



ANALYSIS AND EVALUATION OF SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT OF AZERBAIJAN

Hajiyev Fazil Shohlat

Azerbaijan State University of Economic (UNEC)
Department of "Finance and audit" charter, Ph.D
fazilhaciyev@yahoo.com, ORCID ID: 0000-0003-4675-3393

Asadov Aqil Makhiyaddin
Head of the Strategic planning division, Ph.D
a.asadov1976@gmail.com, ORCID ID: 0000-0002-8020-8922

ABSTRACT: One of the global challenges facing the humanity in the 21st century is to improve the sustainable socio-economic development of countries. Thus, significant results have been achieved in Azerbaijan's socio-economic development over the past decade. The main reason for this is the implementation of large economic projects to ensure continued development in Azerbaijan. Innovative development of the economy is associated with the solution of the problem of promotion of innovation, the formation and development of innovative entrepreneurship, fundamental tax reforms and elimination of staff shortages in this area. The most important thing here is that the future state of the Republic of Azerbaijan will find the key government program "Strategic roadmap for key sectors of the national economy". The socio-economic successes of Azerbaijan in recent years have also been reflected in the reports of reputable international rating agencies. Azerbaijan has been included in the top 20 reformist countries in the World Bank's Doing Business rating. In total, it ranks 34th out of 190 countries. The country is ranked ninth according to the Business Establishment Index. In this report, Azerbaijan entered the top five in the world in terms of starting a business by simplifying business registration and was ranked as one of the best practice countries.[17]. President Ilham Aliyev said at a conference on the results of the first year of implementation of the "State Program on socio-economic development of the regions of the Republic of Azerbaijan for 2019-2023". to raise the level of competitive states. Therefore, given the challenges of the modern world, rapid development in the region will continue. Taking into account all these pressing scientific issues, the article has become a research problem in the field of industry, agriculture, entrepreneurship and innovation in terms of effective implementation of the strategic roadmap and the importance of sustainable socio-economic development of Azerbaijan in general.

[Hajiyev Fazil Shohlat, Asadov Aqil Makhiyaddin. **ANALYSIS AND EVALUATION OF SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT OF AZERBAIJAN**. *Life Sci J* 2023;20(12):34-38]. ISSN 1097-8135 (print); ISSN 2372-613X (online). <http://www.lifesciencesite.com>. 04. doi:[10.7537/marslsj201223.04](https://doi.org/10.7537/marslsj201223.04).

Key words: strategic road map, social-economic development, industry, agrarian area, ownership, innovation.

1. INTRODUCTION

Successful industrialization in the Republic of Azerbaijan requires the strategic roadmap to strengthen the country's industrial potential, modernize its infrastructure, and create and develop industrial parks capable of producing competitive products that meet international standards. At present, the share of industry in the economy exceeds the national average by 30%. According to the United Nations Economic Commission for Europe, Azerbaijan ranks first in Europe for its industry share in GDP. [Hajizada E.M.] Accelerating this development A Decree of the President of the Republic of Azerbaijan dated December 6, 2016 approved a strategic roadmap for the development of heavy industry and mechanical engineering in Azerbaijan. It shows that the strategic roadmap for heavy industry and mechanical engineering, including short, medium and long-term periods, is a

strategic review and action plan for 2020, a long-term vision for the period until 2025, and a target for the post-2025 period.

The Strategic Roadmap for Industrial and Machine Building states that as a result of the socio-economic policy set out by national leader Heydar Aliyev, the country's economy has grown rapidly over the past decade; diversification of the economy has diminished dependence on the oil factor, and the share of the non-oil sector in economic growth. . The global economic processes since 2008 have further deepened the need to improve the competitiveness of local businesses, reduce dependence on imports, and accelerate the dynamic development of the non-oil economy and the efficient use of human capital, the locomotive of an innovative economy. In this regard, as a result of a comprehensive analysis of the priority sectors of the national economy, including international consultants, consistent efforts have been made to apply a sectoral approach and to develop specific proposals for relevant areas.

