infrastructure development support, regional export

promotion, and regional export promotion. development of programs and further strengthening of state support for small business development in the regions and identification of such regions. Combining regional policy-specific measures will help identify complex tools, such as regional development programs, regional features, and measures to accommodate government agencies, the creation of free economic zones, support of border regions, infrastructure development and incentive measures, and the development of preferential visa and customs regimes.

Keywords: regional economy, development, capital, tax

EFFICIENCY PROBLEMS OF USING HUMAN CAPITAL IN THE CONTEXT OF MODERN CHALLENGES IN AZERBAIJAN

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ABSTRACT

In the article, the efficiency problems of using human capital in the context of modern challenges, their causes and solutions have been researched. The role of investment in modeling the use of human capital has been explained. The importance of innovative approaches and innovative mechanisms in the productive use of human capital has been emphasized. Modern approaches to the implementation of investment-innovative mechanisms in the effective use of human capital in Azerbaijan have been determined. The importance of taking more effective measures to use human capital on the basis of innovative approaches has been elucidated. The dynamics of researchers working in scientific fields, and research and development organizations in Azerbaijan have been analyzed. Features of approaches to modeling the use

of human capital have been identified and assessed. Important aspects of modeling human capital use have been researched and substantiated. A block diagram of the features of approaches to modeling human capital use has been developed. The current state of modeling the use of human capital in Azerbaijan has been analyzed and evaluated. The level of poverty and unemployment in the country, the distribution of the employed population by type of economic activity and the dynamics of gross national income per capita have been analyzed. In the context of economic and structural reforms, the significance of developing and implementing targeted programs for the most efficient use of human capital has been substantiated. In order to diversify the country's economy and reduce its dependence on oil, the importance of active use of human capital potential in taking systematic measures has been indicated. The strategic role of human capital in enhancing the competitiveness of the national economy, creating a national innovation system and accelerating innovative development in the country has been explicate. In accordance with modern challenges, recommendations and suggestions have been developed to increase the efficiency of human capital use in Azerbaijan.

Keywords: Azerbaijan, diversification, export potential, non-oil industry, non-oil sector

ANALYSIS OF MARKETING ENVIRONMENT OF FOOD INDUSTRY ENTERPRISES

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ABSTRACT

Recently, the increase of the number of institutions acting in food industry, also market subjects offering a product to the market of food products of Azerbaijan from foreign countries complicate much more the marketing environment of these institutions. In such complicated condition, the adoption of decisions substantiated on market activity of institutions depends directly on analysis of factors and forces formed that environment. It is impossible to determine the dangers and marketing opportunities opened before institutions in that environment without complex analysis of marketing environment of institutions. By determining the marketing opportunities, the institutions can direct their resources to the needs and demands of people not provided on food products and finally can coordinate to demands of the market. The analysis of marketing environment means the determination of problem to be emerged in market activity of the institution. So, in all cases, the problem arise in marketing activity may concern this or other part (internal and external environment) of marketing environment. From this point of view, the solution of problem reflected itself in marketing environment requests to analyze the marketing environment of institutions and to coordinate to requests of that environment. The analysis of marketing environment of the institutions of food industry may cause these institutions to give opportunity to conformation to requirements of the market, also to regulation of relations needed with institutions including in agrarian-industrial complex. It means the rationalization of marketing activity of institutions and also harmonic development of agrarian-industrial complex.

Though marketing is applied at this or other extent as new management conception in institutions acting in Azerbaijan, the institutions can't benefit fully from priorities given by this management conception to them for the present. It regards to non-analysis of marketing environment at necessary level by institutions. Those mentioned indicate the necessity of analysis of marketing environment and also inevitability of formation of efficient relations of institutions with that environment.

Keywords: food industry, marketing environment, marketing opportunities, dangers, agrarian-industrial complex

ONE BELT AND ONE ROAD: PARTICIPATION AND ROLE OF AZERBAIJAN IN THE IMPLEMENTATION OF THE MEGAPROJECT

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ABSTRACT

The philosophy of the initiative "one belt, one road" is to search for, shape and promote a new model of international cooperation and development by strengthening existing regional bilateral and multilateral mechanisms and structures of interaction with participation of China. People's Republic of China's cooperation with Azerbaijan under the program "one belt, one road" has been successfully and steadily developing in various directions. The "one belt, one road" initiative has provided tremendous opportunities for bringing China and Azerbaijan closer together. A trade representative office of Azerbaijan has opened in Beijing. The trade mission is associated with the promotion of the made

in Azerbaijan brand, attracting Chinese investment in the economy of Azerbaijan and protecting the interests of Azerbaijan companies. Azerbaijan attaches the great importance to cooperation with China and is interested in deepening trade and economic cooperation with this country, as China is one of the main suppliers of products to Azerbaijan, taking the third place in the import of products. In addition, the "one Belt, one Road" is aimed at building a corridor between two continents – Europe and Asia, and Azerbaijan will be the main link and provider of Internet and other digital services to the countries of the so-called new digital Silk Road.

Keywords: *Belt and Road, Silk Road, Trans-Caspian Transport Corridor, Chinese Economy, Azerbaijan Economy, Made in Azerbaijan*

IMPACT OF FOREIGN INVESTMENT DEVELOPMENT ON BUSINESS IN AZERBAIJAN

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ABSTRACT

One of the main challenges of the post-oil era in Azerbaijan is the need to attract more foreign investment. The European Union is Azerbaijan's largest economic partner and It accounts for the majority of trade and foreign investment in the country. 1, 600 EU companies operate in our country. 42% of Azerbaijan's trade turnover was with EU countries. So far, EU countries have invested \$ 33 billion in Azerbaijan's economy. Azerbaijan has

invested \$ 15 billion in the EU. One of the main challenges of the post-oil era in Azerbaijan is the need to attract more foreign investment. Therefore, in addition to attracting more investment, how to attract it, under what conditions and in which sector it is part of the investment strategy. On the contrary, in recent years there has been a slowdown in the flow of foreign investment in our country. According to the Central Bank, \$ 4.1 billion worth of foreign direct investment was invested in the Azerbaijani economy in 2018, which is 28.1% lower than last year. According to the balance of payments for 2018, 76.5% of foreign direct investment was made in the oil and gas sector. Compared to 2017, the amount of foreign direct investment in the non-oil sector increased by 18.9% and in 2018 amounted to \$ 967.1 million. The article conducted various surveys among European investors about our country. There have been assessments of different areas of business as well as different sectors. The survey summarized the results of 25 business environment indicators. This research paper focuses on how to mobilize potential investment based on surveys and how to take advantage of external impulses in economic development. Improvement measures have been explored to turn economic opportunities into economic chances.

Keywords: *foreign investment, economic integration, European Union, economic, non-oil sector, import-export operations, European investors*

VISIONS ON TOPICALITY OF PHILOSOPHICAL APPROACHES TO THE ECONOMY

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ABSTRACT

The article considers the scio-economic relity of Azerbaijan in a philosophical context. It is noted that at the beginning of the new millenium, determining the future fate of the national economy and prospects for social progress in the conext of globalization and deepening integration processes becomes a difficult task. Significant changes occured in the socio-economic life of the 21-st century created the necessity for a philosophical approach to the economy. The crisis of modern economic paradigms in the theoretical and methodological context actualizes new prospects for its development prospects. Because without perceiving and learning the natural and material resources of the country, it is difficult to understand the current economic situation and determine its future propects. For the growth of social optimism, there arises the necessity of formualting the rationally motivated economic goals, the ideals of a “social state” and ‘welfare society’. This necessity allows the economy to be an integral part of natioal progress as a carrier and indicator of historical memory of the country and people. From this point of view, a philosophical approach is needed to form a comprehensive picture of the development trends of the national economy based on a system of cultural values, and to understand the essence of social changes.

