

**Varazdin Development and Entrepreneurship Agency and University North**  
in cooperation with:  
**Azerbaijan State University of Economics (UNEC), Azerbaijan**  
**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**

70th International Scientific Conference on Economic and Social Development

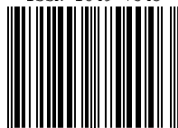
### **Book of Abstracts**

Editors:

**Sakit Yagubov, Sannur Aliyev, Mihaela Mikic**



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**Mihaela Mikic, University of Zagreb, Croatia**

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Due to the Covid-19 restrictions and epidemiological measures, the Program of the Conference has been scheduled online. All Sessions and Presentations have been presented via Zoom platform.

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## **OPTIMIZATION OF THE OPERATION PHASE OF THE ENGINEERING PRODUCTS**

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### **ABSTRACT**

*A method for optimization of the operating of the engineering products in terms of minimizing costs for consumers is proposed. The issues of economic justification of the service life of the machine and the conditions for its replacement with a new product are considered. The principle of exploitation during an economically justified service period is caused by initial cost and current operating cost for obtaining the best value to minimize cost for consumers during the exploitation period of the product. The solution areas for replacement of the products with the same exploitation indicators but with different price ranges were identified. The mathematical method for determining the operating costs of the product is shown. A widely used indicator is the product life cycle (PLC), which includes the steps of creating a product, its operating, and its disposal. Thus, at first, the idea of a new product in the form of a general construction arises, which is embodied in a set of design documentation. In the design process, the first optimal design problem is solved with certain criteria and optimization goals, which should be based on the requirements for the production and operating the product. At the stage of product creation, material means are invested and labor resources are involved, as a result, the product is put into production with a certain production series. In this case, the second optimization problem is solved, which, as a rule, aims to reduce production costs. After the product is sold on the market, the stage of its operating begins.*

*At the same time, the interests of the consumer determine the third optimization problem - minimization of the operating costs and establishing the optimal service life, at the end of which the product is to be disposed of. The formulated optimization problems of the life cycle are ambiguous and closely related. The fact is that in most cases of commodity-market interactions there exists the so-called consumer dictatorship since the consumer determines the feasibility of acquiring a particular product, based on its needs and financial capabilities. However, a producer dictates is also possible, especially in a monopoly economy, when the consumer has no choice in the market. With antitrust laws in force, this is rare. The third optimization problem (operation phase) is the main and determining one, the remaining tasks have a subordinate character.*

**Keywords:** *product performance, price, optimization, costs, service life, exploitation period, cost minimization*

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## **QUALITY ASSURANCE IN AZERBAIJAN HIGHER EDUCATION**

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### **ABSTRACT**

*Nowadays, higher education is considered as a sphere of public policy with its economic and public dimensions rather than being merely an education topic. The role of non-state participants in the higher education field is more and more enlarging within the new policy contexts exceeding national borderlines. Plenty of participants at diverse levels, from transnational organizations to students as persons are included in the policy procedure. That is why the field of higher education policy represents a complex*

*process where policy-making processes are intertwined with different participants and turbid borders. Quality assurance is one of the policy areas that best symbolize this complication with many stakeholders on the global, public and institutional grade. Globalization and international rivalry carry the quality issue to the position of prominence in many high education systems. For the Quality assurance system to proceed regularly and without interruption, higher education institutions are included in both internal and external evaluation processes. Education Quality Assurance Agency, the institution in charge of the external evaluation of the universities in Azerbaijan, plays a guiding role by providing feedback to the institutions which have completed the process. In the Azerbaijan higher education system, as in other countries, quality assurance has become an essential agenda item in recent years. The new higher education system approach of the Azerbaijan Republic Ministry of Education has been defined as mission differentiation and diversity, flexibility, and institutional autonomy which require a significant transformation in the current system. In this study, quality assurance in Azerbaijan higher education is explored following the conceptual framework of the policy process.*

**Keywords:** Azerbaijan higher education, Education Quality Assurance Agency, quality assurance, university

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# **APPLICATION OF KEY PERFORMANCE INDICATORS (KPI) IN THE ASSESSMENT OF THE ACTIVITIES OF COMMERCIAL ENTERPRISE IN TURBULENT ENVIRONMENT AND THEIR ROLE IN INTERNAL AUDIT**