At a meeting with President Ilham Aliyev on January 13, 2020, he stressed that "Azerbaijan should be the leader of the Fourth Industrial Revolution. Currently, the fourth industrial revolution allows Azerbaijan to change its role in the global revolutionary competition. This will allow us to fully utilize the existing potential of the country's economy and promote innovation." [17] Thus, 9 enterprises with total investment of \$ 1.1 billion were granted resident status at Sumgait Chemical Industrial Park. Of these, the Azertechnolayn plant, which produces steel and polyethylene pipes, mechanical and hydraulic equipment, was launched in 2013. More than half of the plant's output has already been exported. In addition, in 2017, enterprises will produce high-pressure hose and fittings, MST Engineering Services, construction products and additives, Swiss-based chemical company SIKA, a manufacturer of high quality synthetic and semi-synthetic lubricants. Alco Lubricant Company, Agrochemical Azerbaijan, which produces pesticides and agrochemicals, and 3 more polypropylene and high-density polyethylene in 2018, Baku Ferrous Metals and Ferroalloys Company, It produces glass boards based on Float technology [www.azstat.org].

Engine oil processing by 5 residents of Balakhany Industrial Park, PET scrap recycling, printing and printing products using waste paper, production of various products from recycled plastic materials, woodworking 5 an enterprise was established. Residents invested 22.4 million manat into these enterprises. Entrepreneurship has been created to attract new residents to Balakhany Industrial Park [www.azstat.org].

Five enterprises in the industrial zone with total investment of more than 49 million manat - Sun Rise Production, which produces cardboard glasses in the Neftchala Industrial Zone, Togrul-2008, a polyethylene tube manufacturer, Petroqoaz, a manufacturer of rural disposable installations, Providence Doytch Limited, which manufactures modular school buildings, and Kahf companies producing fish feed, and Azeurocar manufacturing cars. [www.azstat.org].

Work on the establishment of the Masalli Industrial Zone, established by the Decree of the President of the Republic of Azerbaijan on June 13, 2016, is continuing. Entrepreneurs are very interested in the industrial zone. Thus, entrepreneurs have already submitted 33 projects totaling more than 30 million manat. These projects cover mainly furniture production, car repair, aluminum and plastic door windows, and various types of building materials. In addition, a private initiative industrial zone was established in Agstafa. [Hajiyev F.Sh].

Resident of Garadagh Industrial Park - Baku Shipbuilding Plant operates in the construction, repair and maintenance of maritime and engineering activities

of various purpose vessels that meet the most modern requirements. In 2016, the plant commissioned Ufug, Zafar and Turan passenger vessels with a capacity of 80 passengers each. To date, the company has built 50-ton towers. The plant also completed the construction of the 6th Generation Semiconductor Pantons and handed over to the customer. The largest current order for the plant is the design and construction of the Khankendi Submarine Building, worth \$ 378 million for BP [Hajiyev F.Sh.].

2. COOPERATION PROCESS

In recent years, rapid growth in business and property revenues has been driven by the creation of a business environment and the strengthening of private property, which has led to improvements in the legislative framework, increased government care for various sectors of the economy, improved tax administration, and taxation. the introduction of a modern approach. Increasing incomes by a significant percentage increase in inflation has led to an increase in both final consumption and effective savings.

As a result of the dynamic development of the business environment, the country has created favorable conditions not only for local investors, but also for foreign investments. The procedures for starting a business have been substantially simplified, many tax breaks have been identified in the tax legislation, and measures have been implemented to promote entrepreneurship and exports. Private sector, SMEs are not just about improving the business environment and creating new jobs. The development of innovative entrepreneurship, in fact, contributes to sustainable socio-economic development in the country, which is a major radical reform. This reform is being successfully implemented in accordance with the decrees and orders of the President of the Republic of Azerbaijan.

In accordance with the Decree of the President of the Republic of Azerbaijan "On Additional Measures for the Development of Entrepreneurship" dated March 3, 2014, further improvement of business and investment climate, including simplification of procedures, expansion of electronic services, prevention of groundless inspections and other directions. continued. The tasks defined in the Decree require extensive reforms in 8 areas of entrepreneurship [4].

Systematic measures are now being taken to develop the country's entrepreneurship and improve the business environment, and a more progressive regulatory framework is being developed, taking into account international best practices. As a result of reforms in the field of electronic registration of business entities, foreign trade transactions, registration of rights to immovable property, necessary changes were made in the legislation on building permits, improvement of corporate governance, protection of investors' interests and bankruptcy.