Keywords: *philosophy, philosophy of economics, methodology, economic axiology, philosophical values*

FEATURES OF ENSURING FOOD SECURITY

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ABSTRACT

A high level of integration of the economies of various countries leads to increase dependence of the level of national security on the ability of each side to provide itself with necessary food. The country's food security is an integral part of its economic well-being and national security. In its general form, it forms the vector of movement of any national food system to an ideal state. In this sense, the pursuit of food security is an ongoing process. Moreover, to achieve it, it is often necessary to change development priorities and mechanisms for implementing agricultural policy. Improving the food supply of the population of the republic is a priority socio-economic task, the welfare of the country depends on the solution of which. At present, in the world and in particular in Azerbaijan, the leading direction of state policy is ensuring food security. This direction of state policy covers a rather diverse palette of national, economic, social, demographic and environmental factors. As a consequence of the above, food security, which is based on the attraction of domestic resources, is directly related to the socio-economic system of the state. The foundation in ensuring the food security of people and achieving food independence by the state is the developed food system of the republic. The imports increase negatively affects condition of the country's food system, having a restraining effect on its development. The article assesses the current state and directions of development of the agricultural sector in order to ensure food security in Azerbaijan and analyzes the dynamics and level of self-sufficiency of the country with food.

Keywords: *national security, food security, UN Food and Agriculture Organization (FAO), agricultural production*

ECONOMIC AND LEGAL ASPECTS OF TRANSNATIONAL BUSINESS REGULATION AT THE COMPANY LEVEL

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ABSTRACT

Since the transnational business of Azerbaijan is based on crude oil and natural gas, the balance of the current account operations of the balance of payment is unstable, and as the share of the consumer goods is around 40% in the commodity import, it is important to strengthen the state control over the implementation of transnational business regulation mechanisms in the country's current legislation. This article provides a methodology for regulating transnational businesses in company level in the Republic of Azerbaijan. All the performances of SOCAR, the largest company in Azerbaijan, were calculated to reach the goal set out in the article and it was justified that it deserves to be included in the rankings of the TNC. In general, TNC easily achieves things which can not be achieved by the state through classic diplomatic relations. We consider that the regulation of the TNC of the country as an economic entity, having more efficient and competent laws, providing the transparency at the country level, and including the state company of the Republic to the rating as TNC can create a balance in transnational business regulation. The procedure and concept of granting the transnational company status internationally has been studied and the possibility of granting a "transnational company" status to large companies in the country has been justified.

Keywords: *Transnational company, Transnational business, SOCAR, oil, Azerbaijan, regulation*

OPTIMAL PROGRAM OF PRODUCTION OF MACHINE-BUILDING PRODUCTS FOR MARKET ECONOMY

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ABSTRACT

The study of the influence of the optimal program for the production of engineering products.

The problem of assigning an optimal production program for the production of machines and mechanisms in a competitive market economy is considered in the research. The designing of technological process for the manufacture of machines and mechanisms is based on the working drawings of the product and finished production program. The problem of calculation of the size of optimal products lots requires its solution. Errors in the assignment of the size of the manufacturing program can lead to big losses for the enterprise. To this end, the analysis of the production program of the machine-building enterprise was implemented based on the profitability schedules. It was demonstrated that optimal program for the production of machines and mechanisms was directly proportional to the period of obsolescence. Main means of ensuring the profitability of an machine-building company is to reduce the cycle of the machine production. On the basis of the analysis of the obsolescence of the machine, analytical dependencies are proposed for calculating the number of manufactured products, ensuring that the company obtains the required profit. The optimal program for the manufacture of machines is directly proportional to the period of “obsolescence” of the product and inversely proportional to the release stroke. At the same time, “moral obsolescence” is due to the degree of perfection of the design of machines, and the tact of release – the level of organization of the life cycle production. In the context of reducing the period of “obsolescence” of the product, the main

means of ensuring the profitability of a machine-building company is to reduce the tact of production of machines while at the same time solving the problem of a painless transition to the manufacture of a new product.

Keywords: *product release program, product sales strategy, profit of the enterprise, optimal machine production time*

THE EXPERTISE OF QUALITY INDICATORS OF SHRIMPS (PALAEMON ELEGANS) FROM RESERVOIRS OF SHAMKIR AND MINGACHEVIR

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ABSTRACT

The article is devoted to the expertise of organoleptic and physical-chemical methods of shrimp hunting from Mingachevir and Shamkir reservoirs (Palaemon elegans). In the salty and sweet waters of Azerbaijan, the shrimps (Palaemon elegans) are the main part of the food reserves of the fishes that have fishery importance which fed by predatory and benthic organisms and have high nutritional value and curative properties. There are more amino acids that are indispensable in proteins in the meat of the shrimp. Vitamins B₁, B₂, B₃, B₁₂ and micronutrients iodine, manganese, cobalt, copper and other elements are far superior to them in comparison with the meat of terrestrial animals. The qualitative indicators of shrimps (Palaemon elegans) from the Mingachevir and Shamkir reservoirs in 2019 were investigated by organoleptic and physical-chemical methods. The appearance, consistency, odor and taste of shrimp (Palaemon elegans) were Organoleptic ally identified. The size and weight, mass composition, nitrogen-based volatile

substances, and fat content of the shrimp were determined with the physical-chemical method (Palaemon elegans). The investigated shrimp meat contains 76,67% of water and 17,5% of protein. The average weight of shrimp hunted from the Mingachevir reservoir (Palaemon elegans) is 16,6 g, the eatable portion of the tail is 42% of the body, and the average weight of the shrimps in the Shamkir reservoir is 16,2 g, and the eatable portion of the tail is 41,4%.

Keywords: *Mingachevir reservoir, Shamkir reservoir, shrimp, expertise, organoleptic method, physical and chemical method*

INSTITUTIONAL VIEW OF THE NATIONAL ECONOMY

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ABSTRACT

Purpose of this paper is to study the theoretical views on the national economy, as the difficult economy, social, organizational, scientific and technological system and the rationale for the peculiar features. In this paper this we used systematic approach and methods of comparative analysis. Findings are focused on identification of new scientific and theoretical justification in terms of theory development on the national economy. In terms of scientific and theoretical studies this paper require more extensive research. Practical implication of the paper is ability to use as a research source in the development of new concepts of national economies. Value of the paper stands as a one of the new research studies related to the theory of national economy.

Keywords: *national economy, institutionalism, economic systems, peripheral economy*

METHODOLOGICAL ISSUES OF ASSESSING THE ECONOMIC EFFICIENCY OF FOREIGN TRADE

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ABSTRACT

The formation and development of the national economy in the conditions of a market economy is closely connected with the system of foreign economic relations. Effective organization and implementation of foreign economic relations has a significant impact on the functioning of the country's economic system. Effective organization of foreign economic relations is also a means of realizing the benefits of international division of labor. The article explores the effectiveness of foreign trade and economic relations and methodological issues in its assessment. In a market economy, the formation and development of close economic relations and the implementation of effective organization of activities, a significant impact on the effectiveness of economic relations, as well as the organization of the international division of labor of foreign trade and economic relations and methodological issues, it was studied its assessments of the effectiveness of the implementation of

precisely the advantages of the country's economic system, the system of external economic relations of the national economy.

Keywords: *Foreign trade, economic integration, foreign economic relations, economic efficiency, assessment*

DEVELOPMENT TRENDS OF INCREASING THE ROLE OF SMALL AND MEDIUM ENTREPRENEURSHIP IN THE CONDITIONS OF THE ECONOMIC GLOBALIZATION

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ABSTRACT

Socio-economic globalization is the most important form of globalization. Economic globalization not only accelerates the movement of capital in the international capital market, but also accelerates the process of expansion and formation of the global information and financial space. The solution of the problems faced by business entities in global business is hindered due to the imperfection of the legislation that had to govern the normal operation of business. This leads to the situation when the businesses begin to operate without a comprehensive analysis. These include internal and external environmental factors, the level of inflation, production without accurate study of the market price of the product, as well as the technological factors. One of the necessary conditions for maintaining the competitiveness of special technological factors is the timely use of new, modern technologies. Because, as the existing business activity expands, the competitive conditions change accordingly and take on new forms.

Along with the increase of social responsibility, at the same time, an important issue such as fully meeting the needs of customers is being addressed.

