

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

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Editors:

Altay Ismayilov, Khatai Aliyev, Manuel Benazic



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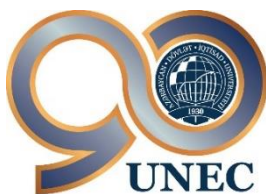
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EXISTING PROBLEMS IN MOTIVATING CIVIL SERVANTS

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ABSTRACT

The purpose of the article is to identify existing problems in the motivation of civil servants. The article discusses the difference between the motivation of civil servants and private sector workers. The effectiveness of motivation in public administration is also assessed. The objective of the article is to determine the features of various approaches in providing motivation, opportunities and freedoms in the decision-making process on the regulation of motivation. The tasks also consist in determining, on the basis of statistical data, a correlation between the incomes of public servants and their expenses, to find out how the goals, costs, quality of public administration and incomes of public servants are related; evaluate the effectiveness of the employee and satisfaction with motivation. The reforms in the model of public administration in Azerbaijan are considered, the legislative framework for the regulation of income, including premiums, is analyzed. Particular attention was paid to optimizing the work with staff in the civil service and improving

the mechanisms of motivation in recent years. The article uses methods of comparative analysis, logical generalization and synthesis. The author analyzed practical methods of motivation. A comparative analysis of the salaries of civil servants and private sector workers was carried out. The author considers the relationship between the quality of civil servants and their income. As a result of the study, recommendations on motivation were developed to increase the efficiency of public servants.

Keywords: *Motivation, Civil Servants, Motivation Management, Premium Performance, Salary*

ON REGULATION DIRECTIONS OF EXPORT IN AGROBUSINESS SYSTEM

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ABSTRACT

The purpose of the research is to develop proposals for the definition of export regulation in the agribusiness system, taking into account the peculiarities of the national economy in the modern economic environment. Export regulation by the state in the agribusiness system contributes to the creation of a favorable business environment. In modern economic conditions, the problem of improving the export regulation system in agribusiness is of particular importance. The idea of structuring trade in agribusiness is based on the idea that alternative explanations have been made in the XIX-XX centuries, as well as some international economists have argued that the importance of random components, along with scale savings in the structure of foreign trade. As a result of the research, along with the

positive developments in the export of the Republic of Azerbaijan in recent years, some negative cases have been identified. Based on the requirements of the specific environment and international practice, it has been concluded that it would be appropriate to improve export regulation in the agribusiness system of our country in accordance with the directions outlined in the article. In the agribusiness system, the implementation of the government's export policy priorities as outlined in the article is the most important task in implementing effective foreign economic activity. However, the specific standards that each country has in domestic trade cannot be attributed to foreign trade. Foreign economic activity is carried out in accordance with the world and international standards of the world market. If there are domestic prices in domestic trade, then foreign trade has world market prices. Foreign economic relations are based on economic relations, production, demand, quality of goods, and international standards. As a result of the article, proposals were developed to identify ways to improve state regulation of exports in the agribusiness system.

Keywords: *agribusiness, system, export, agrarian sector, industry, state regulation, products, improvement*

PROBLEMS OF TAXATION OF EDUCATIONAL INSTITUTIONS AT THE MODERN STAGE OF DEVELOPMENT OF THE ECONOMY OF AZERBAIJAN

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ABSTRACT

Today, the education system to a large extent characterizes the quality of life of the population, creating the starting conditions for the development of the human and economic potential of the country. The legislation of the Republic of Azerbaijan on Education states that education is defined as a socially significant good, a focused process of education and training in the interests of a person, family, society, and the state. That is why the development of the educational sphere is the most important area of activity of the state. Recently, the education sector in Azerbaijan underwent a qualitative reform in the form of a change in the legislative framework, a change in the orientation, goals and objectives of the educational process, a change in the funding mechanism for education, etc. The Tax Code of the Republic of Azerbaijan and the laws adopted in accordance with it contain provisions defining the specifics of taxation in educational institutions. It should be noted that the taxation of educational institutions is a dynamically developing institution of tax law, as it has been subject to a number of changes in legislation and law enforcement practice. In addition, through the

implementation of all the functions of taxes, including fiscal, regulatory, reproduction, taxes are perceived as an effective mechanism for influencing the country's economy. Moreover, most of the leading foreign countries of the world consider education as a specific sector of the economy.

Keywords: *state, tax code, taxes, tax system, tax benefits, educational institutions*

STRATEGIC ASPECTS OF DIVERSIFICATION AND EXPORT POTENTIAL INCREASE OF THE NON-OIL INDUSTRY IN AZERBAIJAN

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ABSTRACT

The article is concerned with the strategic aspects of the increase of diversification and export potential of the non-oil industry in Azerbaijan. In view of this the essence of development features of the country economics and main features of the economic development model were revealed. Directions and structure of non-oil sector development and its present situation were analyzed. The priority of non-oil sector development in Azerbaijan was stated and attracting investments to this sector is reviewed. The indexes and structures of the industrial production on the types of economic activities are given. The structure of total product release in the non-oil industry was researched. The essence of measures taken to decrease the dependence of the country economics on the oil was given, and the problems with meeting of the strategic goals of this sector were analyzed. The importance of creating of the enterprises network based on the economic mechanisms and high technologies which were of

particular importance in the development of the non-oil industry was stated. The importance of the technoparks in efficiency increase of the economic development and formation of new stages in the economic growth in Azerbaijan was explained. The importance of the industrial clusters formation in non-oil industry development was noted. The directions of increasing the production and export potential of non-oil industry in Azerbaijan were studied. Especially the attention was drawn to the advantages of the industry potential in Sumgait, and the existing structure of it was analyzed. The issues of raw material supply of one of the largest industrial and processing enterprises of the country the "Ethylene-Polyethylene" plant in Sumgait, and the dynamics of production of basic chemical products were considered. The export potential of non-oil industry was revealed. Substantiated proposals on the strategic aspects of diversification of the non-oil industry and export potential increase are given.

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

THE CORRELATION BETWEEN THE EXPECTATION OF BUSINESSES FROM ACCOUNTING AND ITS EDUCATION IN THE HIGHER EDUCATION INSTITUTIONS: THE CASE OF AZERBAIJAN

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ABSTRACT

The last 20 years, as the companies have become globalized fast and hence, conventional production methods, service quality and traditions have changed, Azerbaijani companies followed the suit and have kept up with the international course. As a corollary, changing circumstances make the companies expect more from accountants. In return, in order for accountants to meet the requirements of businesses, they should gain certain skills to confirm with the changing environment. The purpose of this study is to show to what extent the accounting education given in Azerbaijani higher education institutions meet the expectations of businesses operating in Baku. In the study, a survey was conducted a questionnaire on 405 companies that are operating in Baku, and obtained data were analyzed by SPSS 23 package program. Collected data was subjected to “Wilcoxon Paired-Signed Rank Test on dual comparisons” and “Kruskal-Wallis One Way Analysis of Variance” on multi-comparisons.

For the rest of data, frequency, percentage and arithmetic means were calculated and analyzed. As a result of the analysis, it was detected that all areas of accounting do not live up to the business expectations. Meanwhile, the most satisfying field of accounting was taxation, on the other hand, the least satisfying sphere was managerial and cost accounting. In order for universities to meet business expectations perfectly, suggestions were presented.

Keywords: Accounting, Accounting education, Business expectations

A CONCEPTUAL APPROACH TO IMPLEMENTING A SUSTAINABLE STRATEGY FOR ECONOMIC DEVELOPMENT

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ABSTRACT

In order to ensure sustainable economic growth and prepare development strategies, it is necessary to approach social, economic and environmental aspects equally. Sustainable development is an innovative process that supports scientific and technical development and innovative policies. Successful projects are rapidly growing by high profitability that governments implement policies that encourage innovation. The establishment of Sustainable Economic Development Strategy is to generate innovation, efficiency, usage of all natural and human resources is the best way to increase jobs, incomes, productivity. As a result of the effective formation and sustainability of the national economy, the social welfare of the population will improve, the pace of economic development will be accelerated, and the environmental balance will be ensured. In this framework

many countries try to prepare one-off national plans that to way out of problems. The paradigm of sustainable economic development suggests that the long and worthy welfare of the human community is determined by the state of the economy, social sphere, environment, where only macroeconomic indicators improve, (such as GDP per capita, inflation, trade surpluses, etc.) but this is not enough to talk about sustainable economic development. This paper analyzing 7 main elements that plays main role in the sustainable economic development policy applied in developed countries. This results show that sustainable development is a very broad concept, interconnected with many factors, such as welfare, education, human rights, environment, etc. Also one of the urgent tasks for achieving success in the field of sustainable development is this informational completeness and adequacy of the presentation of the interconnected elements of the components of sustainable development.

Keywords: *Governance, Sustainable economic development, Sustainable strategy*

GLOBAL PANDEMIC CALL AND SUSTAINABLE DEVELOPMENT

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ABSTRACT

The solution of socio-environmental problems in the direction of sustainable development of the country requires the improvement of technical, economic and management aspects. Three types of

interactions must be chosen in the project of sustainable development: 1) society-nature; 2) society-man; 3) human nature. Also, in order to achieve sustainable development, three basic elements must be coordinated: economic growth, inclusive society and environmental protection. There are dangers for the sustainable development of mankind. One of them is pandemic. Proponents of the version of nature's revenge from people considers the pandemic as a tsunami, hurricane, earthquake range in response to the cruel exploitation of the planet's resources by humans and environmental pollution. Proponents of the version of direct human involvement in this case point out that it has been given various signs in books, music videos and movies. The reason is that according to Malthus's theory, food increases numerically, people increase geometrically. The word of the Holy Qur'an opposes these ideas: "God sends sustenance to man before he is born." States and international organizations, especially the WHO, have mobilized resources to fight. Aggregate demand and aggregate supply sharply have decreased - the volume of world economy is demoted Within medicine, the production of personal protective equipment and disinfectants, antiviral and immune-boosting drugs, artificial respirators, as well as the digital economy, which makes social isolation interesting and profitable, are growing. States and individuals must always be prepared for defense. We want to say this because we wrote this material on the eve of April 22 - Earth Day- Live the planet, live

Keep live humanity, planet, live!

Keywords: sustainable development, pandemics, WHO, planet

“THE RELATIONSHIP BETWEEN STRATEGIC HUMAN RESOURCE MANAGEMENT AND THE ORGANIZATIONAL COMMITMENT : THE CASE OF AZERBAIJAN”

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ABSTRACT

Nowadays, the survival and competitive advantage of businesses are related to the degree of human resources and the ability to retain resources. Businesses that resist competition and have to change because of not staying behind and surviving in the global environment are obliged to be managed with a strategic perspective in human resources management. Accordingly, strategic human resources management develops more than familiar human resources, and the competition race, which increases rapidly with changing management techniques, changes the perception of management in organizations and turns human resource management into the strategic element of organization management. Strategic human resources management is expressed as the design of corporate systems to provide sustainable competitive advantage through individuals. Given the fact that the works are done through people, it is obvious how important the sense of commitment of the human resource to the organization is. The effective use of human resources in the enterprise is an important tool in terms of commitment to the organization. Organizational commitment expresses the strength of the employees' commitment to their businesses. In this study, it is aimed to examine the relationships between strategic human resources and organizational commitment. Within the scope of this aim, the opinions of the employees of one of the companies operating in Azerbaijan have been consulted and a survey study has been started in this

company that investigates the relationships between human resources and organizational commitment.

Data have been collected within the three-dimensional “Organizational Commitment Scale” developed by Meyer and Allen and the “Strategic Human Resources Management Scale” conducted by Shen (2015).

Keywords: *Strategic Human Resources Management, Organizational Commitment, Human Resources Management*

STRUCTURAL POLICY OF THE STATE FROM THE PRISM OF ECONOMIC SECURITY IN AZERBAIJAN

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ABSTRACT

The process of globalization deepens the interaction of each country with other countries. Economic security in its essence represents the sum of the methods of combating the level of economic development of the state and the factors that threaten its development. The organization of the economy in terms of economic security is one of the most important issues in the world. Balancing internal and foreign policies, creating an economic structure that will provide effective trade, countering shadow economy, enhancing the competitiveness of the country and its products, overseeing the flow of foreign exchange reserves, rational use of resource potential, and other considerations of national security. Country risks are related to the existence of global risk, depending on the political and economic stability of the countries, importers or exporters, and other factors that cause internal and external economic risks. Such assessments are made by both foreign and local companies. In this article, we reviewed

and applied the two most popular methods: the methodology of the Russian Universal Company and the German BERI methodology. In the early 1990s, when the country was part of the Soviet empire and gained its economic and national security, the national economy was facing many dangers and economic crises because of the lack of a rational and competitive economic structure in the early 1990s. Azerbaijan gained independence after being in the USSR for a long time, transitioning from the administrative economic system to the market-based economic system and is currently experiencing a new era of development.

Keywords: *Azerbaijan economy, economic security, national security, GDP, structural policy*

DEVELOPMENT PROSPECTS OF AGRICULTURAL PRODUCTION AND CONSUMER COOPERATIVES

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ABSTRACT

After agrarian reforms and privatization of state property, the process of disintegration in this area intensified, while at the same time, monopoly increased. Even in modern conditions, this monopoly has not disappeared completely. The new fundamentally constructive approach is required for the development of an agricultural cooperative that will lead to production efficiency. The mechanism and direction of the formation of agricultural cooperation should include sectoral and interregional cooperation at the enterprise, inter-farm, regional and regional levels. The agricultural cooperative system combines processing, supply, agro service, sales, credit, and insurance cooperatives. These cooperatives can operate at all

levels, both vertically and horizontally. The composition and number of participants may vary. In the economic justification, it is advisable to take into account factors such as increased production and labor productivity, profitability, capital adequacy and the share of the profits they earn in return. Consumer cooperatives must be established by agricultural commodity producers (legal entities and citizens) with compulsory participation in the economic activities of the cooperative. At least 70% of the work done by the production cooperative must be carried out by members of the cooperative. Production cooperatives may benefit from paid employees' labor. Production-consumer cooperatives carry out one or more types of consumer cooperatives along with agricultural production. As a result of the research, the combination of property and land, production, processing, and marketing of agricultural products, individual cooperatives, and farm production cooperatives for joint agricultural enterprises, loans for agricultural enterprises, agricultural production cooperatives based on their efforts, agricultural and other farms, cooperatives of agricultural products, cooperatives of agricultural products, financing and co-financing of agricultural production, preparation, and implementation of measures for insurance cooperation.

Keywords: *agricultural, agricultural products, cooperative, production-consumer cooperatives*

KNOWLEDGE MANAGEMENT SYSTEM IN HIGHER EDUCATION INSTITUTIONS

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ABSTRACT

Based on a systematic analysis of the socio-economic revolution, getting new information from any individual, at the same time, based on the development of information and telecommunication technologies that enable them to be transformed into new knowledge and passed on to other people, we can say that this social challenge creates a new paradigm for ensuring human cognitive activity in the context of the educational space. A new paradigm of cognition in the process of forming a new educational space is a scientific theory built on the system of concepts that express the main features of reality. It is also a scientific model for creating and solving problems in the information society in a certain historical period. This, “knowledge society”, such as “knowledge-based society” and “learning society” is the scientific concept of our time. It should be noted that, learning knowledge becomes a key category in the development of society and one of the leading directions of modern civilization – the information era of social development. The features of knowledge system management in an educational institution are based on the knowledge and skills of knowledge holders and recipients who are constantly in the process of cognition, interaction, knowledge exchange for the purpose of acquisition and mastery of new knowledge. In this sense, it is important to pay attention to diagnostic issues to ensure the effectiveness of knowledge management. The diagnostic tools, first of all, should determine the quality of the mental work of teachers of the educational institution, the degree of impact on formalized (reporting) results of its activities.