At the same time, the Law of the Republic of Azerbaijan "On regulation of inspections in the sphere of entrepreneurship and protection of the interests of entrepreneurs" approved by the relevant Decree of the President of the Republic of Azerbaijan contains many important provisions.

At present, the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, has implemented a number of complex and consecutive measures in recent years in accordance with the strategic line "The future development of our country depends on the development of entrepreneurship", effective government support, tax incentives, subsidies and the efficient distribution of risks. Creating industrial and technology parks and zones, agricultural parks, business incubators, organizing educational events, business

forums, exhibitions, etc. As a result of such measures entrepreneurship has become a leading force in the economy. The share of private sector in GDP exceeded 80% and 75% in employment. In recent years, President Ilham Aliyev's decrees and orders have improved the business licensing system, prioritizing local businesses in procurement, customs, export and investment promotion mechanisms, with a particular emphasis on business development.

All this allows expanding business activity in the country and, first of all, to increase the gross domestic product. In this regard, it is advisable to pay attention to the output of small businesses by types of economic activity in the country:

Table 1. Share of production of small business by types of economic activity (in percent)

| Nº | Name of the fields | 2018 | 2019 | 2020 | 2021 | 2022 |
|------|--|------|------|------|------|------|
| 1 | Under the all fields of the economy-total | 8.6 | 9.6 | 10.6 | 10.5 | 10.7 |
| 1.1 | Agriculture, forest and fishing | 1.5 | 1.8 | 4.3 | 4.8 | 5.1 |
| 1.2. | Industry | 1.4 | 1.2 | 1.6 | 2.2 | 2.4 |
| 1.3 | Construction | 17.8 | 12.6 | 16.0 | 5.0 | 5.0 |
| 1.4 | Repair of retail and wholesale trade machines and bicycles | 57.5 | 53.1 | 49.8 | 46.9 | 47.1 |
| 1.5 | Transport and warehouse | 13.4 | 15.1 | 16.0 | 18.8 | 18.9 |
| 1.6 | Living organization and social housing | 28.2 | 49.4 | 49.9 | 50.3 | 50.8 |
| 1.7 | Information and communication | 1.4 | 4.3 | 5.8 | 7.8 | 8.0 |
| 1.8 | Operations under immovable property | 22.1 | 14.7 | 22.4 | 31.2 | 31.9 |
| 1.9 | Education | 1.7 | 18.6 | 19.5 | 24.7 | 25.1 |
| 2.0 | Rendering health and social services to people | 8.7 | 12.2 | 18.5 | 25.8 | 25.9 |
| 2.1 | Other fields | 50 | 46.9 | 41.6 | 44.9 | 50.1 |

Source: Statistical indicators of small business in Azerbaijan (2022) Baku, p 22

As can be seen from the table, since 2018 small businesses have been increasing their production volumes dynamically every year. This increase is mainly due to the following sectors: national economy, agriculture, forestry and fishing - 5.1%, industry - 2.4%, wholesale and retail repair of motor vehicles and motorcycles - 47.1%, transport and warehousing - 18.9%, property - 31.9%, education - 25.1%. 25.9% in service provision and 50.1% in other sectors, the construction sector has not changed in the last two years.

Generally, creating favorable conditions for expanding entrepreneurship in a transparent business and healthy competitive environment is one of the key areas of successful policy for Azerbaijan's dynamic and long-term development. This policy has led to a significant increase in the role of the private sector, including business, in the national economy, as well as in

the development of the labor market and job creation in the creation of new jobs.

3.CONCLUSION OF THE ANALYSIS

At the conference of the President of the Republic of Azerbaijan on the production and sale of agricultural products in connection with the State program of socio-economic development of the regions of the Republic of Azerbaijan for 2019-2023, one of the tasks is to create agroparks in the regions. Work on the creation of 51 agroparks and large farms totaling 2.4 billion manat is underway and 45 investment projects totaling 759 million manat have been issued on 23 agroparks and 20 farms, all of which are the main areas of the agrarian sector. This will contribute to the development of cotton production.

In 1919, productivity was increased as a result of the use of advanced technology in cotton production,

one of the most important areas of the agricultural sector. Productivity in cotton fields was 29.5 centners.