Keywords: *Entrepreneurship, economy, business, financing*

MODERN TRENDS IN THE DEVELOPMENT OF THE COMMUNICATIONS INDUSTRY IN AZERBAIJAN

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ABSTRACT

The paper discusses the progress and results of transformations in the communications industry, the role of this industry in the development of the economy and society, the potential of positive effects on the modernization of the country and the barriers to its implementation in the context of the problems facing the economy of Azerbaijan, and in comparison with foreign countries. The study describes main features of the development of different domestic market segments of the industry. Problems requiring solutions in the future are characterized. The proposals formulated to address the problems in the development of communication services market of Azerbaijan. Organizational

and economic measures to improve regulation of communications industry in the Republic are proposed.

Keywords: *communication services market, telecommunication, communication operators, strategy, information society, state programs*

MODERN MILITARY EXPENDITURES AND PROBLEMS OF SUSTAINABLE DEVELOPMENT

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ABSTRACT

Increasing military costs not only in individual countries but in the world as a whole have a huge impact on the world's financial system which affects global material and financial resources negatively and hampers its sustainable development. The nature of modern military weapons is so complex that it greatly affects the scale of the redistribution of world revenues and expands its scope. Financial operations carried out in these areas undermine the sustainability of international and regional economic growth, as these operations focus on non-productive fields of economy, impeding sustainable development. In this regard, the common consensus was made among Caspian littoral states on disarmament and demilitarization of the Caspian Sea according to the convention signed on August 12, 2019 in Aktau, Kazakhstan, and the latter drew the attention of international community. This convention helped reduce the military expenditures of the Caspian littoral states as well as states which have political interests in the Caspian region. Therefore, developed countries, including major industrial countries, which

have a significant impact on economic growth in the world and share more than 75% of global revenues, regularly increase their military spending. On the one hand, the increase in the number of budget items related to the financing of military expenditures is observed. The above-mentioned issues highlight the importance of determining and clarifying the reasons for increasing military expenditures in the world. Furthermore, it is necessary to clarify the factors influencing that level. At last, in the modern world, political militarization is one of the major factors that contribute to rising military spending in times of political tension. This process involves not only increasing military spending but also spending more money on military expenditures from other budgetary items. Thus, a huge amount of money has spent the financing and maintenance of military forces, including the acceleration levels of militarization.

Keywords: *military weaponry, militarization of the budget, military personnel, military situation, military-industrial complex, national guard, Ministry of Army, Ministry of Defense*

ASSESSING THE ROLE OF CENTRAL BANK IN ENSURING SUSTAINABLE DEVELOPMENT IN AZERBAIJAN

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ABSTRACT

In the article, the characteristics of sustainable development, its essence, content and importance have been described. The role of Central Bank in ensuring sustainable development in the

country has been substantiated. In this context, the main aspects and factors of the policy implemented by the Central Bank have been analyzed. The impact issues of this organization on the economy through monetary policy, exchange rate and interest rate policy have been focused. In the current situation, the level of consumer price index, product price index, and etc have been analyzed. The impact of these indicators on sustainable development has been explained. Many means and methods which is used to increase the role of Central Bank of the Republic of Azerbaijan in managing the economy and to improve its impact on financial and price stability have been analyzed, and their effects on economic development has been substantiated. In order to strengthen the role of the Central Bank for ensuring stability in the financial system, abolition of the Financial Market Supervision Chamber and giving its powers to the Central Bank has been substantiated by its practical importance, and in this regard, several recommendations have been introduced.

Keywords: *central bank, consumer price index, exchange rate policy, interest rate policy, product price index, prudential norms, sustainable development*

PROSPECTS FOR THE EXPORT OF AGRICULTURAL PRODUCTS IN AZERBAIJAN

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ABSTRACT

The globalization and integration processes in the international arena have increased the importance of the export of agricultural products, which are always up to date. The export of countries, the volume and nature of foreign trade relations have a

significant impact on their economic position in the world, their development, prosperity and maximization of the benefits of economic units. Azerbaijan, in its turn, has always considered the strengthening of foreign trade relations as a major goal. To this end, numerous reforms have been carried out in the country, the legal framework has been expanded, and various cooperation agreements have been signed. In addition to this, Azerbaijan needs to diversify its foreign trade relations, especially to increase the export of non-oil goods. This can only be achieved by producing competitive products that meet international standards in this field, especially environmentally friendly products in agriculture. The article examines the current state of foreign trade in Azerbaijan and makes recommendations for the development of areas with high potential to increase exports.

Keywords: Foreign trade, Export, Import, "Made in Azerbaijan", Agricultural products

INTEGRATED ROLE OF THE MARKETING IN MANAGEMENT OF PRODUCTION AND SALE ACTIVITY

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ABSTRACT

The role of marketing in adaptive management of enterprise and questions such as marketing as a manner of integrated activity in management of production and sale activity is clarified in the article. As we know, a product meeting the requirements of consumer in the condition of modern market shall be produced and availability of that product for consumer shall be provided.

For this reason, distribution and sale function of marketing products shall be executed. The competitiveness of enterprises producing a product conforming to the requirements of consumer and achieving to effective distribution and sale of those products is higher. The channel of distribution and sale of products means the whole of natural and legal entities which take part in delivery of those products from manufacturers to consumers and rendering assistance in transfer of right to hold the products. The distribution of products is a type of activity prior to sale and this kind of activity is executed, the reserves of products are created in necessary points or its existence is provided. The sale of products from those points or trade “points” is provided. From this point of view, the distribution and sale of products such as separate types of activity are activities completing each other. The whole of enterprises and organization taking part in delivery of products from manufacturer to consumer forms the channel of distribution. The channel of distribution consists of two parts: physical distribution channels and sale channels. The feature of market, feature of product, factors in regard to feature of enterprise and amount of transport and purveyance costs affects to selection of sales channel. The delivery of products from manufacturer to the last consumer or intermediary enterprises is realized by means of their physical distribution. The operations such as rendering of services to buyers in the process of physical replacement of products, receipt and processing of orders, transportation of products, loading and unloading, keeping and use, creation of reserves and management are conducting.

Keywords: *Product, Sales, Marketing management, Adaptive management, Integration*

EUROPEAN UNION AND CIS COUNTRIES ON THE WAY TO A NEW STRATEGY: NEW APPROACHES AND OPPORTUNITIES FOR COOPERATION

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ABSTRACT

The economic, social, political processes taking place in the world radically transformed the system of relations between countries in the post-Soviet space. The readiness of the CIS countries for global changes was clearly insufficient. The development of complex processes related to the transformation of all relations in society has highlighted the problems of stability and social integration. The problem of studying the content of these processes is becoming increasingly important. First of all, it is necessary to realize that change cannot be limited to a narrow economic field. In our understanding, this approach allows us to analyze relations in a transitional society, where politics, economics and the social sphere are closely intertwined. The transition to the stage of sustainable economic growth is possible only on the basis of the formation of the technological potential of production, the development of entrepreneurship, and social mobility of workers. After the collapse of the Soviet Union, Russia and the new independent states remained with a very unusual configuration of the economy and the infrastructure and technological base. The traditional business in the CIS - trade in raw materials and industrial cooperation - is in crisis. Especially the economies of the oil-exporting countries of the region have undergone significant changes under the influence of falling oil prices in world markets. In 2015, a sharp drop in world prices for raw materials, devaluation of national currencies, economic sanctions against Russia had negative consequences in trade relations within the region, as well as with the EU countries. But

now, political, financial and technical obstacles tied to the spread of the Coronavirus may disrupt this relations and making it logistically and politically complicated.

Keywords: *Bilateral cooperation, Economic diversification, New Silk Road, Regional economic projects, Regional integration*

REGULATION PROBLEMS OF REGIONAL ECONOMIC DEVELOPMENT

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ABSTRACT

The investigation of financial basis of regional development, utilization of the approaches in the practice are the application for the estimation of real Level of regions' financial and tax potential. The theories in the sphere of regional socio-economic policy of the classics of economic sciences and modern economic scientists, scientific-research works in the sphere of regional economy organize the methodology and practical basis of the research. The efficient approach is suggested for the estimation of regional financial basis, tax potential of the regions of Azerbaijan is determined. Difficulties in obtaining of statistical materials. Due to the incompleteness of state program on socio-economic development the full results couldn't be gained. Utilization of analysis' methods of regional socio-economic development in evaluation of tax potential parameters, evaluation of the role of financial base for applying of the complex program on the regional socio-economic development. Utilization of scientific conclusions and clauses arising from the research in the formation of regional tax system impacting balanced development of the national economy.