Keywords: *development, education system, knowledge, level, management*

THE KEY FACTORS IN THE FORMATION OF A NEW "OIL" REALITY

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ABSTRACT

The role of oil and gas in the global economy is undeniable. Changes in the oil sector as a result of changes in the global economy affect the economies of countries. At this stage, the world economy is developing rapidly, new industries are emerging and the importance of technologies that simplify human life is growing day by day. The impact of globalization and regionalization on the sustainability of economic development has been the subject of ongoing research by many leading scientists. The main goal of the study is to study the historical dynamics of the processes occurring in the world market of oil and oil products, to identify current aspects, as well as analyze the country's policy in this area and analyze the importance of our country's oil and gas strategy.

Keywords: *Oil, Oil reality, Gas strategy, Country's oil strategy, Global economy, Oil market*

PRIORITIES FOR THE DEVELOPMENT OF THE NATIONAL ECONOMY AND THE EFFICIENCY OF THE INVESTMENT CLIMATE

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ABSTRACT

Azerbaijan's national economy and its socially oriented economic development are at the same time sustainable and effective development of the economy, improvement of living standards, effective use of opportunities in the financial and banking system, harmonious balance formed by the state based on market relations and market mechanism elements, sustainable, dynamic. It is a planned economy, and the state has a special role in this system. Countries around the world pay special attention to cooperation to solve global problems. Thus, states cooperate in order to develop an effective and open international economic system that successfully solves the problems of environmental pollution, ensuring economic and sustainable development in all countries. The international prestige of Azerbaijan, which is building a secular state, is growing. It should be noted that at the end of the twentieth century, the methodology of human development changed and began to be based on the principle "People should serve the development of the economy, not the development of the economy." This principle is explained by the fact that in order to develop a modern economy, we need free, sane people with a certain intellectual level. Effective, purposeful reforms in all spheres of the economy of the Republic of Azerbaijan in recent years and a wide range of state care for

socio-economic development of the regions Sustainable and effective development of the country Improving living standards and effective use of opportunities in the financial and banking system has created a great basis for rapid progress and high standing. It is necessary to analyze the current state of socio-economic development in Azerbaijan, to study it in terms of sustainable and sustainable development and to identify the factors and potential that ensure the transition to it. The role of investment factors in ensuring the sustainable and sustainable development of the national economy is great, and these factors are the theoretical and practical study of the main ways and mechanisms to improve the efficiency of their use. We hope that in the future, more decisive steps will be taken to ensure the sustainable and efficient development of the economy in the economic aspects of national interests, to improve the living standards of the population and the opportunities in the financial and banking system.

Keywords: *National economy, Economic development, Effective, Sustainable, Sustainable development, Socio-economic, Investment*

IMPROVING THE SYSTEM OF FINANCING OF SMALL AND MEDIUM-SIZED BUSINESSES

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ABSTRACT

Entrepreneurship is one of the important structural components of the civilized market economy. Entrepreneurial activity is an independent initiative of all types of economic activities, including those for the production, sale and service activities that

are not prohibited by law for the benefit of individuals and legal entities. Entrepreneurial activity, which is rich in content, types and forms, is a prerequisite for economic and social progress, and the entrepreneurs are the most initiative and agile layer of the society, which is willing to learn and apply into production the scientific-technical innovations. Financial security/provision is one of the most important factors in ensuring social and economic development in the condition of the market economy. In this system, the frontiers of financial relations go beyond the scope of social production and cover other areas of public life. Financial relationships that interfere with every aspect of public life and have their own unique characteristics are often manifested in the monetary position. It must also be admitted that the financial system in our daily real life is accompanied by the absolute cash flow of accepting the form of financial resources. Financial resources, herein, play the role of the financial security carrier.

Keywords: Microfinance, Entrepreneurship, Government, Financial security

ON ONE APPROACH TO ASSESSING THE INTELLECTUAL CAPITAL OF A HIGHER EDUCATIONAL INSTITUTION

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ABSTRACT

A key element in the university's intellectual capital management model is the assessment of its level. The article presents the role and importance of intellectual capital in the innovative development of universities. The task is to quantify the qualitative category of "intellectual capital". An integral assessment of intellectual capital is proposed, a statistical model for its measurement based on normalized indicators is developed, and an example of the use of the proposed model is given.

Keywords: *Intellectual capital structure, Assessment model, Education market competition, Human assets*

OPPORTUNITIES AND PERSPECTIVES OF ECONOMIC EXPANSION OF AZERBAIJAN

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ABSTRACT

Azerbaijan has faced serious socio-economic problems at an early stage of the transition period as in all countries that are transforming to the new economic system. Approximately 60% reduction was observed in the economy of Azerbaijan from 1991 to 1995. On the one hand, the problem with the privatization of state property, the technological level of the privatized enterprises, and partly lack of investment in technological equipment the volume of products and services had sharply declined. Due to 20% of the territory of the country is occupied by Armenians, the resources in those areas have been out of economic turnover and the Azerbaijani economy has not grown, even has shrunk dramatically. Afterward successful socio-economic policies the country has been able to overcome this decline in a relatively short period of time and economic growth is beginning to follow. Initially, the formation of private entrepreneurship was accompanied by the economic revival. Liberalization of the economy in the country, determination of the limits of interference in the state economy, development of a favorable mechanism for foreign investment in the country (first of all, elaboration of the legislative framework) has served as the main source of economic expansion in Azerbaijan. The Contract of the Century which was signed with international oil companies (September 1994) was the largest (\$ 8 billion) investment to the Azerbaijani economy. Azerbaijan has gained more than \$ 150 billion revenue over the years of independence. These revenues served as the main source of investment in the development of other sectors of the country's economy. The development of other areas of entrepreneurship in the country also expanded the

investment sources of the economy. More than \$ 250 billion has been invested in the country's economy through external and internal sources. As a result, Azerbaijan's economic boundaries have surpassed its geographical borders. The oil and gas pipelines connecting Azerbaijan with Europe, \$ 20 billion investment in the Turkish economy, about \$ 1.5 billion investment in the Russian economy, export level to European countries are key indicators of the country's economic expansion. In the long run, the development of the non-oil sector, reduction the specific weight of the able-bodied population in the agro-culture sector from 40% to 20%, economic diversification and development of science-intensive sectors will be key factors in Azerbaijan's economic expansion.

Keywords: *Economic expansion, Privatization, Diversification, Economic Liberalization*

INDUSTRIAL ENGINEERING LOGISTICS SYSTEM PERFORMANCE ANALYSIS AND EFFICIENCY IMPROVEMENT MEASURES DEVELOPMENT

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ABSTRACT

Recommendations have been developed to optimize the life cycle of an engineering product in terms of minimizing costs during the operation phase, and a project has been proposed for an integrated logistics support system. The study revealed that the

timely provision of repair with parts, assemblies and mechanisms is the most important task of organizing the maintenance, and the presence of a spare parts fleet at the enterprise creates normal working conditions for production and repair and auxiliary workshops. It was determined that the entire system of organizing the preparation and conduct of repairs pursues the goal of the most complete use of the reserves for reducing equipment downtime. Achieving this goal is ensured by the extension of the overhaul periods (extensive direction) and the reduction in the duration of the repairs themselves (intensive direction). The latter seems to be especially important for achieving technological progress and introducing advanced manufacturing experience. It is concluded that the main directions and methods for improving the quality of repairs, reserves for reducing the time spent on their implementation and ensuring the reliability of the production equipment are: centralization and mechanization of repairs; widespread use of industrial repair methods; unification of parts and components of equipment; combination of professions and expansion of the functions of repair and maintenance personnel; uninterrupted and comprehensive maintenance of repairs with spare parts, materials, means of mechanization and tools; further improvement of repair planning, organization and remuneration of repair personnel. The whole system of organizing the preparation and conduct of repairs is aimed at the most complete use of reserves to reduce equipment downtime. Achieving this goal is ensured by the extension of the overhaul periods (extensive direction) and the reduction in the duration of the repairs themselves (intensive direction). The latter seems to be particularly important, technological progress and advanced manufacturing experience. The main directions and methods for improving the quality of repairs, reserves for reducing the time spent on their implementation and ensuring the reliability of the production equipment are: centralization and mechanization of repairs; widespread use of industrial repair methods; unification of parts and components of equipment; combination of professions and expansion of the functions of repair and maintenance personnel; uninterrupted and comprehensive

maintenance of repairs with spare parts, materials, means of mechanization and tools; further improvement of repair planning, organization and remuneration of repair personnel. Timely provision of repair with parts, assemblies and mechanisms is the most important task of organizing maintenance and repair work. The presence at the enterprise of a fleet of spare parts creates normal working conditions for production and repair-auxiliary workshops.

Keywords: Logistic system, Operation, Mechanical engineering, Organization system, Technological progress, Industrial method, Industrial enterprise

QUALITY FACTOR IN ENTERPRICES AND MODERN METHODS OF ITS PROVISION

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ABSTRACT

The rapid development of science and technology requires the application of newer-modern methods in order to ensure quality and comprehensive efficiency in enterprises, as in all areas of human activity. Thus, the longevity of any organization and enterprise directly depends on the high level of its economic efficiency. This, in turn, depends on the quality and affordability of its products. To date, many systems have been developed to ensure quality in enterprises, and have been tested and applied

by enterprises with different production volumes in different parts of the world. And as a result, quality systems have been obtained, which are applied today and consist of modern methods that significantly improve quality, reduce production costs and losses, and obtain high-quality products with lower cost value. High quality of the product, its competitiveness and very easy access to foreign markets are achieved by implementing the requirements of such systems and international standards used in this field: ISO 9001, EQS, GMP, HACCP, QS 9000, etc. The use of international standards and quality management systems in is an effective factor in the competitiveness of goods and services that have entered the world market. These systems have their own requirements, and these requirements involve the management of internal and external factors that affect the enterprise. Also, quality management requires a written record of all work done, activities performed, and special control over those records. In general, the application of these systems is a comprehensive and extensive process that promises great economic benefits to the enterprise and a special place in the world market.

Keywords: *Enterprise, International standards, Quality, Quality system requirements*

THE IMPACT OF THE CORONAVIRUS ON THE SUSTAINABLE DEVELOPMENT OF THE GLOBAL ECONOMY

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ABSTRACT

The sustainable development of the global economy is affected by the spread of coronavirus infection. This creates threat to the economy and the functioning of financial markets. Recently, there

has been a fall in markets (especially the oil market), which could lead to the onset of the Great crisis. The spread of the pandemic affects almost all states and the entire economic system because today's world economies are highly interconnected and very dependent on each other. We think that the global economy will slow down, and the economic growth will decline. The gradual spread of the virus around the world will be negatively affected to investors. The situation is getting more complicated as most of the big investors have made very large investments before the start of the pandemic. Clearly, the epidemic causes significant problems in existing economic life and it will continue for a long time. Damage caused by this epidemic could lead to a decline in GDP growth and even a sharp increase in bankruptcies of countries. In some countries, the post-coronavirus period will lead to a severe crisis and even economic disaster. Despite all this, the epidemic does not affect the demand for physical goods (rather, it even increases it); does not affect production capacity; does not affect labour resources (the percentage of dying people of working age is much less than the percentage of dying elderly people). As a result of quarantine measures, transport companies, hotels and travel agencies will suffer losses. Moreover, the spread of coronavirus infection negatively affects the stability of the banking system. The spread of the virus affects not only the export, but also the local demand. Enterprises that provide catering services (in turn, home delivery of meal and food) will benefit from spread of virus. The economy is mainly based on emotions. People's distrust and fear caused by virus, also means that high precaution can continue even after official prohibitions and restrictions are already lifted. In the medium term, the effect of the virus will depend on how far it spreads and how long it takes until a vaccine is found and the situation normalizes.

Keywords: Coronavirus, Crisis, Economic growth, Epidemic, Sustainability, Unemployment, World economy

TURNOVER REGULATION OF ENVIRONMENTALLY PURE FOOD PRODUCTS

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ABSTRACT

The agrarian sector, as one of the most significant components of the national economy, is of great importance both in the provision and security of the healthy food of the country and also in the socio-economic development of the regions. In this regard, the effective use of the existing potential opportunities in the agrarian sector, and the attraction of natural and economic resources of the agrarian purpose in optimum agriculture turnover are of particular relevance. A characteristic feature of food security in our modern world is that the quality aspect is at the forefront, while the number of malnourished people in the world is not decreasing. Certainly, the organic unity of the quantity and quality aspects has always been a priority in the food supply of the population. However, this priority has not been possible to realize always and everywhere. In many cases, the quantitative factor in the provision of low-income population with foodstuffs has been preferred, and the quality, including the environmental aspect, remains in the background. The aforementioned has made it an objective necessity to explore environmentally turnover of agricultural and food products in various aspects. Important factors that attributed to conditioned this necessity include, above all, organizational identity at most stages of environmental agriculture and food products turnover, more sensitive momentsto external influences of ecological farming's economic mechanism, undergoing to quantitative and qualitative changes in the movement of environmental agriculture and food products to the end consumer, etc. The article investigates the economic

mechanism of environmental farming more susceptible to external impacts compared to traditional farming, and its impact on the country's food security in general. The impact of strict requirements for the production, storage and transportation of ecologically pure products on the volume and structure of expenses has been described.

Keywords: *food security, environmental agriculture, ecological food products, turnover, regulation*

ORGANIZING PRODUCTION INNOVATION IN AZERBAIJAN AND RESEARCHING MODERN DEVELOPMENT TRENDS

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ABSTRACT

New management technologies that increase the competitiveness are required for the normal activities and sustainable development of the socio-economic development of the Azerbaijani regions. New management technologies are based on the knowledge and the latest developments in science. On this basis, there is a demand for innovation production organization in the regions. Due to the demand for the organization of innovation production in the regions in the modern age, the modern trends of its development are examined. The favorable natural and climatic conditions of Azerbaijan caused the development of agriculture. Azerbaijan has been farming, animal husbandry, silkworm, fruit growing, animal husbandry, etc. since ancient times. It is a region that operates widely in fields. In the

Modern period, our country has a multifaceted, more advanced agriculture. Thus, in recent years, various plant species in Azerbaijan (grain, cotton, tobacco, grapes, fruits, vegetables etc.) are produced. The article concludes that by summarizing the views on the concept of innovation in modern conditions, the final result of innovation can be understood under innovation production in the regions. In this context, it is considered that innovation production in the regions is a process aimed at obtaining a real picture of the scientific research and development results of a new or improved agricultural product sold on the market or an advanced technological process used in practical activities. In case of a suitable economic environment, the state makes some suggestions for the implementation of the production of innovation agricultural products in the regions of our country.

Keywords: region, innovation, production, economy, modern conditions, country, product

DIGITAL MARKETING AS A NEW METHOD OF MODERN MARKETING

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ABSTRACT

The development of market relations and integration of country economy to the world economy caused to establishment of buyers' market and aggravation of competition struggle for sales market. In such condition, only enterprises, which learn the need, conduct and purchase motive of market and consumers, produce a product conforming to them and implement their sale with high effect, can obtain the priority of competition in the market and

win the market success. The application of marketing principles in production and sale activity of enterprises gives an opportunity to identify the need of consumers and to get high profit by providing these needs more fully for producing enterprises. In other words, marketing provides the needs between producer and consumer, coordination of activity of enterprises to these needs: creates a condition for consumers to provide needs more fully, to get a product giving an opportunity to solve the problem with higher effect and creates a condition for producers to make product providing the increase of the activity's effectiveness and maximization of profit. Marketing methods change every day and new strategies emerge. While determination of marketing strategies, new methods, acts and processes run. The basis of marketing and sale is communication. If a firm wants to put a new product into the market, it must analyze the pulse of society attentively. The desire and need of society shows distinction for territory of location. As we know, besides marketing and sale methods, recently modern marketing strategies are started to be applied. Modern Marketing Methods cover traditional marketing models and digital marketing models. Clients started to be active in interactive mutual activity with increase of internet use. The connection of producing firms with client increased. When firms make new product, they started to act according to their initiatives. Ideas are gotten from client about new product by methods such as inquiry and message for new products, their needs and demands are investigated and new products are started to be produced.