As it turns out, with the support of the state, it is possible to achieve any goal that is set when the work is properly organized. As President of the Republic of Azerbaijan Ilham Aliyev noted, "we have almost restored cotton production in Azerbaijan and will continue to develop only in the years to come." [17]

Cotton development will also give impetus to the development of the light industry, and one of the nine plants in the light industrial park set up in 2016 in Mingachevir is a spinning factory. Supply it with local production will help to increase revenue.

At present, extensive work is being done to revive traditional and export-oriented industries, with regular stimulus measures being taken. One of these areas is also barbarism. Taking into account the favorable conditions for barbarism in our country, the rich experience accumulated in the past, a number of measures are being taken to promote the employment. After a long break, some improvements were made in the production of cocoons. So, our ducks have delivered 22.6 tons of barrels, which is six times more than in 2018. In the production of baramas our miners earned about 204 million manat.

Speaking at the session dedicated to the results of socio-economic development of the Republic of Azerbaijan in 2019 and tasks for the future, President of the Republic of Azerbaijan Ilham Aliyev said: Azerbaijan produces about 5 manat per kilogram of barley delivered to processing facilities in China, with 4.5 million mulberries delivered from the People's Republic of China in 2016-2019 at the expense of state funding to strengthen the new cement production facility. According to the investment program of the year, 200 tons of drying cellars and 120 square meters of drying houses in Zardab, Fuzuli, Barda, Aghsu, Zagatala regions The construction of the wells is nearing completion.

The focus is on the development of inventiveness in traditional agricultural sectors. According to the UN Food and Agriculture Organization, Azerbaijan ranks fourth in the world in terms of hazelnut production. Our country produces about 35 mint nuts a year. In order to accelerate the development of hazelnuts, supply of hazelnut seeds and give it to producers, 700,000 manat was allocated by President Ilham Aliyev's order.

"The goal is to create an additional 40,000 hectares of hazelnuts in a few years starting in 2016, and this process is going to be of great interest to farmers," said the head of state. Here, the state takes on a great role, as all necessary equipment, technical measures and fertilizers are purchased at the expense of the state. The state buys it and gives it to farmers for free. I would like to emphasize once again that the policy shows itself in this direction. We are also expanding the geography of hazelnuts and are currently working in 13 areas.

In general, in 2016, the country brought in the largest foreign exchange nuts: \$ 105 million. At present, there is potential for growing nuts in 46 regions. According to calculations, it is possible to double the production and export of hazelnuts, and easily transfer the currency to 200 million.

Real steps are being taken to establish additional nut trees. In 2016, 16328.5 hectares of hazelnut trees were planted. Of these, 3158 ha belong to Zagatala, 2264.2 ha to Balaken, 2250.2 ha to Gusar, 2037 ha to Khachmaz, 1787.5 ha to Gakh and 1203 ha to Guba. [www.azstat.org]

One of the perspective areas of the agrarian sector is the vineyard. As noted at a meeting of the Cabinet of Ministers, vineyards have developed over the last years at the expense of state support. New gardens are being planted and vineyards are expanding. In this regard, a "State Program on the development of viticulture in the Republic of Azerbaijan for 2012-2020" was adopted to develop viticulture and winemaking under the strategic roadmap. The creation of new vineyards, the expansion of cultivation of table and technical grape varieties, the creation of seed farms and production of basic and auxiliary materials for the vineyards, the provision of vineyard infrastructure, and the maintenance of the vineyard and implementation of activities such as capacity building and so on. In connection with this, in the gardens of 15 hectares of ampelographic collections in Ganja and Absheron, 6 indigenous American varieties are grown, as well as 310 varieties of grapes imported from Azerbaijan and the world. Loss of valuable local grape varieties is prevented. It has been estimated that the number of native grape varieties in the country is usually around 200 or 450, which is generally accepted. In addition, 16 tables and about 20 technical grape hybrids have been created, and new technologies of white and red, as well as Nectar tableware and dark wines have been developed. At the same time, significant resources are allocated by the state for the development of viticulture, the processing industry is preserved, and the number of refrigerators built to keep the grapes supplied is growing.

All of this necessitates the implementation of a number of new measures in the agricultural sector of Azerbaijan for the effective implementation of the strategic roadmap.

4. CONCLUSION

Large-scale reforms in the Republic of Azerbaijan in recent years have had a positive impact on sustainable socio-economic development of the country. As a result, the face of cities and villages of Azerbaijan has changed, and the lifestyle of people has changed. Wide-ranging state programs have been implemented, and socio-economic problems that have been addressed by the people have been addressed. Production and social infrastructure facilities were created, new jobs were created. Azerbaijan's integration into the world economy has accelerated. The Republic has strengthened its leadership positions in the Caucasus and increased its authority in the world community.