Keywords: *Region, district, Socio-economic policy, State regulation, Regional policy, Task potential*

THE MODERN CONDITION OF THE IMPROVEMENT OF MACROECONOMIC SUSTAINABILITY IN AZERBAIJAN

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ABSTRACT

The main goal of the market reforms in Azerbaijan consists of the transition to a new national economy model that will enable the economic growth trajectory. The choice of such a model is implemented within the historically established economic structures and existing reserve potential frame and is usually located between domestic and foreign market trends. In spite of significant reserve potential of the national economy and sufficient domestic market, provision of macroeconomic stability and sustainable development in Azerbaijan is of special importance. From this point of view, the modern condition of macroeconomic stability in Azerbaijan have been carried out in the article. The positive trends in the economic sphere of the Republic of Azerbaijan, macroeconomic stability, business activity, provision of sustainable economic growth, specific weight of private sector in GDP, effective realization of non-oil reserves potential, investment climate and key features of socio-economic development have been investigated in the article. GDP and per capita GDP in manats, dollars and euros, including GDP by sectors of the economy, retail trade turnover, investments in the retail trade of food and nonfood products, investments in fixed capital by sectors of the economy, oil and capital investments in the non-oil sectors, fixed assets by sectors of the economy, gross agricultural output, total industrial output, industrial output by region, price indices and many other macroeconomic indicators have been analysed in the article. Moreover, in addition to the internal factors in maintaining the high rate of growth of the national economy of Azerbaijan, the issues of revival of the world

economy compared to previous years, foreign economic conditions for sustainable development of the country's economy, especially oil prices, and further decline in 2014-2015 have been confirmed in details in the article. The exceptional role of the budget-tax and monetary systems in sustainable development and diversification of the economy, improving the welfare of the population and reducing poverty have been generally substantiated.

Keywords: GDP, Macroeconomic stability, Sustainable development, Investment, Price indices, Monetary and fiscal policy of the state

STATE OF INNOVATIVE ACTIVITY IN THE AGRICULTURE OF AZERBAIJAN

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ABSTRACT

This article represents the state of innovative activity in the agriculture of Azerbaijan. Factors stimulating the innovative development of the agro-industrial complex include the existence of natural resources, significant scientific and educational potential, large domestic food market, the ability to produce environmentally friendly, natural food products and the transition to a market-based way of managing. An analysis of innovative activity in Azerbaijan and developed foreign countries revealed the main organizational and economic factors that impede its development. In this article is shown comparisons of the features of innovation in Azerbaijan and developed foreign countries, as well as, conditions and factors affecting the innovative development of agro-industrial complex of Azerbaijan.

Agriculture itself, by virtue of its position in the country's economy, is not in a position to dictate the conditions for achieving the necessary profitability for other sectors and fields of activity. The risks of financing scientific and production results and the time gap between costs and results, the uncertainty of demand for innovative products do not interest private investors to invest in agricultural development. The difficulty of conducting a detailed analysis of the current state of innovative activity in the agricultural sector of the agro-industrial complex is associated for this type of activity in such volumes and indicators as is done in industry. Currently, in Azerbaijan, the flow of foreign technologies suppresses the development of national innovation policy and creates a real danger of dependence on foreign developments. Currently, these services are expressed in passive forms: in consulting and information services and are designed on the initiative of agricultural workers. The main point of the state innovation policy in this period should be to, on the one hand, maintain the maximum accumulated scientific and technical potential, on the other, develop the necessary infrastructure and develop mechanisms that stimulate the development of innovative processes. The continued inequality of the exchange of agriculture with other sectors of the economy leads to the degradation of its material and technical base. The main direction of increasing the sustainability of agriculture is the creation of conditions for ensuring profitability in farms necessary for expanded reproduction.

Keywords: Agriculture, Agro-industrial complex, Financing, Innovative activity, Analysis, Sustainability

THE TRANSFORMATION OF THE EDUCATION SYSTEM INTO THE DIGITAL AGE IN THE TEACHING PROCESS

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ABSTRACT

The purpose, objectives, content, and methods of education are reflected in the organization training system. Optimization of the educational process, its scientific organization, increase of its effectiveness will result in an intensification of student activity and, consequently, lead to quality education. Under the traditional teaching methods the courses are designed as a sequence of schematically organization of the auditorium, continuity checking, homework and past lesson inquiry, new knowledge and its reinforcement, assessment, tasks, etc. The topics of such subjects are not revealed to the students comprehensively. The training design based on the diligence of a few students has led to the passivity of the others. Loading the students with unwanted unnecessary information can cause the worsening of their memories prematurely. Furthermore, the experience of many years indicates that an individual with a high intellectual capability, willing to conduct reasoning, free judgment or problem identification, demonstrates a passive attitude for the reason of fear and insecurity. When analysing the term of new teaching methods, the main focus falls on the teacher's ability to demonstrate professionalism in fostering the knowledge, skills, and habits of the learners. New teaching methods can be realized with the help of critical thinking. The ability of critical thinking and overall the effectiveness of the use of new methods can be achieved primarily, on the organization of teacher training and professional development. From the training on new teaching methods, the teachers can obtain some practical skills by utilizing the method of critical thinking during the

teaching process. Improvement of education quality has influenced the comprehension of the subject and object, and has brought the interaction to the new meaning. The incorporation of active learning is one of the goals of educational reform. In the course of active learning, the teachers become guides while learners become researchers.

Keywords: Education, Goal, News, Thinking, Training

SOLID INDUSTRIAL AND DOMESTIC WASTES, THEIR USE ENVIRONMENTAL AND ECONOMIC ASPECTS

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ABSTRACT

The article describes the proper and effective regulation of the use of natural resources, the provision of today's people with the abundance of resources and the consideration of future generations. Reforms carried out in our country and increased attention to the development of the non-oil sector have contributed to the revival of industrial facilities. However, the expansion of industrial facilities, increased output and improved quality have created many problems. Thus, large amounts of various types of wastes are emitted at the enterprises during production, which results in environmental pollution. From this point of view, it is the waste that pollutes the environment and

seizes land, which are further expanded by industrial development.

Keywords: *Ecology, Environment, Natural Resources, Economy, Solid waste, Reforms, Non-oil sector*

WEALTH TAX AS A WAY TO REDUCE CASH HOARDING

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ABSTRACT

One of the factors negatively affecting economic growth and employment in the advanced economies is cash hoarding. The paper argues that an effective way to reduce cash hoarding is a wealth tax. It is argued that a wealth tax will encourage individuals to invest in high-yield assets, such as equities rather than to hold deposits in banks; and an increase in equity demand will cause IPO activity to increase that will contribute to investment and economic growth.

Keywords: *Cash hoarding, Deposits, Economic growth, Loans, Wealth tax*

THE ROLE OF THE EUROPEAN UNION IN THE SOCIO-ECONOMIC INTEGRATION OF IMMIGRANTS RESIDING IN AZERBAIJAN: CURRENT PROBLEMS, TENDENCIES AND PERSPECTIVES

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ABSTRACT

The chosen research proposal mainly concerns on the migration issue, which has become a phenomenon in the European Union's political economy in the contemporary era, within the last three years, which identifies the role of migrants living in Azerbaijan in the labor market and other areas of economic integration involving the current trends, challenges and perspectives in the political or socio-economic fields. The long-brewing Civil War in Syria created a large-scale trajectory of migrants, resulting in a massive influx of refugees from Turkey to Greece and then to Germany. Today, the issue of migration is now transforming into a phenomenon among the member states of the European Union prompting them to take immediate action and make crucial decisions in the country's political economy. As a result, modern migration can play a pivotal role both for the EU and for Azerbaijan in the direction of flow of people, capital and services, remittances, improving socio-economic well-being and the cheap labor force in the international labor market. The key criterion of the study is to identify specific ways in which persons or migrants who are involved in the migration process can be able to also contribute to the sustainable economic development of the region

by positively influencing IDPs on the local population, labor market activities and overall political and economic activity. The main idea behind the research is to investigate the economic integration of immigrants in Azerbaijan through its original theoretical and empirical study of migration that plays an important role in the EU's political economy. The research aims to better regulate labor migration processes in Azerbaijan with the help of the European Union and to optimize the impact on labor productivity in the country by providing economic integration of migrants in the local labor market. The main focus of this study is to identify the role of the European Union in the economic integration of immigrants in Azerbaijan, the legal migration and migration process, based on the Joint Declaration on Resettlement Partnership (MOBILAZE), launched between the EU and Azerbaijan.