Keywords: *traditional marketing, modern marketing methods, digital marketing, network marketing, market share*

ECONOMETRIC ANALYSIS OF THE IMPACT OF FOREIGN TRADE ON THE DEVELOPMENT OF THE ECONOMY OF AZERBAIJAN

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ABSTRACT

The country's economic growth has a number of factors, both internal and external. Export, import and investment are some of the most important external factors of economic growth. Export is one of the most important factors of economic growth, but this factor is especially important for countries with small economies, as it enables entrepreneurs to produce even more products using economies of scale, which leads to economic growth. With economic growth, governments in developing countries see export promotion as their main economic policy. Since the country's resources are limited, the country may not produce and export all goods. Basically, economic theories insist that a country can achieve the highest efficiency by stimulating the export of such goods in which it has perfect, comparative or competitive advantages. As for the mechanism of the influence of imports on economic growth, firstly, it must be taken into account that, thanks to imports, goods that cannot or cannot be produced domestically are introduced into the country. Thus, resources introduced into inefficient sectors of the country are freed up and can be used in more efficient sectors. As for the import of the latest technologies, we can state the fact that their import, of course, leads to economic growth. The introduction of new technologies leads to economic growth. A number of economists

believe that not only the import of new technologies, but also the import of intermediate goods and semi-finished products also leads to economic growth. The paper analyzes the impact of indicators of the foreign trade sector on GDP growth in Azerbaijan. The purpose of the work is to assess the degree of influence of exports, oil prices and terms of trade on the economic growth rate, as well as the direction of this influence on the basis of cointegration analysis. The literature discusses various options for linking these indicators: a positive unidirectional relationship from export growth and improved terms of trade to economic growth (export-led growth), feedback from economic growth to export growth and the mutual influence of indicators, and also analyzes the negative effects of exports on economic growth. For analysis, firstly, a statistical overview of the dynamics of foreign trade indicators over the past decade is presented, and an indicator of the terms of trade is calculated. Secondly, an econometric analysis of the interdependence of indicators: GDP growth, export volume, terms of trade and oil prices in the framework of the vector error correction model (VECM). Two model specifications for quarterly and annual data are considered. A causal relationship between time series has been verified. As a result of testing the hypothesis about the dependence of GDP growth on other factors, a positive short-term and long-term dependence of the indicator on export, the oil price index, and also a long-term dependence on the terms of trade were revealed. The reverse causality from foreign trade to GDP growth has not been identified. The results confirm the high dependence of the country's economy on the external sector and the export growth hypothesis.

Thus, export and foreign trade as a whole are a source of economic growth for the country; the external sector is important to consider when building forecasts of economic growth and modeling the country's economic policy.

Keywords: *cointegration, export, economic growth, globalization, import substitution, import, regression analysis, stimulating export*

THE DEVELOPMENT OF DIGITAL BANKING IN MODERN RUSSIA

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ABSTRACT

The banking system of Russia today is subject to transformations in the field of digitalization. The digitalization of the financial system is characterized by the integration of physical and digital components of the processes of its functioning. The development of digital banking is the path to economic transparency, reducing the shadow economy, increasing tax revenues, jobs and GDP growth. This necessitates research in the field of development of digital banking and the search for ways to improve it. The article discusses the nature and state of digital banking, identifying promising areas of its progress, studying the main trends of digital banking progress, determining its classification in relation to the Russian digital banking market and promising areas of development in Russia. Using the general methods of scientific knowledge in various aspects, the article presents models of progress, identifies its trends, characteristics and new promising areas of development in Russia.

Keywords: *digitalization of the financial system, digital banking development trends, electronic banking services, Models of digital banking, Russian digital banking*

THE PROBLEMS OF ERGONOMIC APPROACH AND ENSURING OPTIMAL FUNCTIONING OF PRODUCTION SYSTEMS TO “HUMAN-TECHNIQUE-ENVIRONMENT SYSTEM”

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ABSTRACT

The article looks at the scientific and theoretical aspects of ergonomics and examines numerous scientific disciplines that identify common problems such as methodological tools of ergonomics. The article also examines the development of ergonomics and a system of anthropocentric principles, the types and types of automated mechanization of existing and emerging labor. Also, specific areas and objects investigated by ergonomics have been defined and described to some extent.

Keywords: *ergonomics, economic development, psychology, human labor, community development*

CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY OF ENTERPRISES

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ABSTRACT

Today in many countries of the world there is a growing interest in the problems of corporate governance and corporate social responsibility. Corporate governance should be adapted to market conditions and the requirements of all stakeholders. Stakeholders are not only customers and shareholders, but also employees, public and state organizations that influence the activities of corporations. The article reveals the essence of disclosure of the effectiveness and efficiency of corporate governance, the concept of corporate social responsibility (CSR), as well as the features of corporate governance. CSR definitions are given, various approaches to the study of this problem are considered, and several ways of developing corporate responsibility are highlighted. The issue of corporate social responsibility (CSR) not only becomes an urgent topic in the business community of Azerbaijan, but already occupies leading positions in academic circles related to research in the field of management. The article discusses the use of corporate social responsibility (CSR) as an element of an effective business strategy for the development of the company and strengthening its position in the local and foreign markets. The article also discusses current issues of global climate change, which is currently one of the most acute problems for the world community. And it suggests that the solution is to use the principles of corporate social responsibility (CSR), the essence of

which is aimed at significantly reducing the amount of harmful emissions and their environmental impact.

Keywords: *Corporate governance, Corporate social responsibility, Environmental balance, Global warming, Sustainable business development*

IMPACT OF EDUCATION AND PEDAGOGICAL TECHNOLOGIES ON THE CONSOLIDATION OF CREATIVE COMPONENTS IN THE DEVELOPMENT OF SPORTS

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ABSTRACT

The paper discusses the impact of education and pedagogical technologies on the consolidation of creative components in the development of sports. It points to the important place of sport in the life of modern society. The authors emphasize the growing role of creativity to achieve high athletic performance. The essence of the concepts of “creativity” and “creative teacher” is formulated, the most important features inherent in them are revealed. It was determined that the pedagogical component is the most favourable for the formation of creativity of future

specialists in the field of physical education and sports. The article focuses on the changes that have occurred in the educational policy of Azerbaijan, their impact on the nature of the professional activity of teachers specializing in the training of professional athletes. The influence of modern educational technologies on the quality of the educational process is analyzed, the priority of innovative activity based on the use of the latest achievements of science is shown. The concrete examples demonstrate the importance of developing and implementing new approaches to learning, disseminating modern educational technologies that contribute to the development of smart education and the formation of creative skills and competencies. In modern conditions, the development of the educational environment, including in the field of sports education, is accompanied by the active use of information, communication and digital technologies, distance learning in the educational process. The use of computer technology in the student learning system, modeling situational tasks in practice, communicating with students in small groups, student participation in the educational process, shows that this teaching system enables students to obtain sufficient knowledge, taking into account the use of advanced and modern technologies and techniques. The authors proposed specific directions for introducing innovative educational technologies in higher educational institutions of the country.

Keywords: Education, Creativity, Pedagogical technologies, Sport, Computer technology, Distance learning

FEATURES OF REGULATING THE USE OF FINANCIAL RESOURCES IN AZERBAIJAN

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ABSTRACT

The article mainly examines the implementation of state policy for financial resources. Financial resources play an important role in the structure and regulation of market relations. According to modern views, the impact of financial events on economic events and vice versa is one of the main features of today. In the past, financial events were not felt in the economic and social spheres due to low government spending and incomes. Now the situation has changed. Large-scale financial events have profound economic and social consequences. For this reason, one of the most urgent issues of the day is the proper management of financial events by the state and its effective use in solving economic and social problems. Development in modern times is the main goal of economic policy. Fiscal policy, monetary policy, budget spending, capital investment, and current development spending play an important role in increasing per capita national income, improving and improving the economic and social structure, and, in short, ensuring economic development. The ability of budget spending to achieve development depends on financial resources. Development expenditures should come from sound financial resources. The market economy is based on private entrepreneurship and private ownership. Inequality in income distribution manifests itself. Fiscal policy can be used as an effective tool to improve income distribution and living standards. The progressive tax system is one of the important tools for this purpose. Budget spending can also play a major role in this area. Spending on the education, health, and social security systems and their suitability rates are also important.

Keywords: *Financial diversification, Financial resources, Fiscal policy, National resources, Budget expenditures*

EMPLOYMENT IN THE DIGITAL ECONOMY: PROBLEMS OF THE AZERBAIJANI LABOR MARKET

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ABSTRACT

The formation of a new technological paradigm called "Industry 4.0" and economic structure contributes to the transformation of social reality, in which all spheres of life and people's behavior are being exposed to radical changes. By parity of reasoning, the new model of labor and employment was called "Work 4.0", it is being intensively developed in countries with advanced economies, it contains whole new world of opportunities, but at the same time there are certain risks attached. New forms of labor, cooperation and exchange are being formed as the activation of modern applications of Internet connects people with machines and things. Labor activity becomes transparent and easily controlled from the outside. As the boundaries of innovation expand and opportunities for getting education improve and the quality of labor resources grows. Work grows more autonomous and mobile, whereas the fulfillment of labor functions largely corresponds to the mastery of multiple competencies, among which there is a place for lifelong learning and digital literacy which are of big importance in the digital age. Numerous objects and means of labor and production are being digitized, which, in turn, plays a great role in the emergence of new forms of cooperation and exchange. However, the list of the functions performed through the means of Internet does not content itself with providing raw possibilities for communication among people; it involves communication with things as well. This process goes on to create rather more complex cycle of dependency between the people, goods and machines which have grown more interconnected. The requirements for the employee have undergone radical shifts, yet the future implications for

these phenomena remain debatable. New digital environment requires new competencies and qualifications to be created, while transforming our understanding of jobs into occasional entities with no permanent workplace or time.

Keywords: *Digital economy, Employment, "Industry 4.0", Labor activity, Machines*

THE IMPACT OF DIGITAL TECHNOLOGIES ON THE SECURITIES MARKET AND FUTURE EFFECTS

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ABSTRACT

The securities market is a market where long-term investment, supply and demand meet. If we look at the economic function of securities, we can assume that securities market enables savings to be converted into investments. Since its establishment, these markets connect the entities who need capital and who interest investment. For the normal functioning of the securities market, there are certain conditions, such as accurate information about securities, a large investor base with access to this information, the protection of the rights of these investors and a liquid secondary market that is not covered by excessive operating

costs. All of these requirements are important, and it should be noted that the application of digital technologies plays a special role in meeting these requirements. Thus, without accurate information, investors will not be able to value securities and will not be able to invest in securities in general. Technology allows information to be disseminated to a wide audience of investors in real time and at a low cost, thereby expands the scope of investors who have access to a wide range of information. Moreover, technology reduces barriers to access for financial services and, as a result, reduces operating costs. These changes increase the number of market participants and contribute to a sharp increase in trade. In this article, user requirements, national policy targets for the financial services industry, a brief overview of practical operational problems, and a description of the organizations and competitive forces that make up the industry have been explained by describing the structure, functions and instruments of the securities market. Considering the impact of the application of digital technologies in these areas, the future effects are discussed.

Keywords: *digital technologies, securities market, stock exchanges*

HOUSING POLICY AS A COMPONENT OF THE STATE SOCIAL POLICY

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ABSTRACT

Access to housing is one of the most important social problems of human development, because housing is included in the essential package of basic human rights under the social contract, and the

government undertakes to implement them in official capacity of state and local governments. Mainly the state that determines the priorities, forms and means of its participation in the implementation of constitutional rights of citizens, based on public interests, social justice and economic opportunities. Improvements problems in the sphere of housing policy, of course, take the central place in the activities of the President of the Republic of Azerbaijan (AR) and state executive bodies as well as programs of political parties and movements, because housing law, as defined in the Constitution of the AR, security expresses the importance of meeting the housing requirements of the community. A comprehensive set of specific rights, and other normative documents of the citizens depends on it. The rights of citizens established by law form their behavior in the solution of housing problems and the activities of state bodies and economic entities. Therefore, housing policy as one of the key components of Azerbaijan's social policy is extremely relevant and needs detailed investigation. The purpose of the study is to investigate theoretical and practical aspects of the state's participation in solving the housing problem in Azerbaijan, to identify existing problems in the area of housing provision and access, and to identify and substantiate their solutions. The research is based on the systematic methodology, analysis and synthesis methods. The scientific novelty of the research consists of the comparative analysis of housing and accessibility of housing in Azerbaijan and a number of developed countries, as well as the development of organizational and economic measures for improving public housing policy based on the model of public-private partnerships.

Keywords: *housing policy, state, social policy, housing security, housing affordability, social houses*

CONCEPTUAL APPROACH TO THE INVESTIGATION OF THE MAIN FORMS AND FEATURES OF INTERNATIONAL ECONOMIC RELATIONS IN CONDITION OF GLOBALIZATION

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ABSTRACT

As a result of technical and technological progress in the world economy since the second half of the twentieth century, international economic relations have risen to a qualitatively new level. This case has been called “globalization”, which has been enshrined in scientific and household lexicon. The article summarizes various theoretical perspectives and trends in the global economic system, and analyzes the main features of IER (International Economic Relations) in the context of globalization. These features are mainly related to the forms of the IER (International Economic Relations), and this analysis have been conducted in this context. The aim of the study is to investigate the trends and peculiarities of contemporary international economic relations that are important to the Azerbaijani economy. The research was carried out based on methods such as systematic analysis and logical generalization using M. Porter's competitive advantage as well as scale effect theory. The practical significance of the research is to integrate the researchers in the field of rational integration of the Azerbaijani economy into the world economic system by analyzing the theoretical foundations, key forms and features of the IER (International Economic Relations in the context of globalization, and evaluating trends revealed in this area. The scientific novelty of the research is that practical research has been conducted using relevant provisions in existing theories and

concepts on international economic relations, its basic forms and features in the context of globalization, as well as international experience in this area.

Keywords: *globalization, international economic relations (IER), international specialization, international trade, international cooperation of production (ICP), currency finance and credit*

PROBLEMS IN INCREASING OF EFFICIENCY OF THE COMPETITION POLICY (THE CASE OF AZERBAIJAN)

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ABSTRACT

As known, one of the most important factors promoting economic development is establishment of a healthy competitive environment. Creating a healthy competitive environment is one of the most important conditions for transition to the real market relations. Because, in the conditions of market relations, free competition acts as a driving force of economic development and plays a decisive role in expansion of economic activity, acceleration of scientific and technological progress, widespread application of advanced forms of labor organization. Upgrading the quality of goods and services and reducing costs are also provided as a result of competition. Thus, competition leads to increased economic efficiency and more fully meeting of the needs of consumers. The aim of the research is to study the

processes that occur in the process of formation and development of the country's competitive policy, to analyze the current situation, and to develop scientifically and practically justified proposals and recommendations aimed at upgrading the effectiveness of this policy. The research was fulfilled under the research methods as the abstraction and systemic analysis, logic generalization and statistic analysis. As a result of the research, the factors having impact on creation of a healthy competitive environment in the country were analyzed, the competitive environment was assessed in various fields, statistical analysis of competition violations was conducted, and practical proposals and recommendations were developed to improve the competition legislation and activity of the competition authority. Limits of the research: requires more extensive practical information on the country level. Practical importance of the research: The main provisions of the Research, the results obtained and the suggested proposals can play a positive role in the researches made in this field and in enriching the scientific and practical knowledge of specialists working in competition authorities.