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## **ABSTRACT**

*When using financial and non-financial indicators to evaluate the performance of commercial organizations, it is easy to analyze the share of net profit in sales. As a result, it is possible to assess the return on capital or observe the positive dynamics of net profit during the year. While many internal audit functions provide consistent value for organizations, the process of measuring and transmitting that value is not as one-size-fits-all. Thus, there is a need to ensure the perception of both reality and the consistent value provided. In this case, the internal audit should focus on its mission, as well as how they serve and communicate the results to various stakeholders. It should help identify details that reflect the relevant and consistent value of the internal audit, taking into account the needs of stakeholders. Emphasis is placed on strong internal audit policies and procedures, the capabilities of internal audit staff, and measures to address the company's key risks. In this case, a balanced approach is recommended where updates and related statistics are conducted and reported. If this is done, the value of the internal audit will undoubtedly be measured more accurately. Key Performance Indicators (KPIs) set pre-established long-term goals.*

*These are the financial and non-financial indicators that organizations use to assess and strengthen their success. It is very important to choose the right indicators to be used for measurement. To measure the effectiveness and efficiency of such work, it is necessary to measure the level of performance of the system through the KPI. In a competitive global environment, process organization requires customer orientation and the necessary flexibility. This article provides an example of the organization of the process, the application of key performance indicators, its role in internal audit.*

**Keywords:** KPI, internal audit, balanced scorecard, performance, Commercial Enterprise

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## **ROLE OF ECOLOGICAL FEATURES OF LANDSCAPES IN THE ESTABLISHMENT OF NATURAL AND ECONOMIC BASE OF LIVESTOCK ACROSS THE GREATER CAUCASUS PART OF AZERBAIJAN**

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### **ABSTRACT**

*The article explores the landscapes of summer and winter pasture of high livestock importance, including the areas suitable for forage supply in the Greater Caucasus territory. Though among*



*cultural landscapes, the pasture and hayfield complexes present in this territory have been formed much earlier compared to others, the natural structure of it has been retained well in contrast to other transformed landscapes. Unfortunately, the pasture and hayfield landscapes that were subject to long-term agricultural use have been transformed due to related severe anthropogenic impacts. The essence of this study is the development of livestock areas in the Greater Caucasus not only based on seasonal grazing but also through creating loop livestock farms. Thus, the cultivation of forages in compliance with an effective agro technical approach may ensure the preservation of the landscapes' ecological properties in the study area. The establishment of closed farms in the field of research is also economically efficient and promising. In addition to the ecological changes in the landscape in nomadic livestock, animals' productivity in the direction of meat and dairy products is also low. Thus, closed farming is a more efficient area for increasing the fodder base and generating more economic income. Certainly, in the development of closed farms, our country can benefit from European countries' experience that has had their say in this area for many years. One of the most critical factors in establishing such farms is the training of qualified specialists, and our country has already taken significant steps in this direction. The article also compares the work done to increase the fodder base over the years and shows agricultural crops' sown areas.*

**Keywords:** *Greater Caucasus, forage supply, natural forage base, mountain landscapes, livestock, pasture and hayfield complexes*

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# ANALYSIS OF THE ELASTICITY THEORY PROBLEM FOR THE RADIAL INHOMOGENEOUS TRANSVERSAL- ISOTROPIC CYLINDER OF SMALL THICKNESS WITH A FIXED LATERAL SURFACE

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## **ABSTRACT**

*The axisymmetric problem of the theory of elasticity for the radially inhomogeneous transversely isotropic cylinder of small thickness is studied by the method of asymptotic integrating the equations of the theory of elasticity is used to study. It is assumed that the elastic moduli are arbitrary positive continuous functions of the cylinder radius. The lateral part of the cylinder is taken fixed, and the stresses are set at the ends of the cylinder, leaving the cylinder in equilibrium. Homogeneous solutions are constructed. The asymptotic behavior of the solution is studied as the thickness parameter tends to zero. The nature of the stress-strain state is explained. It was found that the stress-strain state is composed only of a solution having the character of a boundary layer, equivalent to the Saint-Venant edge effect of the theory of inhomogeneous transversely isotropic plates.*

**Keywords:** *axisymmetric problem, radially inhomogeneous cylinder, boundary layer, boundary Saint-Venant effect, variational Lagrange principle*