Keywords: *European Union, Azerbaijan, Labor migration, Immigrants, Political economy, Local labor market*

THE WORLD TRADE ORGANIZATION AND AZERBAIJAN

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ABSTRACT

Membership in the World Trade Organization (WTO) is a complex process involving the improvement of agreement on trade tariffs, as well as the process of improving the regulations

of normative legal acts of foreign trade of the applicant country. The analysis of the bilateral negotiations of the Republic of Azerbaijan in the WTO accession process indicated that the main objective of the organization was the liberalization of world trade, the removal of existing restrictions and prohibitions. The article explored the country's agricultural sector's commitments, and the gains and losses of Azerbaijan's WTO accession were assessed in various aspects. As a result of the research, it was determined that most degraded area in Azerbaijan would be the agricultural sector during WTO admission. Therefore, in the negotiations with the WTO on subsidies in the field of agriculture, it is necessary to achieve a subsidy of 10% of annual agricultural production. As a result, in recent years our country has achieved significant economic growth and sustainable economic growth and its integration with the world community through its foreign trade policy and successful reforms in the country. Extensive analysis have been carried out, in which the WTO membership has highlighted challenges for the national economy, and the pros and cons of this process have been investigated in detail.

Keywords: *WTO, agriculture, state regulation and assistance, international trade, liberalization*

THE EFFECT OF SPELT FLOUR ON THE QUALITY OF BAKERY PRODUCTS

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ABSTRACT

In the article, some technological features of Triticum dicoccom grain and the results of the research of amino acid composition have been stated. Triticum dicoccom is used all over the world for fried cereals, breakfast cereals, pancakes, grains, baby food and local pasta types. Nutritionists recommend cereals to provide food ration with dietary fiber, proteins, vitamins and minerals. Compared to Triticum aestivum, the Triticum dicoccom grain contains high amounts of essential amino acids such as phenylalanine, leucine, isoleucine, lysine, valine, threonine, histidine. We have developed the technology for making bakery products from crushed fermented spelt. The prepared bread had quality indicators according to the control variant. The purpose of our work was to develop the technology of bakery products from spelt flour (Triticum dicoccom). It is known that spelt is characterized by hard peel and low-quality gluten inside. Bakery technology with spelt flour is a new and actual issue that allows to get high quality bread. The technology of spelt bread has been

*developed using 40% thickness acidophilic cereal yeast. The prepared bread is different from others in terms of satisfying physical and chemical properties, such as long shelf life and high number of flavoring compounds. Spelt (*Triticum dicoccom*) is one of the oldest species of wheat. Compared to modern wheat, spelt grain has a very strong cover. Fruit and seed peels consist of several layers. Spelt has not been used for a long time due to low productivity and difficulties in grain processing. Recently, *Triticum dicoccom* has become famous again. The grains of this type of wheat are very useful: it contains high amounts of protein, B vitamins, iron and essential amino acids. The object of research is *Triticum dicoccom*, a grain grown on the Absheron peninsula in the Republic of Azerbaijan. In the article, standard research methods have been used.*

Keywords: Bread, Grain, *Triticum dicoccom*

DIRECTIONS FOR THE DEVELOPMENT OF DIGITAL ECONOMY AND DIGITAL TECHNOLOGY

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ABSTRACT

The digital sector is the core of the digital economy. This is the ICT sector itself and the production of electronic components. In an expanded sense, the digital economy includes digital services, retail, free-earning economies (gigeconomy) and co-consumption economies (sharing). An even broader definition is the weight of a business that uses ICT. All types of network business and

business operations algorithmization. Recently, the concept of "digital economy" has appeared both in economic theory and in the practical activities of a number of countries. The beginning of the 21st century was marked by the breakthrough development of digital technologies, a revolution in the space of information, and the acceleration of globalization of the economy. It should be noted that the process of formation of the digital economy in most countries significantly improves the quality of life of the population, and also allows to increase the efficiency of public administration. Footstone, participation in the virtual economic space significantly increases the competitiveness of countries. Most bright digital technology manifested itself in trade and services over the Internet. A leader in the development of e-Commerce is called China. In particular, the company Alibaba Group. Development of Internet services, is the United States. Namely, the company Uber, which, starting with apps for taxi booking, has significantly expanded the range of services. All countries should also pay attention to the sector of e-Commerce to promote national products in the world. All countries need to take advantage of the scientific and technological situation in the global economy, to ensure a globally competitive position in the market.

Keywords: *digital economy, digital technologies, digital trade, competitiveness, e-Commerce, globalization, network business*

DIGITALIZATION OF THE ECONOMY: ANALYSIS OF INFLUENCE ON THE BANKING SPHERE IN AZERBAIJAN IN THE CONTEXT OF WORLD EXPERIENCE

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ABSTRACT

The article provides an analysis of the Azerbaijani financial sector in terms of readiness for digital transformation. A study is being made of the current state of the banking system of Azerbaijan and its development trends in the use of digital technologies. As a result, conclusions are drawn about the new capabilities of banks in the context of the digitalization of the economy. We believe that digitalization of the economy will lead to an increase in use of cashless payments and specific weight of cash payments in Azerbaijan will decrease from 74% to 40%. Judging by forecasts, the volume of non-cash payments will grow by about a tenth annually. Now Azerbaijan is carefully studying the experience of implementing block chain technologies, assessing the possible risks and prospects of use. The Central Bank has launched the country's first pilot project on the block chain platform. As a result of the project, the client will be able

to open an account through video identification without coming to the bank. If now there are about 30 banks in Azerbaijan, then their number will drop to 20, maybe even less in the coming years. Such processes often lead to the fact that old infrastructures that do not correspond to new realities are replaced by new, advanced ones that keep up with the times in the combined banks. Since 2010, banks have invested approximately 25% of their net profit in financial technology.

Keywords: *digital transformation, banking, digital banking, artificial intelligence, internet banking*

IMPROVEMENT OF THE MECHANISMS TO REGULATE AND MANAGE THE ACTIVITIES OF NATURAL MONOPOLIES

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ABSTRACT

Formation of a mechanism to effectively regulate the natural monopolies is one of the urgent factors in bringing the economy to a competitive position under the current conditions. The regulation of natural monopolies is the most complex field of the public regulatory system from the market economy system. Choice of the

methods for regulating the activities of natural monopolies is the subject of extensive discussion. Another issue under discussion is to ensure transparency in terms of regulation of natural monopolies. A more complex part of these issues is bringing the relationship between total costs and efficiency of regulation to a positive level. The research aims to study the processes associated with formation and development of natural monopolies in the context of sustainable development, to analyze the current situation, to make suggestions and recommendations to improve the mechanisms of regulation and management of their activities. The research was fulfilled based on the research methods such as a scientific abstraction and systematic analysis, logical generalization, statistical analysis. As a result of the research, a flowchart of theoretical and practical approaches and principles for the formation of a mechanism to manage natural monopolies was developed, the principles, criteria and factors determining socio-economic efficiency systematically identified and a flowchart provided. Limits of the research: requires more extensive practical information. The practical importance of the research: may play a positive role in the enriching of scientific and practical knowledge of the specialists conducting studies in the field of natural monopoly and working in this area. Scientific innovation and originality of the research: The characteristics of the structural changes in natural monopolies and the flowchart of the required measures were developed and problems in increasing the efficiency of these areas in the conditions of the market economy were explained.