Keywords: *Barriers to market entry, Competition policy, Competitiveness, Competition authority Sound competition policy*

STRUCTURAL EFFICIENCY OF BUDGET EXPENDITURES AS A STABILITY FACTOR OF THE BUDGET SYSTEM

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ABSTRACT

The stability of the budget system can be characterized as the capacity of all its elements to use the state's mechanisms of mobilization and distribution of centralized monetary funds to

ensure the achievement of the stated goals under the influence of negative factors without any major changes in the key parameters. Economic stability can be seen as a term deriving from the budget's "price," defined not so much by its balance as by "structural efficiency." Considering the restricted discretionary funds, the possibility of their insufficient execution in budget allocations is strong, which contributes to cost structure distortion. Budgetary risk management is recognized as a required element in the management of the public sector, subordinated to common objectives: ensuring a balanced budgetary structure, maintaining fiscal stability, efficient use of budgetary funds and successful application of state powers. Structurally effective budget can only be understood as a budget that forms the basic performance conditions, assessed in terms of the impact on ensuring positive dynamics of economic development indicators and the quality of human resources in the medium and long term. Result-oriented budgeting (RBB) is a more pragmatic method of planning and executing budgets than the cost-based approach, where the focus is moved from expense to performance. According to this approach, control of the plan's execution and its modification depends on the cost-effectiveness achieved. RBB's principal concept is to relate costs and outcomes at all stages of the budget process. One of the key methods for solving the question of increasing the productivity of budgetary spending is program-targeted budgeting under the conditions of uncertainty of the economic situation.

Keywords: *budget stability, budget risks, budget expenses*

HUMAN CAPITAL MANAGEMENT IN ENTERPRISES

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ABSTRACT

No enterprise can operate without human capital. Therefore, human capital is one of the most important aspects of the theoretical and practical activities of the enterprise. The results of the research conducted by the author show that depending on the organization of high-level management, the return on investment in human capital allows you to get more than return on investment in technology. Another interesting fact should be noted that with a 10% increase in the level of education of employees, labor productivity increases by 8.6%. In such conditions of growth, the productivity of share capital increases by 3-4%. Motives for investing in human capital are determined by economic, social, cultural and psychological factors. In addition to the monetary benefits of investing in intellectual capital, the positive impact on the growth of internal motivation for individuals should be especially appreciated.

Keywords: *Human capital, Intellectual property, Managament, Strategy*

THE ROLE OF THE NON-OIL SECTOR IN INCREASING EXPORT POTENTIAL IN AZERBAIJAN

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ABSTRACT

The transformation of the country into a major oil exporter, the annual increase in its production, the dynamic growth of foreign exchange earnings due to exports in this sector have highlighted the need to increase export potential in other sectors of the economy. Modern conditions dictate the need to reduce the dependence of the Republic of Azerbaijan on raw materials. The

main task of the Azerbaijani economy is to prevent the country from lagging behind in the development process. In recent years, the global financial and economic crisis has posed new challenges to many countries. There were several factors that minimized its impact on Azerbaijan. This was primarily due to the purposeful management of oil revenues, the creation of a new strong infrastructure, and the wide range of maneuverability in management. The consistent implementation of state programs for the development of the regions also played an important role. All this has given impetus to the improvement of the business environment. Thus, in recent years, the issue of diversification of the economy and increasing export potential has been a priority. This can be the result of the development of the non-oil sector. Oil is a depleted natural resource, and this factor makes it important to keep the non-oil sector in the spotlight. The government of Azerbaijan, which prioritizes the non-oil sector in its economic policy, is also stepping up its efforts in this direction and supporting steps to reduce the country's dependence on oil and gas. Azerbaijan has already conceptually built its economic policy on the development of the non-oil sector.

Keywords: *non-oil sector, export potential, economic policy, natural resource, development*

SOCIAL-ECONOMIC WELFARE AND HUMAN CAPITAL

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ABSTRACT

Economic development and prosperity of every country is complemented with social policy. The population welfare, the main indicator of social economic development, is evaluated by

how well the financial and social needs of the population, the society's main capital, are met. In modern societies, the speed, quantitative and qualitative growth rate of economy is no longer as a goal in itself, but is a necessary tool for enriching and improving people's lives and their well-being. The main agenda of United Nations Sustainable Development Summit held in New York in 2015 was to formulate goals to improve the well-being of all world population and ensure the sustainable future for next generations. Based on these principles, the Azerbaijani government has developed its "Strategic Road Map" document (Strategic Road Map on National Economy and Key Sectors of the Economy of Azerbaijan) to develop the national economy. The document lists the following long-term goals for development of social economic welfare of national economy: protection of macroeconomic stability, formation of competitive innovation-based economy, development of non-oil sector and business environment as well as increase of income of population and development of human capital. Additionally, hazardous chemical and waste recycling and disposal, and protection of ecological balance should also contribute to the improvement of life quality. The current economic crisis following Covid-19 pandemic has resulted in sharpest decline of oil prices in world markets. The government's anti-crisis program's goal is to remedy the losses in macroeconomic policy and protect the well-being of the population to mitigate the impacts of oil price changes.

Keywords: *Economic development, Human capital, Macroeconomic stability, Population welfare, Social policy*

QUALITY AND SAFETY MANAGEMENT SYSTEMS IN WORLD PEACTISE AND THEIR IMPORTANCE

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ABSTRACT

In order to be effective, any enterprise or organization must have an effective quality and safety management system for the products it produces and all the processes that it realises during production. The management system is a tool that allows enterprises of various purposes to achieve maximum results with available resources. This is primarily the ideology of the enterprise, its policy in the production and sale of products. The modern management systems are based on the principles of a «process and system approach». Each enterprise decides for itself what to lay at the basis of its management system: quality, safety, or both. The idea of a security management system is to control the prevention and elimination of risks that can affect the safety of a product and the health of consumers. These principles are valid for the quality management systems and product safety as well as for the enterprise management system as a whole. The use of such management systems in enterprises and organizations allows them to effectively manage all processes, to ensure systematic and comprehensive approach to quality management, and to organize the economic progress and development of the company, which is important for maintaining its position in the international market. Today, a large number of enterprises and organizations around the world apply these systems, and as a result, the organizational management of the enterprise is much easier, any activity is officially registered, and resources and labor costs are saved. This, in turn, means an increase in material income and higher economic benefits for a company, which also strengthens its position in the global market.

Keywords: *International requirements, Management system, Organization, Product quality*

HOW WILL COVID-19 AFFECT HUMAN RESOURCES MANAGEMENT IN AZERBAIJAN? IS COVID-19 IS A THEREAT OR A CHANCE FOR HUMAN RESOURCES MANAGEMENT IN AZERBAIJAN?

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ABSTRACT

This article contains many interesting and different aspects of the overall view of employee-employer relations in a comparison of before, during and after COVID-19 pandemic. The article sets discussions about past, current and future standings of HR in Azerbaijan from the point of view being treated by COVID-19, as well as the level of readiness of organizations to force-majeure situations and readiness of employees based on their skills and motivations. Another point set in the article is about technology as organizations' desire to invest in technology, invest in employee development and organizations' fears about hiring multi-skilled employees. Technology is discussed from another point like how much organizations are dependent on technology? Is investment necessity arising from coercion under-enforcement of COVID-19 thereat or did they ever predict the importance of technology and invested to keep up with times? Moreover, this article puts some questions in terms of a problem to discuss. One question is that, will organizations running their business in Azerbaijan in a traditional still run their business in that way or will COVID-19 bring up the situation them to adjust their strategy in a way of investing in the technology on experience of an employee? How will traditional employee-employer relations develop after COVID-19? Another question is what is the future of favorite topics like team building, performance management, staffing, and employee loyalty? Will companies still keep

investing in teambuilding or the economy will grow in a different way replacing teamwork with freelance workers, remote jobs and similar understandings? The Author has successfully referred to scientific provisions of well-known local and foreign economists, various scientific concepts, researches of popular organizations and journals in Human Resources Management, personal questionnaires as well as relevant legislative acts of The Republic of Azerbaijan. The article uses comparative analysis, logical generalization, analogy, synthesis methods. Increase of functional roles of Human Resource Management in the Labour market, the importance of human capital in market competition and implementation of technology in labor forces are pointed as a solution in this article.

Keywords: *Freelance jobs, Human Resources Management, Remote-working, Team-working, Technology*

TOURISM EXPORT INCREASING WAYS

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ABSTRACT

It is obvious that export has main effective role in economic development. Besides goods export, services export have gained important place in international trade. Tourism export is one of

the significant sector in international trade in services. Tourism development by its multiplicative effect could influence other economic sectors. Tourism has direct, indirect and induced impacts on every country economic development. Economic literature indicates that high quality of infrastructures and technology development have positive impacts on tourism export development. Besides, convenient business environment that is effective in developing entrepreneurship and increasing relations between tourism cluster actors could stimulate tourism development in a country. Azerbaijan has prioritised export diversification and increasing export earnings in recent years. Although there was some improvements in total export, but so far oil export has the main share in country export. We consider that tourism export could have major role in export diversification and economic development. According to the recent statistics, tourism export has main share in total services export in Azerbaijan. Considering there are serious rivals in global economy and tourism needs high volume of investment, government have to interfere direct and indirect in this sector and we think that tax exemption and government's financial subsidy could be a more effective. Good quality of tourism services that resulting from improving infrastructure and environment protection, increasing relations between tourism and related sectors, are not important for only local society. Government, firms and social organizations have common interest. We consider that creating clusters, including these related organizations could be useful. Surely, creating clusters by government incentives and stimulating policies could be more effective. Mechanism of creating appropriate cluster and relevant suggestions will be discussing in this paper.

Keywords: *Tourism services, Tourism export, Government incentives, Cluster*

PROBLEMS OF EMPLOYMENT OF YOUNG LABOR FORCE IN AZERBAIJAN

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ABSTRACT

The article emphasizes the importance and urgency of ensuring the effective employment of young people in the development of the economy in modern times. The problems faced by the young labor force in the labor market in the Republic of Azerbaijan have been widely analyzed. Also, these problems are classified and directions for their elimination are indicated. The need to increase the competitiveness of the young workforce in the labor market was substantiated, and ways to implement it were indicated. It was noted that the reforms implemented in the country since 2016 have entered a new qualitative stage and the main goals are reflected in the "Strategic Roadmaps for the national economy and key sectors of the economy." The main strategic goals and priorities are to provide employment for the population, including youth, the economy with a competitive workforce, the development of social dialogue through institutions that ensure the implementation of flexible labor market policies, and the growth of inclusive employment. Based on this, the following results were obtained in the article devoted to the study of problems in the field of youth employment:

- *Achieving the strategic goals and priorities reflected in the "Strategic Roadmaps for the national economy and key sectors of the economy", innovative development of the economy raises the level of education of young people, increases their professional requirements;*
- *The delay in the transition to the "education-research-innovation" format in higher education institutions, the lack of a system of vocational education that meets modern*

- requirements, and therefore the very low level of professionalism has a negative impact on youth employment;*
- *The lack of the ability of most young graduates to realize themselves in the labor market and the experience and professionalism required by employers makes it necessary for the state to implement incentive programs for the recruitment of young people;*
 - *Scientifically substantiated proposals to improve the preparation of young people for the transition to the labor market have not been developed, strategic directions for the transition of young people to the labor market have not been identified;*
 - *About 25-30% of the population engaged in economic activity in Azerbaijan is a participant in the informal labor market, most of whom are young people. In order to improve the employment of young people, there is a need to take serious measures to prevent informal employment, etc.*

Keywords: *Labor market, Young labor force, Youth labor market, Youth employment, Youth vocational education, Vocational education institutions, Informal labor market, Hidden unemployment, Staff training*

VALUATION OF RESEARCH PERFORMANCE AND SCIENTOMETRICS INDICATORS

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ABSTRACT

In modern times, the main purpose of scientific activity is the use of new technologies and innovative steps to acquire new knowledge and improve the quality of life. There are several

methods to convey the obtained results to users. At present, the evaluation of scientific results with scientometrics indicators is especially relevant. At all stages of management of scientific activities and stimulation of scientific achievements, these methods are used. From the first days of its implementation scientometrics methods have been the main subject of continuous and intense discussions and have been assessed differently in the scientific community. In the article, the advantages of the methods and the inconsistencies that may occur during their implementation have been elucidated. In order to eliminate these discrepancies, scientific organizations cooperate with various scientific bases in addition to applying modern methods. Moreover, various indicators are developed and practically tested in scientometrics. This is one of the factors that positively affect the evaluation of the effectiveness of scientific activity. As a result, the evaluation of the effectiveness of scientific activity depends on the use of different indicators and the purpose of their use. The involvement of professionals in this process is important. The efficiency and productivity of research depends on its qualitative and quantitative indicators. These indicators can be adjusted through various scientific databases, such as "Web of Science" database of Clarivate Analytics Company and SCOPUS database of Elsevier Company. In international scientific databases available worldwide, automatic statistics of researchers' citation indicators (H-index) is provided through "Web of Science" (Clarivate Analytics Company), SCOPUS (Elsevier) and GoogleScholar systems. In the article, based on the different features and scientometrics indicators of these bases, possible comparing methods of the effectiveness of scientific activities have been analyzed and statistically assessed.

Keywords: Citation, Impact factor, Scientometrics, Scientific Databases, Statistics

THE APPLICATION OF THE INNOVATIVE METHODS IN THE EDUCATIONAL PROCESS

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ABSTRACT

In the modern era, the development of innovative methods has turned into one of the important indicators of intellectual and scientific potential of each country. At a time when scientific and technological progress covers all areas of life application of innovative methods during the lesson with a view to improving the quality of teaching in educational institutes has become one of the important tasks. Formation of the structure of innovative activity in education, world-class application are the priority areas of education. From this standpoint, electronic resources, equipment have been created for educational informatization in educational institutions; in a word, all conditions are created in order that educational institutions work in the electronic education system. The main goal of ongoing education reforms is the restructuring of the educational process, the application of innovative methods in training. Currently, the main task in the education system is to master new pedagogical technologies and their effective use, to improve the quality of education. In a word, creation of a new learning model using innovative methods meeting the requirements of the XXI century and its use in the educational process is a demand of the modern era.

Keywords: *The modern epoch, Innovative methods, Education system, E-education (electronic education), Educational institutions*

SPECIALITY LANGUAGE IN THE RUSSIAN LANGUAGE CLASSES FOR STUDENTS OF ECONOMIC FACULTIES OF HIGHER SCHOOLS

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ABSTRACT

Economic development in Azerbaijan requires highly qualified specialists. Foreign language proficiency is a very important aspect in the training of specialists. The Russian language is one of such languages. Russia is a close neighbour of Azerbaijan. The Russian language proficiency will be needed for the future economists- Azerbaijanians in their professional life to realize collaborative productive projects. So study of the Russian language is included in the curriculum. However, the analysis of the quality of knowledge, skills of many graduates of Azerbaijani schools shows that most pupils' Russian speech is underdeveloped, especially in rural schools. This fact necessitates the serious improvement of setting of university Russian language teaching. One of the important links in specialist training is professional training of economists whose knowledge is demanded in almost any production and who often come into contact with foreign partners based on their professional duties. The professional language differs from the everyday conversational language in a certain way. First of all this difference manifests itself on the lexical level. With the development of international relations in the different fields of production there have been significant changes in the lexical system of both the Azerbaijani and Russian languages. Many international financial- economic terms occurring in the business documentation by which economic partners exchange among themselves have entered the Russian language. It follows that economists must own an appropriate Russian professional

vocabulary. Students- economists could use appropriate methodically processed minimum of terminological vocabulary in order to learn about the terminological layer of the vocabulary of the modern Russian language. The article contains the system of exercises that introduces the necessary terminological vocabulary to students.