Formation and stimulation of sustainable socio-economic development in the country on the basis of deep economic reforms will allow, first of all, to increase gross domestic product and improve the standard of living of the population:

- Improve the normative and legal acts on the regulation of sustainable socio-economic development in the country.
- Efficient use of investment for sustainable social and economic development.

- Accelerate the country's socio-economic development in line with the strategic roadmap objectives.
- Creation of innovative industrial potential for sustainable socio-economic development in the Republic.
- Creating conditions for the formation and development of innovative entrepreneurship in foreign countries.
- Focus on studying the experience of developed countries for sustainable socio-economic development in the regions.

In general, the radical economic reforms in the socio-economic sector under the implementation of the strategic roadmap contribute to the growth of gross domestic product and private sector development. This creates conditions for reducing dependence on imports and expanding non-oil exports.

LITERATURE

- [1] Order of President of the Azerbaijan Republic "On strategy roadmap on national economy and main sectors of the economy" dated 16.12.2016.
- [2] Order of President of the Azerbaijan Republic "On announce of 2014 year as Industry Year" dated 10.01.2014.
- [3] Order of President of the Azerbaijan Republic "On announce of Agriculture year in the Azerbaijan Republic" dated 12.01.2015
- [4] Order of President of the Azerbaijan Republic "On announce of Ownership Day in the Azerbaijan Republic" dated 21.04.2016
- [5] "Azerbaijan 2020: A glance to future" development conception. Baku. 2012, 41 p
- [6] State program on development of vineyard in the Azerbaijan Republic during 2012-2020 years.
- [7] www.azstat.org-State Statistics Committee of the Azerbaijan Republic. Baku. 2021. 21p
- [8] Little ownership in the Azerbaijan Republic. Statistic context (2018). Baku "Science" 210 page
- [9] Ibrahimov I.N. (2010) Regulation issues of ownership activity. Textbook (in Azerbaijan language) Baku "Science" 248 page
- [10] Samadzada Z.A. The main characteristics of economic development model of Azerbaijan in XXI century. Strategic analysis journal. Strategic research center, v 5, 2012, page 9-21.
- [11] Abbasov A.B. (1998) Ownership activity: organized types and development problems. Baku "University of Economics" publishing 212 p
- [12] Hajizada E.M. (2018). World economy and Azerbaijan textbook (in the Azerbaijan language). Baku "Science" 918 page
- [13] Hajiyev F.Sh. Analysis of innovated industry potential and audit evaluation. Azerbaijan taxes journal 2016, N1. Page 143-154
- [14] Hajiyev F.Sh. Role of taxes in stimulation of ownership activity in the Azerbaijan Republic. Azerbaijan taxes journal 2016, N4, pages 71-86
- [15] <http://anfes.gov.az> Website of national fund to ownership assistance
- [16] Kolos A.B. Organization of ownership activity. 2005, page 416
- [17] "Khalq" newspaper, dated 13.01.2021
- [18] Asadov A.M. "The necessary factors in formation of new transportation systems in sustainable development condition". Amerika, Acta Zhengzhou University Overseas Edition, An International Journal "Life Science Journal", (Thomson Reuters ISI indexed, Impact Factor: 0.158), 2013;10(12s), səh. 256-261;
- [19] Humbatova S. , Hajiyev N. "Two-factorial functional analysis of eco-nomic development in the regions of Azerbaijan". Journal of Polish Agricultural Universities (EJPAAU), 2017, 20(4), <http://www.ejpau.media.pl/volume20/issue4/art-03.html>;
- [20] Ibragimov Z.H., Lieonov S.V., Pimonenko T.V. "Green investing for SDGs: EU experience for developing countries". 37th International Scientific Conference on Economic and Social Development – "Socio Economic Problems of Sustainable Development". Baku, 14-15 February 2019, p.868-877;
- [21] Jason Z., Norman W. Garrick, C.A. Palombo "Guidelines on developing performance metrics for evaluating transportation sustainability". Research in Transportation Business & Management, 2013, Vol. 7, pp. 4-13;

12/22/2023