Keywords: *Mechanisms of management, natural monopoly, regulatory methods, public regulatory system, structural problems*

THE EFFECT OF FERTILIZER TYPES ON POTATO YIELD IN AZERBAIJAN

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ABSTRACT

The main purpose of this research is to evaluate the impact of fertilizer types (phosphorus, nitrogen, potassium, and mixed fertilizers) on potato yield in Azerbaijan. To conduct the research, cross-sectional sample data of 2017 has been selected from Farm Data Monitoring System survey. OLS estimation has been employed for multiple regression models. The results of the research indicate that there is positive relationship between fertilizer types and potato yield in Azerbaijan. In adding control variables such as region, irrigation, and input cost into the regression model, all other variables except phosphorus fertilizer, were found positively related with potato yield in Azerbaijan.

Keywords: *potato, yield, fertilizer types, OLS regression*

HUMAN CAPITAL AS A STRATEGIC RESOURCE OF ECONOMIC DEVELOPMENT

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ABSTRACT

Due to the entry of the world economy into the post-industrial, and essentially technetronic stage of development with its involvement in the production process of a revolutionary new technology and electronics, a knowledge economy began to take shape. In this regard, the intellectual component at all levels of social reproduction begins to outweigh the traditional material sources of economic growth, and human capital is put forward as the leading factor in modern socio-economic development. A distinctive characteristic of the knowledge economy is that there is not limitedness, but inexhaustibility of resources in the form of knowledge, which can be infinitely enriched and freely exchanged. It should be emphasized that only people can generate new knowledge. Moreover, it is a person, their creative potential, and not the possession of resources and technologies that ensure the competitiveness of the goods produced. This is because technology is always possible to copy, but human intelligence is not, because it is a unique resource. All this actualizes the issue of the formation and effective use of human capital, as well as the calculation of the optimal costs associated with education, healthcare and culture in each segment of the economy. The value of human capital can be explained with the fact that this resource determines the development of all other areas of economy, both in manufacturing and in mining, as well as in agriculture and in services. The technetronic nature of the modern economy, as noted above, creates a vital need for highly qualified personnel. In this regard, the development of education, health care, the training and retraining of professional personnel and the provision of jobs for them are becoming a priority in the policy of the state and firms.

Keywords: *asymmetry, human capital, knowledge economy, spillover effect*

TOOLS FOR SUPPORTING INTERPERSONAL TRUST IN MANAGEMENT SYSTEM

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ABSTRACT

The central purpose of this article is to draw attention to ways that interpersonal trust between supervisors and employees can be fostered through activities associated with the four functions of management. Interpersonal trust has received increasing attention as an important variable for effective management and the success of organizations. Further, managers serve a critical role in promoting organizational success. Practical insights regarding activities that promote interpersonal trust within each of the four functions of management is briefly discussed. These insights are offered with the intent of encouraging a more deliberate focus on trust within the functions of management. The purpose of this article is to initiate a practical dialogue regarding the question of how the four core functions of management (i.e., planning, organizing, leading, and controlling) can be used to foster interpersonal trust between supervisors and employees. Justification for framing the dialogue within the context of the four functions of management is based on the use of these functions as the foundation or core of most management education curricula and courses. For many, the exposure to managerial concepts in entry-level courses serve a formative role in influencing future management philosophies, values, and behavior. Surprisingly, however, the topic of trust is not covered consistently in management texts. Organizing and assigning work by a manager that fosters trust is through the structure of authority. A structure that relies on decentralized authority, as well as empowerment, allows employees to become more responsible for their jobs and decisions related to their jobs, contributing to heightened employee trust. Trust has also been determined to

provide a sense of psychological safety for team-members, one in which members are at ease with criticisms of their work, or discussing their mistakes.

Keywords: *Management, functions of management, management education, training programs*

MODELLING AND DEFINITION OF OPTIMUM DIVIDEND POLICY OF OIL AND GAS COMPANIES IN MODERN CONDITIONS

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ABSTRACT

This article substantiates the necessity for improving approaches towards optimization of a dividend policy of oil and gas companies. The actual problems of the dividend policy of oil and gas companies in modern times have been explained and their essences have been elucidated. Therefore, this research develops a new conceptual approach in the theory of corporate management aiming at substantiating the feasibility for considering a dividend structure factor of a company, while maximizing the company's market value. According to the situation in the market segments, the issues of diversification of oil and gas companies' dividend structure and increasing their efficiency have been emphasized. A quantitative measurement of the level of optimum dividend payouts that are differentiated according to the company's capital structure is an advantage of this approach. Due to this approach, the dividend potential of the company is objectively researched and the available opportunities are determined in the most transparent way. A functional dependence of the company's market value against the

level of dividend payouts, with regard to the company's capital structure, has been presented. A range of quantitative levels of dividend payouts of oil and gas companies under consideration has been calculated, and a type of the optimum policy regarding the established company's capital structure has been determined, in accordance with such range. Such approach allows for substantiating the most effective type of the dividend policy subject to the financial condition of the company for maximizing its market value. It utilizes the subjectivity in the course of optimizing the company's dividend policy and ensures accurate evaluation of the optimum level of dividend payouts. It facilitates increasing efficiency of the net profit of oil and gas companies under consideration and building capacity of the market value of such companies.

Keywords: *dividend policy of oil and gas companies, maximizing the company's market value, dependence of dividend policy on the company's capital structure, net profit of a company, capital structure of a company*

GLOBALIZATION OF EDUCATION: THE HUMAN FACTOR IN KNOWLEDGE MANAGEMENT

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ABSTRACT

The article deals with the globalization of education in the modern age, the international standards used in the development of education, human factor in knowledge and education management. It is noted in the research that one of the most important tasks of the modern education is upbringing of a

perfect and worthy person for further humanity's achievements. The XXI century is called high-speed time and it is not accidental at all because the modern world is globalized rapidly and we can compare this inevitable process with "the arrow fired from the bow". Globalization does not manifest itself simply on the basis of removing the economic- geographical, political-cultural boundaries and "Curtains" between the countries, rapid decrease of the world or creation of common standards of lifestyle and behavior, transnationalization of economics. International experience shows that there is also globalization in the society's, people's, nation's educational way towards globalization. There are a lot of global problems of education: determination of the level of educational internationalization or assessment of knowledge and preparation of the scale of its standardization etc. Globalization means convergence of education systems of certain countries and formation of general educational space. Being a part of the active integration and globalization on a world scale this process in education obeys their laws and represents unity with the processes in the other spheres.

Keywords: *Globalization, Education, Knowledge, Management, Human, Capital, Strategy*

CHARACTERISTICS OF DECENT LABOR IN THE CONTEXT OF SUSTAINABLE HUMAN DEVELOPMENT

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ABSTRACT

Modern economic relations should be treated as a prerequisite for socio-economic development, effective utilization of their potential, and create a conducive environment for the sustainable development and productive activities of human. Human should be as qualitative and efficient as the other resources, and should be continuously improved and developed. The factors characterizing sustainable human development, the relevance of their evaluation criteria to the performance of decent and productive labor by employees and the study of the interaction of the people of the continuous development of decent labor is very urgent. The concept of "Decent Labor" was first adopted at the 87th session of the International Labor Organization in 1999. According to this concept, decent Labor is an activity enabling employees what they can and love in the context of freedom, security, and respect for human dignity. The relationship between human and economy, human-society, human-nature is ultimately connected to the processes of human development. For achieving sustainable economic growth and improving living standards, decent labor standards should be applied. The essence of decent labor, decent labor standards, the structure of these standards, the indicators needed to assess compliance with the established standards, decent wages, decent employment development, its main indicators, the "Economic Human" model, its essence etc. have been studied in the article. The aim of the research work is consists of substantiate opportunities for decent work of workers in the context of sustainable human development in the Republic

of Azerbaijan, and to align the interests of the state, employers and employees with international or national social standards. Comparative and systematic analysis, logical generalization, etc. methods were used. The existing situation of sustainable human development and decent work in the Republic of Azerbaijan and their interrelationship have been revealed and evaluated in the article. The originality and novelty of the research work is that the practical investigations with the study of foreign experience of sustainable human development and decent labor, their interrelationships and activities have been conducted, and as a result, relevant recommendations have been given for ensuring the workers to perform decent labor in Azerbaijan.