Keywords: *Economists, Professional vocabulary, Specialists, The modern Russian language, System of exercises*

ASSESSMENT OF EFFECTIVENESS OF SOCIAL POLICY OF THE STATE

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ABSTRACT

The creation of an independent state usually takes place initially against the background of social and economic reforms in the country and is accompanied by a decline in real incomes of population and an increase in poverty. The period of improvement of the main socio-economic indicators of the population depends not only on external factors, but also on consistent and skillful government policy. Of course, first of all,

special attention is paid to social policy, the main priority of which is the provision of income of the population in a fair manner. This thesis, which at first glance seems so contradictory, has its justification, since population, who have given their consent to be citizens of an independent state, must have all kinds of right to achieve a certain level of welfare. From this point of view, the use of forecasting tools is an important element of the Republic social policy. The results of the study, especially the monitoring of the population's income, make it possible to minimize, eliminate the influence of negative factors on social and economic processes and to stimulate positive factors. The purpose of the study is to assess the effectiveness of public social policy by using economic and mathematical modeling. In the course of the study the effectiveness of the state social policy was assessed by using the example of the Azerbaijan Republic. By means of economic and mathematical modeling there was determined the interdependence between the indicators of satisfaction of the population achieved by means of the social policy and fulfillment of social obligations and migration processes, which are an indicator of dissatisfaction of population. The model includes the following indicators:

- *emigration and immigration;*
- *the number of the employed population;*
- *average amount of salary;*
- *number of pensioners;*
- *average amount of pension;*
- *number of students in specialized secondary and higher educational institutions;*
- *amount of annual scholarship allowance paid to students;*
- *number of registered unemployed people;*
- *the amount of unemployment benefit*

The study has revealed that average amount of salary and average amount of pension had the greatest impact on indicators of migration movement. The methods such as system approach, logical generalization, economic-statistical and economic-mathematical methods have been used in the study.

The practical significance of the study is that the results of econometric modeling of migration processes, carried out on the example of the Republic of Azerbaijan, can be used in the design and implementation in the future long-term development strategy for the social policy of the Government of the Republic. The scientific novelty of the study is that there has been carried out assessment of effectiveness of social policy on the example of the Republic of Azerbaijan with application of econometric modeling of migration processes. Relevant recommendations have been made on the formation and development of the management system for a national social policy in modern conditions.

Keywords: *social policy of the state, effectiveness, assessment, migration, economic and mathematical modeling*

AZERBAIJAN NATIONAL ECONOMY'S INNOVATION CHANGING: IN CASE OF AZERBAIJAN-GERMANY ECONOMIC RELATIONSHIP

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ABSTRACT

This paper considers Azerbaijan national economy's innovation changing in 2013-2018 in case of Azerbaijan-Germany economic relationship. Germany is the 4st partner of Azerbaijan in import and 6st partner in export in 2018. Azerbaijan exports the oil and

agriculture goods to Germany and imports the meat, milk and bakery goods, either furniture, car details and goods of metallurgy, machine-building, pharmacy industries. Azerbaijan has created some enterprises in agriculture sector for milk and vine processing, also has modernised some enterprises in different fields of economy – metallurgy, machine-building industries, and in railway sector by Germany investments. Manufacturing innovations, innovations in banking, innovation methods will development Azerbaijan national economy by partners from Germany. These innovation changes are based on Azerbaijan strategy of development: 1) to produce new qualified goods for realizing in European market; 2) active financing methods for external trade strengthening by state marketing policy; 3) strengthening positions in realised market. This development strategy includes all types of innovations-creating new goods by using new technologies, implementing new materials and energies, using new methods of management and operations. State marketing policy supports middle and small entrepreneurship to exist their goods to European markets implementing different realisation methods like as exhibition, state financing, financing by bank sector, tax free privileges about 5 years and etc. Authors have suggested some recommendations for strengthening of innovation implementation to Azerbaijan national economy by technological changes, state marketing policy, new marketing strategies and tactics, some financial privileges.

Keywords: *import-export operations, investments to Azerbaijan economy, innovation changings, marketing strategies for innovation strengthening, state marketing policy*

THE MAIN COMPONENTS OF THE IMPLEMENTATION OF THE QUALITY MANAGEMENT SYSTEM IN TEXTILE ENTERPRISES

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ABSTRACT

The main components of the implementation of the quality management system in textile are examined. The QMS is a way to achieve certain results in the market. The article analyzes the components that play a key role in the successful implementation of the QMS, which enables the production of quality products in textile companies. These components are: management responsibility, resource management, product and process design in textiles, quality control in textiles, quality improvement, quality assurance, quality audit, quality system documentation, quality value. Various scientific literature related to the topic has been researched and analyzed in terms of textile enterprises of the main components of QMS. The importance of the QMS components analyzed in the article has been identified. This article can be used to analyze the current situation in the enterprise and to identify deficiencies in order to select the appropriate QMS for textile companies. The purpose of this study is to identify the components that are important for the successful implementation of QMS in textile enterprises and to determine the level of impact of these components on the enterprise. The purpose of the study was to identify the components that are important for the successful implementation of QMS and to determine the level of impact of these components on the enterprise. The structure of the article is based on the analysis of

different approaches to the topic. In addition, this topic provides a useful framework for paving the way for the successful implementation of QMS in textile enterprises.

Keywords: *quality, Quality Management System, textile*

THE IMPACT OF THE TRANSITION TO ELECTRONIC AUDIT ON ACCOUNTING BEHAVIOR

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ABSTRACT

An audit is an independent audit of the accuracy and fairness of accounting, accounting and financial statements of economic entities engaged in the production and sale of goods, services,

and work. In some countries, an audit involves examining an entity and commenting on its financial statements. In our world, which is on the threshold of the 4th Industrial Revolution, as a result of the rapid development of technology, the electronification of the accounting and auditing process is one of the factors. The State Tax Service (former Ministry of Taxes) has been implementing the Automated Tax Information System in Azerbaijan for more than 10 years. The transition to e-audit will develop not only the field of accounting but also some sectors. As we know, electronic audit or other electronic sectors are more likely to be threatened by hackers, which is very important. To prevent this, more attention should be paid to the information technology sector. This, in turn, will lead to the solution of several problems. First of all, students studying in the field of information technology or additional education courses will start to provide better quality education, which will affect the overall welfare and living standards, increase the quality of education. We created a social survey using Google docs. The social survey remained active on the Internet for 30 days. As a result, we concluded that the public and the public can be better informed about this. For example, seminars and discussions can be organized, as well as information and articles about the pros and cons of e-audit; E-audit is currently a growing and globalizing system in countries. The transition to e-audit will increase transparency and, I think, will save companies costs.

Keywords: *electronic audit, e-audit, behavioral accounting, accounting*

STEPS TAKEN BY AZERBAIJAN ON THE PATH OF INCLUSIVE EDUCATION

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ABSTRACT

One of the key issues in modern education of Azerbaijan is the process of increasing the participation level of all people with disabilities in society. That's why the application and formation of inclusive education has become a topical issue. Steps in this direction have been taken in Azerbaijan since 2004. The implementation of the "Inclusive Education Project" in Azerbaijan was launched in 2005. According to the resolution of the Cabinet of Ministers No. 20 of February 3, 2005, there was approved the development program for the organization of "Education of children with special needs (with disabilities) in the Republic of Azerbaijan". Three pilot projects on the organization of inclusive education have been implemented since 2005 with the financial support of UNESCO within the framework of the development program for the organization of "Education of children with special needs (with disabilities) in the Republic of Azerbaijan". 268 disabled children were involved in the implementation of these programs. The implementation of the project "Application of inclusive education at the level of primary education" has been started by the relevant order of the Ministry since the 2015-2016 academic year within the framework of joint cooperation with UNICEF. In order to organize the education of persons with disabilities in an inclusive environment in general education institutions, there was approved by the Presidential Decree dated December 14, 2017 "The State Program for the development of inclusive education for persons with disabilities in the Republic of Azerbaijan in 2018-2024". In this regard, various trainings are conducted in secondary and higher schools with the involvement of teachers. Internet portals such as "<https://www.inkluzivtehsil.az>", created for inclusive education,

provide more public involvement in this work. The article discusses the projects and trainings about inclusive education, and their importance. In addition, successful teaching methods for the development of children and youth with disabilities are being studied.

Keywords: *disabled, education, inclusive, projects, teaching*

ASSESSMENT OF THE ROLE OF SMALL AND MEDIUM ENTREPRENEURSHIP IN CREATING NEW JOBS

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ABSTRACT

In most developed countries of the world, the SME subjects have a leading position in ensuring economic growth and employment. Thus, according to the statistics of the World Bank, the share of

SMEs in GDP and employment in the developed countries is more than 50 and 60 percent, respectively. Just for these reasons, both developed and developing countries try to achieve prompt adaptation of their economies to crises through SME. Countries such as the US and the EU countries have achieved significant economic growth thanks to the development of SME. Thus, 99 percent of enterprises are small and medium enterprises in the EU countries, which account for more than 60 percent of employment and GDP. In 2014-2015, the SME subjects accounted for 58 cents of each euro earned as income in the European Union. From this point, there is a need to study the role of small and medium enterprises in creating new jobs in Azerbaijan. The aim of the research is to study the role of the small and medium enterprises in creating new jobs in Azerbaijan, to analyze the current situation, and to make scientific and practical proposals and recommendations towards building of econometric models and improvement of operation of this system. To this end, the existing state of the small and medium entrepreneurship and their role in ensuring economic growth and employment are studied. The research was fulfilled under the research methods as a scientific abstraction and systemic analysis and logic generalization, statistic, econometric and optimization methods. Limits of the research: requires more extensive practical information. Practical importance of the research: may play a positive role in enriching scientific and practical knowledge of the specialists conducting researches towards increasing the role of the small and medium entrepreneurship in creating new jobs and working in this field.

Keywords: *Economic growth and social development, Employment, New jobs, Small and medium entrepreneurship, State support to small and medium entrepreneurship*

REMITTANCES AND THE ECONOMY OF NEPAL: THE IMPACT ON EMIGRATION

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ABSTRACT

For a small landlocked economy, Nepal is the nineteenth largest remittance receiver in the world. With the growing remittance income, Nepal is progressing in its economic and social and demographic aspects, however, this phenomenon might have adverse effects on the country's economy and its development. With an increase in remittances, Nepal has been able to reduce its poverty with its illiteracy rate along with the living condition. Despite such progress, Nepal is in the verge of suffering from too much dependency in its remittances where the economy is unable to export but import substantial number of commodities. In addition, brain drain, lack of labour supply, threat to the food security, increase in conspicuous consumption patterns (drinking and partying), inability to develop a culture of saving and a sharp increase in the prices of domestic products can damage Nepal's economy in the long run. These factors can further effect Nepalese intentions to emigrate directly. This study will try to proclaim the good and the bad impacts of remittances in the case of Nepal.

Keywords: *Remittance, economic growth, emigration, consumption pattern, savings, Nepal*

STATISTIC EVALUATION OF CURRENT DEMOGRAPHIC SITUATION IN AZERBAIJAN

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ABSTRACT

Fundamental changes in economic conditions of Azerbaijan have influenced a number of areas. Transformation of Azerbaijani society, its social structure and institutes are accompanied by changes in demographic processes. The determination of character and range of the relations between demographic event and process allows us to manage them in a more effective and reasonable way. The study of demographic processes, including the natural movement of population and its dynamics, is not only of theoretical importance. Being one of the main terms to make such or any other practical decisions, such studies are attached great importance in management of public life of a country. The purpose of the research work is to provide statistical evaluation of current demographic data in the country. The article, first and foremost, links the relations among demographic indicators with theoretical analysis. In the article, the authors assess the dynamics of demographic processes in Azerbaijan and the factors affecting them. The article also measures the influence level of results on factors through regression-correlation analysis, determines the rate of relation frequency and finds out the role of factors studied in total change of results, which is achieved by adequacy verification of the model. It can be concluded upon the studies that, birth has been main factor to determine the growth

rate of population in the country. Continuous natural increase is the result of an increase in the birth rate. Birth, which is characterized by emergence of new members in the population, is a positive aspect of population reproduction.

Keywords: *demography, birth, death, natural increase, correlation-regression, statistical analysis*

THE ROLE OF HUMAN CAPITAL IN THE CONDITIONS OF POST-INDUSTRIAL GLOBALIZATION

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ABSTRACT

Human capital management in the current business environment is facing many changes and transformations due to ongoing globalization processes. The processes of globalization that have intensified in the world economy, have affected the activities of organizations around the world. The globalization of markets requires a thorough study of the success factors of multinational enterprises in an increasingly competitive international environment. For the effective management of these enterprises, their organizational culture and the choice of the right strategy, human resources or human capital management play an important role. Now it is more important to attract and take full advantage of the human capital potential than to focus on the company's financial resources, that can be augmented by new investors or new technologies. Globalization suggests that the boundaries between different cultures fade, they should adapt to each other. In practice, everything turns out to be far from simple: there are serious obstacles to this path related to the peculiarities

of legislation, traditions, and customs. Globalization is a process of international integration in the fields of labor, finance, trade, production, computer science, telecommunications and education. It is widely believed that humanity has already entered the stage of development that can be called the information society now replacing post-industrial society (this is evidenced by the unprecedented development of computer technology, space communications, information technology, etc.). However, there are qualitatively different views that attribute the information society to the concepts of the distant future and consider it premature to discuss its features, since everything that we observe in the development of the information sphere is only a simple improvement of the post-industrial society. The process of unification and interpenetration of national economic complexes gained momentum at the end of the 20th century and acquired new forms of interdependence among countries: World Trade Organization, International Monetary Fund, World Bank, International Labor Organization, transnational corporations, Bologna Process, etc. The international labor migration has increased significantly. The unprecedented opportunities of post-industrialization and globalization should be grasped to help eradicate poverty, ensure full employment and distribute the benefits more equitably.

Keywords: *Human capital, GDP, Investments, Post-industrialization, The Human Development Index (HDI)*

PROSPECTS FOR THE DEVELOPMENT OF THE FINANCIAL MARKET OF AZERBAIJAN IN THE CONTEMPORARY TIME

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ABSTRACT

The existence and efficient functioning of the financial market plays an important role in regulating the systemic activity of the national economy. An improved market mechanism reduces the ability of the state to influence and directly interfere in the distribution of funds. At the same time, it should be considered that the development of the economy on a sound basis requires the effective organization of the distribution and redistribution of financial resources. All this brings to the fore the analysis of the current state of the financial market and the study of its prospects. One of the interesting issues is that the financial and economic crises in the world economy, in turn, have led to an evolution in the theory and practice of regulating the development of financial markets. For example, the financial and economic crisis of 2008 raised the issue of the need for financial market regulation at the national and international levels by many governments. Currently, the process of formation and development of the financial market in Azerbaijan is progressing rapidly. However, certain problems in the field of interaction between the internal segments of the market and the formation of effective financial support for the process of large-scale recycling, etc., need to be addressed. In this regard, first, the problems of attracting local and foreign investment, increasing investment activity, business development and access to credit for the real sector must be addressed. Therefore, a comprehensive analysis of the various links of the financial market, the identification of opportunities for integration into international and regional financial markets, in short, the study of the effective development trajectory of the

market are among the urgent problems of today. It can be concluded that the strategic goals for the development of financial markets should be, above all, the creation of a favorable environment for issuers and financial intermediaries, increasing access to financial markets for investors and increasing activity in the interbank money market. The existing problems in its integration into international financial markets should be identified, and on this basis, concrete practical proposals and recommendations should be prepared for the future development of the financial market should be considered.

Keywords: *credit, capital, development, finance, money, market, investment, issuer*

HOW TO INCREASE EFFICIENCY AT MANUFACTURING FIRMS: EXPANDING INNOVATION ACTIVITIES

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ABSTRACT

Manufacturing sector for it is essential role in ensuring economic development, improving employment and increasing living standard has a positive effect on country economy. There are many reasons for inefficiency in manufacturing firms. So low level of innovation activities, less technologies, lack of financial resources, and poor quality of workforce and managers are an examples of those. Innovation activities are most effective factor, because it covering all production, technology, marketing and management spheres of firm and for this regard it has direct and broaden influence on efficiency of the firm. Innovation activities,

including research and development and gaining new and modern technologies has influences on firms efficiency for some ways. Research and development could increase operational efficiency of firms. At the same time with improving innovation activities firms could reach new goods and services. Besides, gaining modern technology could increase efficiency in firms. Research and development expenditures (% of GDP) in Azerbaijan comparing with some other countries is the low level. Besides, state sector has the main share in this spending (85.3%) and business sector has little share (2.5%). Firms expressed that their main problems on research and development are low level of financial resources and lack of sufficient state financial aids. And ties between firms and research institutions are on limited level. We consider that supply-side and systemic policies would be more affective on increasing innovation activities in firms. Therefore by imposing some tax incentives for innovation activities and funding grants for this regard firms could be stimulated. At the same time, by improving cooperations and relations between firms and research institutions innovation activities of the firms could be broadened. For this regard stimulating policies could affect both organizations in increasing relations.

Keywords: *efficiency, innovation activity, research and development, supply-side policies, systemic policies*

MANAGEMENT ACCOUNTING OF BUSINESS PROCESSES OF HIGHER EDUCATION INSTITUTIONS

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ABSTRACT

The article discusses the business processes of the university as objects of management accounting of income and expenses. Business processes of the university are classified into the main ones, maintenance processes, and management processes. Administrative expenses relate to the objects of management business processes. The objects of the integrated accounting and control model for the accounting of expenses and revenues in the frame of the main business processes include expenses and revenues from scientific activities and the provision of educational services by the university. As to supporting business processes, the costs and revenues from the provision of related services and the costs of maintaining the property of the university are considered objects of an integrated accounting and control model. Scientific novelty lies in the development of a model and classification of business processes of the university. Applied significance: The study allows us to conclude that the justification of the objects of the integrated accounting and control model for the accounting of expenses and income in universities should be carried out based on their business processes. Economic efficiency of work: Modeling the business processes of the university will improve the quality of management of income and expenditure of educational services,

thereby increasing the efficiency and competitiveness of higher education institutions at the global level.

Keywords: *business processes of the university, management accounting of the university, main and maintaining processes of management, integrated accounting and control model*

MAIN FACTORS AND PROSPECTS OF DEVELOPMENT OF CONSTRUCTION ENTERPRISES IN AZERBAIJAN

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ABSTRACT

The aim of the research is to determine the prospects for the development of enterprises in the construction industry of Azerbaijan. To achieve this goal, this article was supposed to determine the relationship between the construction industry and GDP, to identify the main factors that affect the development of the construction sector. The methodological basis of the study was a descriptive, comparative method and econometric analysis of Poisson regression based on annual data from 2000 to 2020. Calculations and graphs are made based on free software, i.e. the statistical environment R, which is one of the most dynamically developing programs in its class. The methodology for the research was the fundamental works of foreign scientists and researches of international organizations UNCAND.

The relevance of the study is also due to the lack of development of these issues in the domestic and foreign economic literature. In this regard, the article conducted a critical analysis of the theoretical base. The research put forward the relevant hypotheses and tested them. The novelty of this study is expressed in deepening, fleshing out the conclusions and ideas obtained empirically and demonstrating their application in modern conditions. A critical analysis of the method reviewed has been carried out, relevant conclusions and proposals have been made. The results obtained in the article are relevant, important and can have practical applications, they can be used in monitor the development of Azerbaijan's economy and as a tool for retrospective analysis. The conclusions obtained in the study can be successfully applied to predict the construction sector of Azerbaijan in the short-term period.

Keywords: construction sector, enterprises, econometric modeling, GDP, economy

IDENTIFICATION OF A CYCLICAL COMPONENT IN THE SOCIO – ECONOMIC DEVELOPMENT OF AZERBAIJAN

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ABSTRACT

This article deals with a brief critical analysis of the theory of Singular Spectrum Analysis and a problem of allocation of cyclic components from a general dynamics of economic situation is also considered. As a solution of this problem the asynchronous harmonic analysis algorithm based on spectrum analysis and decomposition filtering algorithm is proposed. This research is

based on fundamental works by foreign scholars and studies. The aim of the research is to identify and evaluate the cyclic component and prospects of social and economic development of Azerbaijan on the analysis the most important indicator GDP. The results of the research. As a result of the research, a number of models were constructed. Important cyclic dependencies have been identified. An econometric analysis of models and relevant conclusions are made. Calculations and graphs are made based on free software, i.e. the statistical environment R, which is one of the most dynamically developing programs in its class. In the course of the study, we identified the main parameters, general trends, seasonal and cyclical components of Azerbaijan's GDP for 22 years from 1997 to 2019. The comprehensive econometric tests carried out during the research showed that the constructed econometric models meet all the basic ideas of econometric analysis, that is, the conditions of specification, parameterization and verification, and are quite adequate to the real economic situation in the country. Practical significance: The findings of the research can be successfully applied to analysis and predict the socio-economic development potential during the diversification of the economy of Azerbaijan. The results, suggestions and recommendations obtained in this research can be used in short- and medium-term planning of the main indicators of social and economic development of Azerbaijan.

Keywords: *Cyclic Components, Economic Development, Fourier Transforms, Gdp, Spectral Analysis*

THE IMPACT OF INFORMATION TECHNOLOGY ON THE COMPETITIVENESS OF THE COUNTRY'S ECONOMY

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ABSTRACT

The development of the information technology sector is now an important factor in shaping and improving the competitiveness of the economy. Sustainable economic and social development of countries is associated with a high level of information technology development. This industry has become an important determinant of the efficiency of the national economy. According to economist Intelligence Unit experts, the most significant factors in the development of this industry are: timely measures of the government, protection of the rights holder, a stable and competitive economy, a sufficient number of qualified personnel, technological infrastructure and a strong system of innovative support. These factors are primarily consistent with the United States, Japan, South Korea, Great Britain. They have a highly developed information technology industry and are better placed to support and improve the competitiveness of the sector. Today, various international organizations, consultancy and research companies are compiling ratings related to the level of information technology development in countries. The most significant and objective are the ratings of IMD World Digital Competitiveness Ranking, The Global Innovation Index, Knowledge Economy Index, Bloomberg Innovation Index, etc. These types of statistical ratings provide an opportunity to

determine the competitive advantages of each country. We looked at the WEF competitiveness indices. For calculations, we applied the Spearman rank correlation ratio. The results confirm the correlation between the level of information technology development and the country's competitiveness.

Keywords: *Competitiveness Index, Coefficient, Factor, Economy, Information Technology*

MANAGING THE SUSTAINABILITY OF CORPORATE FINANCE IN THE DIGITAL ECONOMY

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ABSTRACT

This article discusses the main trends in the financial sustainability of an enterprise in the digital economy. The information and communication technologies sector is one of the main areas of the non-oil sector, and the development of this sector is one of the important directions of the state's economic policy. Ensuring the development of the ICT sector in the country in the near future is associated with the implementation of the "National Strategy for the Development of the Information Society in the Republic of Azerbaijan for 2014-2020." The ICT sector is one of the main goals in the Development Concept "Azerbaijan 2020 Vision". One of the main pillars of the innovative development policy pursued in Azerbaijan is the creation of a favorable business environment for the sustainable operation of enterprises. Today, one of the drivers of revolutionary transformations in the global economic system and changes in the hierarchy of world centers of power is the

development of a digital economy based on the fourth industrial revolution. The purpose of the article is to study the paradigm shift in the management and functioning of modern enterprises in the context of the development of the digital economy. Research methods: system analysis, induction and deduction, comparison, forecasting. The types and characteristic features of the financial stability of the enterprise, internal and external factors, as well as tools to improve the financial stability of the enterprise are considered. Particular attention is paid to identifying and managing risks that pose a threat to the implementation of the financial sustainable of the enterprise. The author identified new factors affecting the financial stability of the enterprise in a digitalized economy.

Keywords: *digitalization, digital transformation, managing, sustainability*

CURRENT SITUATION AND COMPARATIVE ANALYSIS OF SOCIAL POLICY IN AZERBAIJAN

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ABSTRACT

Nowadays, the social policy of states has a content that covers the most important aspects of public life. Social policy is the sum of all measures taken to address the problems of all social classes and groups in society, such as social protection, health, education, employment, etc., to resolve class struggles and conflicts in accordance with the principles of social justice and social welfare. The development of social policy is one of the main objectives because of these reasons specifically. In Azerbaijan, as

in most other societies without mature welfare states, social policy has acquired new meaning in the context of economic globalization at the end of the twentieth century, and the environment of social policy has undergone serious transformations. Researches carried out in the field of social policy are important in terms of ensuring equal access of all segments of the society to social policies, finding the reflection of the social right in the society and raising healthy generations. Research in the field of social policy is important in terms of ensuring equal access to social policies for all segments of society, the reflection of social law in society and raising healthy generations. The article will first examine social policy, its history theoretically and systematically, and then examine the world experience, as well as social policies in low- and middle-income countries by other means. In addition, the study will examine social policy in Azerbaijan, its current situation, comparison with other countries and development prospects.

Keywords: Social policy, Social justice, Welfare

THE ROLE OF CLUSTERING IN INCREASING EXPORT POTENTIAL IN AZERBAIJAN

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ABSTRACT

As it is known, foreign trade is of great importance for small but resource-rich economies like Azerbaijan. To ensure continuous and sustainable development in the economy, the rational use of oil revenues plays an essential role in the growth of the non-oil sector and the development of non-oil export potential. One of the geo-economics ways to increase export potential is by clustering of economic activities. The purpose of this study is to assess the

role of clustering in increasing the export potential in Azerbaijan and to develop proposals in this direction. The research focuses on studying practices of clustering in different economies around the world and evaluate their potential use in Azerbaijan. In addition, the identification of promising application fields by assessing the potential of clustering in different regions of the country, are encouraging early steps in this direction. Clusters are the grouping of interconnected industries in the region that serve to increase the wealth of the population through the export of goods and services. The fact that clusters cover all links in the supply chain, and incorporate support services and dedicated infrastructure, distinguishes them from traditional practices. The geographic concentration of such clusters in areas with a high flow of goods and services create added value for the country's economy. Clusters are formed by companies and enterprises that operate in the same geographical areas and have certain similarities, associations or operation links in trade and production. Another important advantage of clustering is the creation of broad innovation development opportunities. Today, all over the world, clusters are considered to be one of the most effective forms of innovation vehicle. The merger of companies in the form of clusters prevents the spontaneous accumulation of different inventions and creates a well-balanced system for distribution and transfer of innovation, new knowledge, and technology capabilities.

Keywords: *foreign trade, clustering, export potential, supply chain, clustering policy, innovations*

ASSESSING THE IMPACT OF FOREIGN TRADE ON SOME SOCIOECONOMIC INDICATORS: CASE OF AZERBAIJAN

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ABSTRACT

The paper investigates impact of import, export and liberalization rate of foreign trade on poverty, employment and income inequality. For this purpose, Dickey-Fuller test and Granger causality tests were applied. The author comes to the conclusion that there is not causality relationship between foreign trade indicators and poverty rate, but there is such relationship between foreign trade indicators and household income.

Keywords: *import, export, liberalization, poverty, granger causality, income inequality*

REGULATION OF INTERNATIONAL LABOR MIGRATION IN AZERBAIJAN

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ABSTRACT

In the age of globalization the borders among the states are being erased and the new opportunities are being opened, including for the usage of the professional skills. Labor migration has existed throughout the entire period of society's life and this process is currently increasing on a global scale. Migrants often meet the barriers in their search for the most acceptable working conditions.

Keywords: *Migration, security, globalization, oil, region, employment, USSR*

ROLE OF SMALL ENTERPRISES IN ACCELERATION OF SOLUTION OF SOCIO- ECONOMIC PROBLEMS

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ABSTRACT

The aim of the research is to analyze the current situation towards increasing the role of small enterprises in acceleration of solution of socio-economic problems in Azerbaijan against the processes occurring in the global economy and financial markets and to provide scientifically substantiated practical proposals and recommendations. To this end, the significant impact of small enterprises in weakening the role of large enterprises, increasing the number of manufacturing enterprises, creating a competitive environment, accelerating scientific and technological progress, the process of denationalization and privatization of state property, increasing of the amount of taxes entering the profits section of the state budget, formation of a mechanism of transfer of capital from one to other field, development of cooperative relations, reduction of social tensions, increase of employment and solution of other necessary socio-economic issues is studied. The research was fulfilled under the research methods as a scientific abstraction and systemic analysis, logic generalization and statistical analysis. As

a result of the research, the existing situation of the small enterprises operating in our Republic is studied and their faced problems are analyzed. At the same time, the legislative framework in connection with the state support to small enterprises and other business forms and their activity opportunities are studied. Limited of the research: requires more extensive practical information. Practical importance of the research: may play a positive role in enriching scientific and practical knowledge of the specialists conducting researches in the field of small enterprises and other forms of entrepreneurship and working in this field. Scientific innovation and originality of the research: it was determined that the small enterprises in the transition economies and developing countries have greater potential to form a competitive environment in domestic market. This is also clearly seen from the experience of our Republic.

Keywords: *Competitive environment, Medium and large enterprises, Transition economy, Small enterprises, Socio-economic problems*

DYNAMICS OF STATE BUDGET EXPENDITURES AND ECONOMIC GROWTH: INTERNATIONAL EXPERIENCE AND CURRENT CONDITIONS

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ABSTRACT

At present, analysis of the effectiveness of fiscal policy through optimization issues, research of the cause-effect relationship between macroeconomic indicators such as economic growth, revenues and budget expenditures, and the evaluation of a

number of econometric models are necessary factors in political decision making. The necessity of these fields makes it important to research and analyze the effects of fiscal policy on the economy and therefore, the subject of the article can be considered actual. In order to examine the role of this macroeconomic phenomenon in the development of the economy and social welfare, the goals and objectives determined in the article have been consistently analyzed. Although the initial signs of the "2008 global financial crisis", which caused great losses in the world economy, were felt in the banking system, they also caused significant losses in fiscal structures. The next global economic crisis, which began mainly with the problems in the political relations of the world's leading countries and formed in late 2014, has created very difficult conditions in the fiscal environment of the states. These negative shocks in the world oil market have affected the economy of Azerbaijan and led to a several-fold decrease in the strategic foreign exchange reserves of the Central Bank of the Republic of Azerbaijan. In the article, the existing international experience of governments on fiscal policy frameworks has been analyzed and the effect of changes in budget expenditures in Azerbaijan on non-oil GDP for the period 2005Q1-2017Q3 has been assessed. As a result of the analysis, it has been elucidated that the Russian Federation, the Republic of Lithuania and Latvia, from the post-Soviet countries, chose a wider fiscal policy course during 2000-2017 years. After the 2008 global financial crisis, in post-soviet countries other than Azerbaijan, Moldova, the Russian Federation and the Kyrgyz Republic, financial spending declined for several years. As a result of econometric assessments, it has been determined that in the short term, a 1 percent increase in the current price of state budget expenditures led to a 0.36 percent increase in non-oil GDP, while in the long term, a one percent increase in state budget expenditures led to a 0.69 percent increase in non-oil GDP.