Keywords: *Human development, Decent labor, Decent salary, Decent employment, Human potential*

EXPANSION OF E-SERVICES IN AZERBAIJAN: DIRECTIONS AND PERSPECTIVES

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ABSTRACT

The article examines the mutual relationships among e-government, standard-of-living, environment and state services. The paper added some recommendations for the improvement of state e-service quality standards. The article reviewed the available data to develop the concept of “digital economy”,

forms for assessing the level of development in the country of the digital economy using international ICT ratings, analyzed their shortcomings.

Keywords: *digital revolution, e-government, e-services, blockchain, robotics, development index, ASAN service, digital economy, Information society, information and communication technology, rating score*

THE MAIN DIRECTIONS OF THE DEVELOPMENT OF TOURISM IN THE ECONOMY OF AZERBAIJAN

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ABSTRACT

Ensuring sustainable economic development with the growth of non-oil sectors is an important task facing our country in modern times. Numerous studies show that tourism is one of the leading part of non-oil sectors in terms of its prospects. The study evaluates a number of factors and conditions ensuring the sustainable development of the tourism sector, create conditions for the country's progress and competitiveness in the international tourism competitiveness rating. The article reveals that Azerbaijan has a great potential in the sphere of tourism. Tourism products and services having the great potential for earning a high income always require attention and adaptation to consumer desires in the world practice. Support of private initiatives for the development of tourism products in the Republic

of Azerbaijan, establishment of favorable coordination at the local and regional levels, focusing on consumer demand, strengthening the regional and thematic goals to the product development, as well as coordinating interesting and attractive products with each other are important points. This includes travel programs that Azerbaijan can offer for adventurers, as well as wine tourism, German or Jewish heritage. These opportunities should be introduced to foreign visitors. The availability of both traditional and modern treatment facilities in Azerbaijan, the country's rich resources such as Naftalan oil and the Salt Mountain in the Nakhchivan Autonomous Republic, and it has been assessed as an opportunity for the development of health tourism, and the private sector has been identified as a target to support the tourism sector through public-private partnerships. In other words, we have an inseparability of the production and consumption of tourist services. This situation allows us to conclude that tourism is a single dynamically functioning system of services that includes different economic entities. The study touches on the SWOT analysis of the tourism sector, that the territory of Azerbaijan has ancient history, rich cultural monuments, favorable geographical location, attractive nature, folklore and is located at the crossroads of different religions. Conference halls, hotels and other relevant service infrastructures have been pointed out as the strong part and it was concluded that the implementation of the measures envisaged in the Strategic Roadmap for the development of tourism is the beginning of new successes.

Keywords: *Activity mechanism of tourism market, Development of international tourism, Internal tourism, Tourism infrastructure, Tourism service*

POSTULATES AND PRINCIPLES IN ACCOUNTING

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ABSTRACT

The thesis studies the conceptual and methodological approaches formed around postulates and principles, analyzes and evaluates their methodological and practical significance in terms of forming useful information about assets, financial accounting and other elements of reporting, explains the logical relationship and dependence between the postulate, axiom and principal concepts. It is substantiated that the postulates do not provide for specific frameworks for record keeping and reporting; their application is not normative. It is determined that there are no sharp differences between the concepts of postulate and axiom, and the axiom does not need to be proved as a postulate, however the postulate may not be accepted, but non-acceptance of the axiom is impossible, i.e. the first can be denied, the second is undeniable. The differences between the concepts of postulate and principle, axiom and principle are disclosed, it is shown that postulate is a broader concept than principle, principle or principles cannot be based on the most general provisions, principles have a stricter framework, they are directly normative and mandatory. In the presented thesis, the principles are defined

as the most common rules that are generally accepted and applied arising from the objective necessity for the formation of information in accounting and reporting as well as act as the basis of developed standards, methods and procedures. The criteria have been devised according to this definition. Acceptance of any proposed provision as a methodological principle for accounting and reporting can be determined under the mentioned criteria.

Keywords: Accounting, Information, Methodology, Postulates, Principles

HEALTH FINANCING REFORMS: GEORGIA AND AZERBAIJAN

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ABSTRACT

In article "Health care financing reforms: Georgia and Azerbaijan" is spread out short history of reforms of systems of financing of health care of two neighboring countries. After disintegration of the Soviet Union all republics appeared in the crisis situation which affected all spheres. In order to reduce the gap between state guarantees and their financing, it was necessary either to improve financing or to reduce the guaranteed package of services, but it was necessary to ensure a more efficient distribution of funds. The purposes facing the governments concerning health care were identical. However, the differing economic and political situation in the countries predetermined their health care systems, and also financing of these systems. Along with it, the developed systems of financing of health care constantly changed and enhanced, using various

sources and funding mechanisms. It should be noted that the process of establishing a health financing system was multi-stage, complex, given that the healthcare sector is characterized by the involvement of several sources of financing at the same time. Moreover, all this happened in the conditions of war, economic crisis. Sometimes the situation sometimes required radical decisions, for example, a sharp reduction in the package of state-guaranteed medical care in Georgia. In both states, government policy includes the inclusion of the private sector in financing the sphere: through the development of private health insurance, paid medical services. The main goal in this case should be the shift of private expenses from the informal to the official format, as well as an increase in the share of private medical insurance in the general structure of private payments to the population. At the same time, public spending on health is also constantly growing.

Keywords: *compulsory health insurance, health financing, health financing reforms, voluntary health insurance*

SUSTAINABLE ECONOMIC DEVELOPMENT AND PROVISION OF SOCIAL WELFARE OF THE POPULATION

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ABSTRACT

Sustainable economies are considered to meet the needs of the economy and the population as a whole, without interruption, and as a result of its steady growth. As long as the stable and balanced growth of different sectors of the economy is sustained, its sustainability will be as long as it is. Economic sustainability is a

complex and multifaceted process that serves to achieve economic and social stability in the country. The economic prosperity and progress of any country is complemented by social policy, and the generalized indicator of sustainable growth is the social welfare of the population. The concept of 'sustainability' is controversial when it is used in a number of meanings (sustainable growth, sustainable economic growth, sustainable economics, etc.) in the economic literature. The main challenge facing sustainable development is to address existing problems first and foremost at the national level. The philosophical essence is the rational and economical use of the planet's natural resources, the environment protection, preservation, social and economic well-being of the population, improvement of the quality of life of present and future generations. At the same time, sustainable development is the criterion for socio-economic and environmental development that is focused on meeting the needs of people and protecting peace around the world. As we know, the economic development, progress of each country is complemented by social policies and the globalized population index 20. - Priorities for sustainable development until the end of the year are the elimination of social problems, the strengthening of social protection, and the provision of sustainable economic development that will enhance the welfare of every citizen. Decision-making and implementation are the means of realizing the sustainability of the economy in order to create an enabling environment for improving the welfare and quality of life of the country. Sustainable development is primarily intended for economic growth, the elimination of all forms and dimensions of society, the environment, and poverty, as the formation of a socially oriented economic system based on free market relations - independent economics, natural and technical production, as well as active involvement of scientific and technical potential into economic turnover, efficient integration of national economy into world economy system, strategic directions of sustainable sustainable economic development model of Azerbaijan, determination of economic, social and humanitarian development path of the country, social problems and social problems and fulfilling their desires is the main task of this model.

Keywords: Sustainable economy, Durable development, Social economic, Social welfare, Social politics

REFORMING UNIVERSITY FINANCE: EMERGING TRENDS, CHALLENGES AND PROSPECTS

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ABSTRACT

Priority development of science and education is the most important task of Azerbaijan economy. The topic of financing higher education and improving its effectiveness has been discussed for the last 10 years, after the global financial crisis. The article demonstrates the experience of international financing of higher educational institutions, as well as highlights those models that can be reasonably applied for Azerbaijan practices to ensure the development of both the universities themselves and the educational system as a whole. The article deals with Azerbaijan and foreign experience in the financing of higher education. Marked the most significant trends and circumstances that led to organizational restructuring of higher education and the formation of new financing mechanisms.