Keywords: *budget expenditures, economic growth, fiscal expansion, fiscal policy framework, government debt, non-oil GDP*

PROBLEMS OF THE IMPACT OF THE ECONOMY OF BANK LOANS ON THE DEVELOPMENT OF THE NON-OIL SECTOR

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ABSTRACT

Today, one of the most serious problems of most oil-producing countries is to minimize the dependence of the economy on oil. To reduce the dependence of the economy of all spheres on oil, the governments of these countries are taking steps to ensure superior development of the real sector. However, studies show that in some oil countries, although these goals have been set for many years, they are practically impossible to achieve. In developing countries, there are a number of reasons that impede the superior development of the real economy of these countries. And, if one of the conditions for solving this problem is the creation of a real business environment by the state, then another condition is to ensure the availability of financial resources for business. That is, if both of these conditions are met at a time, it will be possible to ensure superior development of the real sector. But, as research shows, it is almost impossible to witness cases of compliance with both of these conditions at a time in either of the developing countries. The main goal of the article is to analyze the role of bank loans in the business environment existing in Azerbaijan. Our main responsibility in this article is to determine the impact of bank loans directed to the real sector of the economy on GDP growth, including on GDP related to the non-oil sector. For this, ergometric modeling was used during the study. The study revealed that if the structure of general lending is not fundamentally changed, the impact of bank loans on the development of the country's economy will not be able to exceed the lower level. In addition, the primary problem that hampers the change in the existing lending system in favor of the real

sector is that the level of annual interest rates on loans often exceeds the level of profitability in the real sector by up to two times. Another problem is that loans to the real sector are short-termed. Through our research, we offer an optimized option for the terms and interest rates of loans issued to the real sector.

Keywords: *Lending, Interest rates for bank loans, Annual interest rate, Non-oil sector, Real sector*

BASIC PROBLEMS AND INNOVATIVE PRIORITIES BY DEVELOPMENT OF THE TRANSPORT SYSTEM

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ABSTRACT

The article analyzes the essence of the concept of "transport system" in modern Ukrainian economic thought. The main groups

of functional factors of the transport system development in Ukraine are identified. The priority measures, the realization of which will help to increase the efficiency of the transport system functioning and intensify integration processes with international transport systems. The place of autotransport in the structure of the national economy as a high-tech type of activity in the article was determined. The systematization of types of innovations in the field of autotransport into groups of industrial, infrastructure, logistic, service, information, security, environmental was carried out. The initial steps towards enhancing innovation in the field of auto transport were substantiated. The advantages of stimulating start-up activity in the field of auto transport were disclosed.

Keywords: *Transport system, Transport infrastructure, Development strategy, Social and economic well-being, National security*

TRANS-CASPIAN GAS PIPELINE-REAL OPPORTUNITIES OR ENDLESS PROMISES

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ABSTRACT

The energy wealth of Central Asia and the Caspian Territory is an important opportunity for the regional development. In fact, natural resources have become the engine of economic growth in these countries, and their current the importance has increased due to the huge infrastructure plans and strategic transport routes passing through this region. In this way, fossil wealth presented the battle an excellent opportunity to scale to the markets of Europe and China. From this point of view, the Trans-Caspian gas pipeline could become a symbol of the Eurasian

connection. In this article are analyzed the prospects and current opportunities for implementing the long-term Trans-Caspian Gas Pipeline project. This infrastructure could transport Turkmen gas from Turkmenistan to Azerbaijan, from where it could be transported to Europe thanks to the Southern Gas Transport Corridor. Such a global network of gas pipelines could connect Western Europe and Far East thanks to the reserves of Turkmen gas. But, the implementation of the Trans-Caspian gas pipeline seems to be far away, and the “responsibility” for this lies with the main partners and other regional stakeholders. Some internal problems and the lack of guarantees from Turkmenistan affect the implementation of the project, as well as doubts and other priorities from the Azerbaijan. In addition, Russia and Iran have always carefully assessed possible scenarios for the development of this plan, fearing the likely change in the usual gas route and the loss of their intermediary role. The convention signed in Aktau on the status of the Caspian Sea opened two possible ways: either the Trans-Caspian project will find new life due to the renewed interest of all parties, including the EU, or nothing will change and Russia and Iran will have legal instruments, allowing them to better control the future of this ambitious project.

Keywords: Caspian Sea, Energy Projects, Eurasian connection, Gas Pipeline

ECONOMETRIC ANALYSIS OF THE IMPACT OF DEMOGRAPHIC PROCESSES ON HUMAN CAPITAL FORMATION

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ABSTRACT

The statistical study of demographic processes is one of the priorities of statistics. In other words, the study of natural movement of population, marriage and migration processes is necessary for the development of optimal socio-economic and demographic decisions. One of the important conditions for the socio-economic development of Azerbaijan in modern conditions is an econometric assessment of the demographic situation of the population and its development tendency. Demographic processes are extremely difficult and complex to manage. Therefore, while assessing the dynamics and development tendency of socio-demographic processes occurring in the country and its causes, it is very important to take them in close connection with objective historical processes. Such an approach allows to make objective conclusions about the principles of development of human capital. In order to achieve the development of human capital, equal opportunities must be established for a creative person who can create knowledge in accordance with the needs and interests of the individual and the state. In this case, equal opportunities mean the acceptance of equal interests and needs of women and men. One of the most discussed issues in the context of the modern paradigm of human development is the existence of gender balance in all spheres of public life. The article provides an econometric analysis of the impact of demographic processes in the country on the formation of human capital. The indicators were developed using statistical grouping, tables, graphs, regression-correlation methods and

important results were obtained in the research process. The results of the analysis show that the formation of human capital as an innovative source of modernizing economy is of particular importance through the prism of gender inequality, in particular the number of women and men working in various enterprises and institutions, births, deaths, migration, educational level of those married and other socio-demographic indicators.

Keywords: *Human capital, Demographic processes, Gender, Correlation-regression, Econometric analysis*

SMALL AND MEDIUM ENTREPRENEURSHIP: PROBLEMS AND PERSPECTIVES

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ABSTRACT

Small and medium entrepreneurship is one of the strategic directions of the economic development of any country and one of the most important indicators of competitive economy. As a result of its development, opening the new jobs, providing the market with new goods and services, in general, forming the favorable economic environment is formed. The world experience shows that the development of small and medium entrepreneurship ensures the high economic growth dynamics of countries. Modern times are observed with the globalism of the economy, which is a complex process. The globalization process simplifies the interaction of countries, ensures the economical use of various resources and at the same time stimulates the development. Azerbaijan is also seen to enter and integrate into the world economic space. In Azerbaijan during 2018 year in the

economy of the country the share of the value of loaded goods, implemented works, rendered services amounted to 20.9% of small and medium entrepreneurship, but non-oil-gas sector it was 37.7%. As in many countries in Azerbaijan, support for entrepreneurship has become one of the priorities of the state economic policy. As a result of the work carried out in this direction, the legal base for the development of small and medium entrepreneurship is established, the state support schemes based on the state programs are constantly improved, and as a result of it, the measures are taken to the illegal interference and artificial obstacles. As we know, in the development direction of the national economy the strategic road map was adopted in 2016. One of the goals is to develop the favorable business environment. According to the indicators of January 1, 2019, the ready-made strategic roadmap of purchasing products in the category of small and medium entrepreneurship was fulfilled 52%, 11% was slightly fulfilled and 37% was expected to be re-implemented. It should be noted that one of the important tasks is the activation of investment activity of small and medium entrepreneurship and the expansion of opportunities to attract the financial resources to this sector. Coronavirus, which has become a nightmare, continues to have a negative impact in many countries. This disease has also influenced the small and medium entrepreneurship. The quarantine regime implemented in the country has a negative impact on the decline in labor activity and entrepreneurs operating in various sectors. In this difficult situation, the Fund to Support Fight Against Coronavirus has been established by the state. We hope that with the least losses and quickly the world will be able to get rid of this calamity.

Keywords: *The small and medium entrepreneurship, The state support, Globalization*

EDUCATION AND ECONOMIC GROWTH: THE CASE OF AZERBAIJAN

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ABSTRACT

This article examines the impact of education on GDP growth (non-oil sector), a key indicator of economic development in the case of Azerbaijan. In the study were used non-oil GDP per capita as a dependent variable, capital stock, total government expenditure, oil fund revenues, number of graduates of specialized secondary educational institutions, number of graduates of higher educational institutions, human development index as independent variables. Quarterly data covering 2003-2019 were used in the construction of the model. 9 models were built using Vector Error Correction Models. According to the results of the models education has positive significant effects on economic growth in model 1, 4, 7 in the short term, positive significant effects in model 1, 2, 8 and negative significant effects in models 6 and 9 in the long run. The best result among these models was obtained in Model 1 (independent variables are

capital stock, oil fund revenues and the number of graduates of specialized secondary educational institutions). Because almost all indicators in the first model for both short-term and long-term are significant.

Keywords: *Education, Economic growth, Azerbaijan economy, Vector Error Correction Model*

DIRECTIONS OF IMPROVEMENT OF THE FINANCIAL MECHANISM FOR STATE SUPPORT TO AND PROMOTION OF EXPORT OF FOODS IN AZERBAIJAN

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ABSTRACT

In Azerbaijan, along with the important role of domestic development factors in the formation of a competitive market economy and its integration to the world economy, foreign trade also plays an important role. Favourable natural-climatic conditions, implementation of the state programs on socio-economic development of the regions, rich traditions in the field

of food production and their export, the geographical proximity of potential foreign sales markets, and other similar factors indicate the presence of important prospects for increasing the export capacity of the food sector. From this point, the study of the problems in the development of the export capacity of the non-oil sector on the example of the food sector of Azerbaijan is of special importance. The research aims to study the processes occurring in Azerbaijan in connection with the development of the export capacity of the food sector, to analyze the existing situation and to provide proposals and recommendations in the improvement of activity of this sector. The research was fulfilled under the research methods as the logic generalization, systemic, comparative, structural-functional, economic-statistical analysis. As a result of the research, calculations were made to identify possible options to increase the efficiency of export operations in the food sector, and priority issues were studied to improve the financial mechanism of state support to and stimulation of food export. Limits of the research: requires more extensive practical information. The practical importance of the research: the suggested proposals and recommendations may play a positive role in enriching scientific and practical knowledge of the specialists working in the formation of the organizational structure of the financial mechanism of the state support to and promotion to the food export. The scientific innovation and originality of the research: The methodology for determining the efficiency of the use of domestic resources and comparative advantages in promising areas of the food production sector.

Keywords: *The export capacity of a country, Export operations, Foods, Promoting, State support*

ASSESSING THE DISTINCTIVE IMPACT OF COVID-19 ON SUSTAINABLE DEVELOPMENT GOALS

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ABSTRACT

The concept of sustainable development is considered as a key concept and a solution in creating a far and bright future for all of humanity. The real social and economic impact of the pandemic Covid-19, a main global problem in 2020, will affect to the achievement of sustainable development goals (SDG) which was adopted by the UN in 2015. the global economy decline, the process of self-isolation, the decline in demand for a number of goods and services, localization of production, the sharp increase in demand for advanced technologies, the changing in the balance of political and economic forces will have various directions that will affect the posed SDGs. The purpose of the article is identifying a number of positive resulting facts that contribute to the achievement and inhibition of the tasks. Based on empirical, statistical and comparative analysis, a study was conducted on the possible direct and indirect, as well as short-term and long-term positive effects of the pandemic. For example, it was found that calculation of apparent GDP losses should take into account its indirect increase. Thus, the strengthening of international health organizations care will affect the increased implementation of public safety measures. At task 3.6 of third SDG is to halve the number of road traffic deaths and injuries by 2020. WHO has estimated that road traffic accidents cost global

GDP 3%, the economic damage from a coronavirus pandemic will be less by just as much as the number of serious accidents caused by death and injury of a person under quarantine will decrease. In view of this and other facts, it is necessary to conduct research on the real effect of the pandemic towards achieving the goals of a sustainable future, taking measures and tasks of favorable conditions, can help maintain the same pace even after the quarantine ends.

Keywords: Covid-19, Distinctive impact, Positive affects, Statistical and comparative analysis, Sustainable development goals

EFFICIENCY-BASED DEVELOPMENT VERSUS DEMAND-LED AND SUPPLY LED GROWTH

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ABSTRACT

The paper argues that the possibility of demand-led and supply-led growth models to ensure economic growth is limited and states the feasibility of shifting toward an efficiency-based development model. In particular, monetary policy should aim at increasing efficiency in the real sector. For this, monetary policy should ensure that interest rates are set at the level of profitability

in the real sector as both a low and high interest rate adversely affects firms' efficiency. The paper also argues that a financial system based on equity financing and trade credit is more conducive to efficiency compared to debt-based model. The paper also argues that an effective way to contribute to efficiency in the real sector is a wealth tax which induces the productive use of assets that will cause an increase in efficiency in the real sector

Keywords: *demand-led growth, efficiency-based growth, supply-led growth, trade credit, wealth tax*

RENEWABLE ENERGY SOURCES IN CONDITIONS OF GLOBAL WARMING

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ABSTRACT

The average temperature of our planet is gradually increasing along with the concentration of greenhouse gases in the atmosphere and energy sector accounts for 60 percent of it. Regardless of which scenario the climate will change, forecasts until the middle of the 21st century differ little from each other - indicators begin to diverge from this period. Global investments in renewable energy from 2010 to 2019, reached the level of 2.6 trillion US dollars and capacities increased from 414 GW to 1650 GW. There are two ways to implement strategies to combat the threat of global warming: market and administrative. A market strategy may include a carbon tax, administrative - the prohibition of particularly "dirty" and to use "green" solutions. These instruments may be the introduction of a greenhouse gas tax, emission reduction subsidies. In addition, in order to improve low-carbon technologies and reduce costs associated with their

use, it will be necessary to invest additional funds in research and related professional training. The only way to make progress is to solve the problems associated with climate change as a development task. It will be possible to solve the problem of mitigating the effects of climate change through the adoption of various measures: from the spread of existing low-emission technologies and development of innovative technologies. Obviously, much will depend on world socio-economic development and on the path that humanity will choose: to preserve the environment or strive for economic growth, to act jointly or separately

Keywords: *Global climate change, Investments, Renewable energy, Method*

IMPROVEMENT OF THE FISCAL MECHANISM OF INNOVATIVE ECONOMIC DEVELOPMENT

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ABSTRACT

The ability of the mass media to process and store information, which is one of the most fundamental concepts that the IV Industrial Revolution has made, as well as the modern information society, has the advantage of enhancing globalization and the spread of human relations globally. Globalization accelerates innovation or renewal impacts on every environment through big data that connects to social systems such as inter-country cooperation, economy, culture, education. Today, the most exciting period of the digital age is seen, and in the global world, digitalisation of production is based on the production of specific products. The information

centers are exploring new areas of service that enable users to create products through digital media. The article states that financial education will improve public spending in the country as a result of studying science and training in this field. High technology of networking, cyber-attacks, online financial monitoring, strengthening the mechanism for directing public expenditure by local governments, investment analysis, risk management, robo-tips, trading algorithms access to opportunities such as trade, preventing the shadow economy, and increasing efficiency in public administration. In our modern economy, digital data, artificial intelligence, and data science and the Internet are all inclined to support the new industrial revolution. The ever-increasing proportion of large databases make digitalization, machine learning, and digitalization of people seriously essential. In this regard, our country has a significant advantage in terms of the age composition of the population in comparison with the European countries and the countries of the region. If the population growth in our country is triangular (that is, the number of younger population groups is higher than that of the older population), the increase in neighboring countries is rhombic. This means that in the near future there will be a large number of young people and high-tech people in our country, the growth of computer technologies and the expansion of internet and softening opportunities. Everything we do in the world we live in is increasingly turning the information flow into data. Data is not perceived as a new discovery in a globalized world. The development of new digital technologies connected to the Internet of Things, along with breakthroughs in the field of artificial intelligence and automation, will allow for a new production innovation. Creating smart factories, industrial equipment communicating with users and other machines, supporting automated processes and dynamic adaptation, as well as utilizing mechanisms that facilitate real-time communication between the industry and the market to increase efficiency, are key to the new challenges of the IV Industrial Revolution. Smart factories can benefit from

increased efficiency in the manufacturing process, product quality, durability and safety, and cost reduction.

Keywords: *Industrial Revolution, Financial Data Science, Internet of things, Digital Economy*

PROBLEMS ENCOUNTERED BY SMES IN EXPORT ACTIVITIES

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ABSTRACT

Nowadays, one of the main focuses of the countries targeting economic development is the internationalization of small and medium-sized enterprises (SMEs). Since the active role of SMEs in exports not only has a positive effect on economic growth figures, it will also enable them to produce higher quality products, to adopt new technologies for production and to improve social welfare by increased competition in domestic markets. In this context, most countries implement various subsidies and incentive policies. However, these policies do not always eliminate the export problems of SMEs. One of the main reasons for these policies to fail is to include generally accepted practices. In order to achieve success, the export problems that SMEs face must be analyzed deeply and the focus of the policies to be developed should be exactly these problems. Within this scope, the article aims to analyze the challenges faced by SMEs operating in different countries using secondary data and collects these problems into two main categories.

Keywords: *export problems, foreign trade, small and medium enterprises*

THE RELATIONSHIP BETWEEN TRADE OPENNESS RATIO AND ECONOMIC GROWTH RATE OF TURKEY: A COINTEGRATION ANALYSIS WITH STRUCTURAL BREAKS

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ABSTRACT

This study addresses Turkey's attempt to determine the relationship between openness and economic growth over a long period using structural break cointegration. First, the Zivot-Andrews and the Lee and Strazivich unit root tests, which allow structural breaks, were examined individually, and it was determined that the relationship was not stationary, even when the breaks were taken into account. In addition to the traditional cointegration tests, cointegration tests that allow structural breaks can help to determine the external breaks that occur in the relationship. In this context, the breaks that were externally determined by the Hatemi-J test are included in the model as dummy variables and are estimated and compared using the OLS and FMOLS. In the case of breaks with the CUSUM-SQ graph, the stability of the model parameters is empirically visualized, and the model is economically interpreted.

Keywords: *cointegration analysis, economic growth, trade openness, Turkey*

WAYS OF ANALYSIS AND IMPROVEMENT OF AGRICULTURAL ECONOMY IN THE MODERN REPUBLIC OF AZERBAIJAN

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ABSTRACT

The government programs adopted in the Republic of Azerbaijan in 2016 reflect the current wave of economic reforms in a market economy. These reforms have covered many areas, among which the agricultural economy is of particular importance. Thus, the existing potential resource base in this area creates ample opportunities to support the export-oriented economy. For this reason, the development of the non-oil sector in the country's economy has made the assessment of the effectiveness of investments in agriculture, the study of problems in this area and the implementation of diversification strategies in this area a topical issue. The total value of products produced in different sectors of agriculture was compared with the Gross Domestic Product and the volume of investment in this area. The purpose of the research is to study the comprehensive relationship of financing and management for the production of agricultural products. In this regard, the scientific article summarizes the field of study through the method of comparative analysis, shows the dynamics of development of individual structural areas, gives specific predictions on practical issues with the help of the regression method. It should be noted that one of the main tasks of the study is to identify the negative effects on the formation of the agrarian economy. The specificity of these problems is reflected in the interaction of very complex factor systems. The relationship between them, as a result of a system of factors, causes qualitative changes in the overall context of agrarian relations as a result of activity. The proposals put forward as a

result of the analysis of the study are aimed at the production of export-oriented agricultural products. Limited research, the lack of information on the productivity of agricultural workers in certain areas is one of the factors hindering the comprehensive analysis of the research. As a result of the study, it can be concluded that the funds allocated for agricultural products did not justify themselves. The reasons for the incomplete use of preferential funds allocated for government support in the field of financing of entities engaged in the production of agricultural products were indicated.

Keywords: *Agricultural entities, agrarian economy, economic activity, business environment, lending*

ASSESSMENT OF POLICIES AND STRATEGIES OF ECONOMIC INTEGRATION OF SMALL AND MEDIUM ENTERPRISES (SMES) IN MANUFACTURING SECTOR IN ETHIOPIA: THE CASE OF TIGRAY REGIONAL STATE

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ABSTRACT

Eradication of poverty requires multi-pronged strategies and actions involving both macro and micro policy initiatives on different fronts. Well-designed strategy satisfies the need for economic integration and economic growth. This should be addressed by the policy makers to support and co-ordinate the

local and international market, However, the strategy was not fully responding to this need. Thus, the development of Small and Medium Enterprises (SMEs) in manufacturing sector has been highly agenda on Tigray Regional State as a means of generate employment and reduce poverty. The purpose of this study is to assess the policies strategies and its implementation to support the economic integration of SMEs in Ethiopia, in the case of Tigray Regional State Mekelle. This study was employed qualitative research method. Collected data by interview 15 key informants and 8 focus group discussion including non-participatory observation of the researcher. The result also revealed that SMEs are the missing element, no support to middle enterprises in the strategies especially with related to finance rather focus on micro and large-scale enterprises; the level of implementation of the strategies of SMEs is less effective .The problem of knowledge on operational manuals and guidelines, inadequate capacity to solve the constraints of SMEs locally and internationally affects competitiveness of SMEs, There is also a poor coordination and communication platforms of the federal with regional bureaus, lack of creating backward and forward linkages large enterprises with SMEs, improving industrial relationship .All the above issues are not addressed by the strategies. SMEs are operated in a difficult situation suffering from financial constraint and work premises are found challenging to all SMEs. In addition, the commitment, capacity, and attitude of leaders at different level is weak. So, SMEs strategic should be revisited to incorporate the SMEs current issues and considering the political and economic situation in the ground ; the government officials should re-orient the implementation strategy of Growth and Transformation Plan II towards improving SMEs; leaders should be equipped themselves with the required knowledge and skills and positive attitude towards the policies and strategic of SMEs.

Keywords: *Small and Medium Enterprise, Economic Integration of Small Enterprises, Work premises*

LOGISTICAL ASPECTS OF CHINA'S "ONE BELT ONE ROAD" INITIATIVE FOR AZERBAIJAN ECONOMY: CONTRIBUTION TO ECONOMIC GROWTH

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ABSTRACT

The South Caucasian region started to capture China's attention in 2013 when the «One Belt One Road» Initiative was announced. China's interest to expand its economic impact in this region can be explained based on a few factors: the region's growing demand for large investments, the economic crisis of neighboring countries caused by US and EU sanctions against Iran, Russia, and Turkey. It should be noted the growing geo-economic role of Azerbaijan in the implementation of the big logistical projects such as Baku-Tbilisi-Kars railway, Free Economic Zone within Alat International Sea Trade Port, international transport corridors "East-West" and "North-South". These projects have increased Azerbaijan's viability to become a logistical hub on the trade bridge between China and Europe. Today 96 percent of trade volume between China and Europe is carried out via sea routes. China is interested in using the remaining 4 % via land routes throughout the territories of countries that the Great Silk Way passed through in ancient times. This article will analyze the historical and economic aspects of trade relations between Azerbaijan and China, assess the carrying capacity of its transport potential, the possibility of attracting new investments and accessing their impact on its economy and GDP as a whole. Today, the Chinese economic system, and the world economy, is facing a very strong enemy-the coronavirus. A sharp drop in

world oil prices on the background of coronavirus slowed global GDP and decreasing of demand for goods supplied by China to foreign markets. According to the Chinese government, the drop in exports for January-February 2020 in dollar terms was 17.2%. To strengthen ties with the world, first of all, all countries must be cured of this disease. And we believe that this difficult task will be solved and the "One Belt One Road" project will be realized.

Keywords: *Export, GDP, Great Silk Way, Investment, Logistical hub, Trade relations, Sea routes*

ANALYSIS OF EMPLOYMENT BY INDUSTRY TYPE IN THE REPUBLIC OF AZERBAIJAN AND SOME POST-SOVIET COUNTRIES

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ABSTRACT

The article is devoted to the study of employment by industry type in Azerbaijan and some post-Soviet countries. As known, the distribution of employed persons by different sectors of the economy is one of the key indicators that shows the level of development of the country's economy. The development of civilization has significantly changed the ratio of people employed in the economy in favor of service industry. A large share of this sector in GDP and employment is an indicator of the country's high level of development. In the post-Soviet countries which experienced a difficult period of transition, has formed a certain employment structure characterizing the level of

economic development. In sectorial structure of employment there can be traced progressive and regressive changes that occurring in the economy of the country. The purpose of the research is to assess the current trends in the sectorial structure of employment in Azerbaijan and some post-Soviet countries. The article analyzes the changes in the structure of employment in Azerbaijan during the period of independence. The progressiveness or regressiveness of these changes are assessed and the reasons are explained. The article provides information on the sectorial structure of employment in Russia, Kazakhstan, Belarus and Georgia and it also provides a comparative analysis of the data in these countries with the situation in Azerbaijan. As a result of the study, the basic data are generalized and recommendations are given to improve the sectorial structure of employment. The article used the methods of comparative analysis, synthesis and logical generalization.

Keywords: Sectors of the economy, Employment structure, Post-Soviet countries

IMPACT OF INNOVATIONS ON THE ECONOMIC ADVANCEMENT OF AZERBAIJAN

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ABSTRACT

This research article attempts to identify the significance of innovations and reviews the key factors behind the innovation-driven development of Azerbaijan's economy. It overviews the

major ongoing trends in the advanced economies and justifies the need for comprehensive macroeconomic governance and increase of investment flow. This governance features an integrated innovative approach benefiting from scientific and technological advance. The above defines relevance and importance of innovations at the current phase of social and economic development of Azerbaijan. The methodology is well wired to fundamental studies and researches carried out by the United Nations Organization, the World Health Organization, the World Intellectual Property Organization (WIPO), Cornell University, and INSEAD Research Institute. This study presents, inter alia, outcomes, analyzes innovative performance in industrial production, and identifies available resources and conditions for innovations in Azerbaijan, the neighboring countries, and global leaders in innovative development. The article looks into economic, production and other factors governing innovative development in Azerbaijan. The technological structure of the industry has been scrutinized based on the theory of long waves authored by N. Kondratyev. The structure depicts the country's economy as mixed. The performances of the country's high- and medium-tech production, hi-tech re-export, and ICT service export have been compared with those in the neighboring countries. The findings, propositions and measures proposed in this paper are seen applicable in monetary, investment and fiscal policies, short- and medium-term planning and forecasting, both micro- and macroeconomic. The findings and propositions adduced are applicable to monitor innovative development of Azerbaijan's economy and forecast a short-, medium- and long-term perspective.

Keywords: *Cycles, Factors, Innovations*

PROBLEMS OF APPLICATION OF QUALITY MANAGEMENT SYSTEM AT ENTERPRISES

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ABSTRACT

Currently, the most serious problem for enterprises is the creation of a quality system that will ensure the production of competitive products. The purpose of the study is to identify and substantiate the problems of quality management systems of enterprises and organizations that reduce the potential of these systems. For any company, it's vital it is important to maintain and develop effective quality management system (QMS), which allows you to develop effective ways to increase customer satisfaction with quality products that increase efficiency and organization competitiveness in modern dynamic business environment. One of the main goals of quality management is the operation of the enterprise Ensuring their satisfaction by building on the wishes and requirements of customers is to be made. That is why "customer satisfaction" is the main requirement in the standard and all operations focus on this issue. Therefore, ISO 9001 is used as the most powerful marketing tool in the modern market economy system. The application of the standard leads to an increase in sales of the enterprise, customer satisfaction, as well as the efficient use of enterprise resources, ensuring the firm's stability in the market by gaining the trust of customers. The article shows that in enterprises and organizations there is an incomplete use of the potential of modern quality management systems.

Keywords: *QMS, ISO 9000 series standards, Quality, Enterprises*

PROBLEMS AND SOLUTIONS IN CIVIL RELATIONS WITHIN THE IMPLEMENTATION OF E-MUNICIPALITY IN THE REPUBLIC OF AZERBAIJAN

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ABSTRACT

Municipal structures are interested in achieving high citizen satisfaction in the area, which is due to their responsibilities. For this reason, it is very important for municipalities to study and apply the modern capabilities of digital technologies and directly or indirectly affect their activities. According to this approach, the relevance of the article is based on the organization and improvement of e-citizen relations to support effective performance in modern municipal governance. Currently, there are certain problems in the full implementation of municipal services electronically. The reasons for these problems manifest the incomplete compatibility of municipal structures with technological changes, lack in funding for the introduction of e-services, qualified personnel in this field, as well as the ability of citizens to use e-services. The article primarily examines the concepts of local governance, information technologies and e-government from a theoretical point of view. The main purpose of the study is to study the methods of wider use of citizens by the range of e-services offered by the municipality. From this point of view, the establishment of an electronic citizen model can be considered as a scientific innovation of the research. The application of this model will make it possible to implement the process of submitting documents online. In addition, the participation of citizens in web surveys and analysis of the municipality's activities will allow them to quickly benefit from socially important projects. The new model proposed in the study is aimed at solving operational problems by performing the

function of a call center. Analysis of the research topic consists of synthesis, systematic analysis, comparative approach methods. The result of the study includes set out of the economic content for the digitalization of municipal services, as well as its features, role and manifestations.

Keywords: *E-municipality, Local self-government, E-citizen model, Information, Digital economy*

THE INFLUENCE OF DIGITAL ECONOMY ON THE POTENTIAL OF ENTREPRENEURIAL ACTIVITIES

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ABSTRACT

The digital economy should not be considered as a simple advanced type of economy which is based in general on electronics and microelectronics and which only specialization is to provide production and realization of respective commodities and services. Certainly, one of the main features of such type of economy is using computers in all possible spheres of economic & social development, but it is not enough to characterize it. In reality the digital economy is a new qualitative type of economy which is changing conditions of not only process of labor but of the whole life of population in contemporary states, so increasing the level of human capital. It can be seen from different points of view, examli gratia in widening potential of people's entrepreneurial activities. By saying this, we mean new different possibilities for contemporary human being to realize his/her own ideas as innovator, and we also should obligatory emphasize that he/she can do it both as a member of personal staff at the

modernized plant or as the owner of private entrepreneurial business. So we should also pay special attention to the fact of enlarging the people's financial potential particularly because of quantitative and qualitative widening of the sources of investments and receiving credits. The realities of digital economy positively affect the speed of investment decisions and also widen possible ways of profitable investing because they directly contribute to forming more favorable conditions of doing business and the whole environment for potential investors.

Keywords: *Digital economy, Entrepreneurial activities, Enlarging of investment potential, Increasing of the level of human capital*



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