Keywords: *University, Higher professional education, modernization of the education system economy of education, reforms, experience, efficiency, state education policy, education funding*

ANALYSIS OF THE APPLICATION OF SOCIAL RESPONSIBILITY BY DOMESTIC BUSINESSES IN AZERBAIJAN AND ITS INFLUENCE ON THE COMPETITIVENESS OF THE COUNTRY

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ABSTRACT

Nowadays when competition has been worldwide increased as a result of globalization, countries try their best to improve their competitiveness to get more space in the world market. Competitiveness is related with raising life standards, employment opportunities or capabilities of a country to fulfill its international obligations. After gaining its independence in 1991 and transforming its economy from state sponsored planned one to free-market, development, support and empowerment of private sector and economic growth of the country is essential in terms of the improvement of competitiveness in Azerbaijan. Today, increasing importance of domestic businesses and their formation as an integral part of the society in Azerbaijan creates some responsibilities. The world has started experiencing significant transformations in all fields of life from the beginning of the 21st century. Business and its basic actors have also been intensively subject to the influence of these transformations. All endeavors of business actors are focused on building their strategies of improving their competitiveness on the basis of proper visions. Moreover, importance of business for society has become as much as productivity of business is important for the power of influence of the business. For this reason, it is necessary for businesses to develop their proper strategies in accordance with modern conditions in order to fulfill their undertaken obligations regarding their social responsibilities and to institutionalize themselves.

That is why, sensitive attitude of domestic businesses working in Azerbaijan to the will and needs of the society and their environmentally friendly and ethical behavior is important for the power of competitiveness of the country. The aim of this research is to study the state and way of application and implementation of UN Global Compact rules and social responsibility by domestic businesses working in Azerbaijan that is in transition from soviet economy to free market after the collapse of USSR. Within this framework we are going to research the scale of social responsibility of domestic companies, the level or scale of the responsibility that they target to reach and its influence on the competitiveness of Azerbaijan. To collect necessary information, taking specific domestic features of Azerbaijan into consideration, as a research method we will conduct interviews and hold surveys with government officials (bureaucrats), businessmen, scholars and managers of professional unions (non-governmental organizations).

Keywords: Social Responsibility, Domestic Business, Competitiveness

BLACK SWANS OF THE WORLD: NEW NAME OF OLD ENTITY

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ABSTRACT

With the transformation of the coronavirus into a pandemic, the world seemed to fall into a daze. Confidence in economic stability, security, and the omnipotence of medicine was shattered. The

victims of COVID-19 were residents of developed countries, although previously deadly diseases were considered a misfortune of the third world states. It is not the first time in modern history that the planet has suffered from global epidemics. Even in the twenty-first century, the world has already had to deal with pandemics: SARS, Ebola, swine and bird flu. However, the lessons of the past have taught us little, and the international community is distraught from his powerlessness. How have past epidemics changed the course of history? What losses did the economies of different countries suffer due to viruses? Is the coronavirus worse than the plague and the Spanish flu? The new deadly coronavirus is a "black Swan" that can hit the economy harder than the global financial crisis. This is the conclusion of Moody's analysts, who followed the fall in the index of prices for industrial metals. Turning the coronavirus into an epidemic may become a more dangerous "black Swan" than the global economic crisis of 2008-2009 years, according to Moody's Analytics-an analytical division of the financial Corporation Moody's Corporation. The black Swan is an unforeseen event that has a huge impact on the economy. This term was introduced in the book of the same name by the economist Nassim Taleb. The coronavirus had a very negative impact on the Chinese economy (16% of the world's GDP) and on the world economy. In a short time, the supply of oil has significantly exceeded the global demand. As an oil exporting country, we are negatively affected by two external factors: the global economic situation and low oil prices. This is a serious challenge for the country. Azerbaijan is much better prepared for low oil prices today than at any other time in the past, as it has learned from the fall in energy prices in 2015:

- *Transition to a digital economy;*
- *Since 2015, Azerbaijan has been able to increase its gold and foreign exchange reserves;*
- *Low external debt-to-GDP ratio;*
- *Tighter control over speculative currency transactions;*
- *Reforms in tax and customs spheres;*
- *Personnel policy.*

Keywords: *Black Swan, Coronavirus, Oil prices, World economy*

MUTUAL RELATIONSHIP BETWEEN LABOR MARKET AND MANAGEMENT OF HIGHER EDUCATION SYSTEM IN AZERBAIJAN

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ABSTRACT

The development of states and nations is characterized by significant achievements in science and technology and social progress in recent decades. These achievements are consequently reflected in the trends of the internationalization of material production, the development of interstate relations and cultural and educational environment and the formation of a single labor market. These processes objectively lead to progressive changes in the higher education systems of states and seriously emphasize the problem of ensuring the quality of training at all levels of the higher education system and providing effective communication between business structures, the labor market and higher education institutions. The main problem of getting quality higher education is that the current state of the quality management system of higher education in Azerbaijan does not fully provide the necessary level of training of higher education specialists. The process of application of any innovation and advanced educational technologies in the field of education in Azerbaijan is at low level in terms of both time and labor efficiency by passing through bureaucratic obstacles. The implementation of new trends in the teaching process by higher education institutions is observed with very low efficiency due to the inflexibility of the public administration system of education when labor market requirements change flexibly. In this regard, it is necessary to increase the independence of higher education institutions in this direction and to expand their authorities and opportunities in introduce of new subjects, creation of new specialties, change of educational standards, especially in terms

of the implementation of international experience. This will increase their responsibility and quality of education by strengthening competition in the market for educational services. In this respect, the problems researched in the scientific article are very relevant in terms of modern realities. In the article, the current state of higher education in Azerbaijan is analyzed, the main problems are determined and priority aspects for improving the quality and management of educational services are indicated.

Keywords: *Higher education system, Independence of higher education institutions, Labor market, Quality management system of higher education*

THE ROLE OF THE STATE IN CREATING A FAVORABLE BUSINESS ENVIRONMENT IN THE AGRICULTURAL SECTOR

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ABSTRACT

The purpose of the article is to identify factors affecting the environment of agricultural development, the impact of state regulation on agricultural development. The article discusses agricultural reforms, the institutional environment and the legal framework. Reforms in the country have led to significant qualitative changes in agriculture, and food security has been ensured in the country. Measures were taken to ensure the development of agriculture in the regions and further improve its infrastructure. The main objectives of the research are to identify legal, economic and institutional mechanisms for creating a

favorable business environment in the agricultural sector. In the article, the author uses statistical data for comparison and analysis. Grouping methods are used. The performance indicators of agricultural enterprises, the relationship between income and expenses, the degree of productivity is analyzed. The potential and factors of the development of the agricultural sector, resource security, possible risks are considered. The article identifies the problems that arise in the process of agricultural management. This study examines the mechanisms of state regulation to increase productivity, reduce costs and maximize profits in the agricultural sector of Azerbaijan. Considering the differences in production and consumption of agricultural products, the author identifies the causes and suggests ways of state regulation and elimination of deviations. As a result of the study, recommendations are made on optimizing the regulatory role of the state in agriculture and creating a favorable business environment.

Keywords: *Agricultural Sector, Factors, Potential, Reforms, Regulation*

DIVERSIFICATION OF THE ECONOMY IN THE RESOURCE- RICH COUNTRIES (BY THE EXAMPLE OF AZERBAIJAN, KAZAKHSTAN, AND RUSSIA)

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ABSTRACT

The study addresses diversification issues of the economies of the countries with a comparative advantage in the form of natural resources, in particular mineral ones. As countries with rich natural resources, the Caspian countries, Azerbaijan,

Kazakhstan and Russia, are being investigated. These countries have much in common: with the collapse of the Soviet Union they were among the countries with low per capita incomes. And only thanks to their competitive advantage - availability of rich energy resources - they were able to strengthen their economic situation. The purpose of the study is to measure the level of diversification of the economy of the Caspian countries and determine the effectiveness of governance. As a methodology, there have been adopted the calculations of Herfindahl-Hirschman index which measure the level of economic diversification and The Worldwide Governance Indicators used to assess the quality of governance of these countries. The analysis indicates a weak diversification of the economy and a strong dependence of these countries on oil revenues. The results of the study show that it is necessary to develop manufacturing, non-tradable sectors of the economy, and increase the efficiency of governance. Successful governance requires improvement of the institutional base, implementation of effective rules and reliable control over their implementation.

Keywords: *Caspian countries, economic diversification, governance, institutions, natural resources*



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