## EDUCATION POLICY AND FINANCE

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### **ABSTRACT**

*The young generation that emigrates from their homeland to receive foreign education may decide to continue their life overseas, which hinders a country's future advancement. The phenomenon of student outflow urges the government to employ policies to prevent such a process. If the government does nothing to bind its young citizens to their motherland, they can emigrate themselves without any state support. And those who left their motherland under the pretext of studying may decide to stay there, which means losing potentially high-skilled workforce. The following research argues that merit-based financial aid and the enclosure of official contracts between state and students can serve as tools to stem the process of emigration of gifted youth. Though the work is based on qualitative research methods, some numerical information is also collected and analyzed in addition to the face-to-face interviews. This paper aims to spread awareness about the negative consequences of student emigration, demonstrate to general society and the government the effectiveness of merit-based financial aid as a tool to alleviate the drain-away and promote such a solution.*

**Keywords:** *student emigration, educational policy, economic advancement*

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## **PROBLEMS OF INNOVATIVE DEVELOPMENT OF ENTREPRENEURSHIP IN THE CONTEXT OF CLUSTERING OF THE ECONOMY**

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### **ABSTRACT**

*The article examines the role of the cluster concept in the innovative development of entrepreneurship, property relations in innovative companies and cluster policy as the main organizer of the state's economic policy. Although the effects of cluster programs are sometimes contradictory, the popularity of cluster policies has not decreased, and in most developed market economies, the process of clustering the economy continues at a rapid pace, and ways and means to improve the effectiveness of cluster programs are being sought. The article presents the concept of innovative development of entrepreneurship, which includes the essence of the state mechanism of innovative development, subjects of management and their balance. The cluster approach will ensure the growth of commodity production and strengthen the competitive position of industries and their regions. As a result of the changing situation in world markets, sharp fluctuations in prices for exported natural resources and products containing natural resources in production occur, which, in turn, leads to higher inflation. In order to neutralize the impact of inflation, it is proposed to create an investment fund to promote innovative development and allocate to this fund surpluses in comparison with the optimal amount of actual income from the export of natural resources, and in return*

*provide them with benefits for the payment of aggregate tax, including value added tax, profit tax, excise tax and mineral extraction tax.*

**Keywords:** *entrepreneurship, innovative development, cluster policy, public administration mechanism, investment fund, tax incentives*

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## **METHODS OF FORMING THE EFFECTIVENESS OF STRATEGIC MANAGEMENT**

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### **ABSTRACT**

*The article addresses the company's approach as a whole, moving from the company's overall objectives and planned outcomes to the goals and results of each group, each person, and vice versa - from individual performance to the company's overall outcome. Any business operates with a specific strategy that is required to build the company's activities in accordance with long-term general plans, with a specific current scenario and specific performance results. The success of the current campaign is greatly influenced by the team's clear policies. For example, one of the consultancy firms developed a strategy of not collaborating with businesses interested with alcohol and cigarettes, reducing the circle of possible clients and eliminating very lucrative customers. This, of course, decreased the firm's current economic performance, but improved the social efficiency that the firm prioritizes over immediate outcomes, improving the firm's*

*reputation. Politicians don't only restrict and guide the organization's operations; they also minimize potential options to activities that can be monitored, analyzed, and chosen as the most efficient.*

**Keywords:** *financial stability, strategic management, efficiency, goal setting*

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## **ECONOMETRIC ANALYSIS AND ASSESSMENT OF THE LEVEL OF DIGITALIZATION OF THE ECONOMIES OF THE COUNTRIES OF THE WORLD**

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### **ABSTRACT**

*Digitalization is the introduction of digital technologies in different areas of life to improve its quality and development economy. It helps to perform routine tasks and make decisions without human intervention. The essence of digitalization in process automation is the transition of information to a more accessible digital environment, where it is easier to analyze it, and then get an accurate solution autonomously. The challenge of digitalization is to make the process flexible. The digital economy is not a separate industry, in fact it is a way of life, a new basis for the development of the system of public administration, the economy, business, the social sphere, and the*

*whole society. The formation of a digital economy is a matter of national security and independence of every country in the world, competition of domestic companies. The article examines the impact of the digitalization process on society and the economy of the modern world. The aim of the study is to conduct statistical research and assess the level of digitalization of the economy countries of the world. The focus is on assessing the level, dynamics and directions of information and communication technologies development in the economies of the countries of the world on the example of the international index of digital economy and society (I-DESI). The strongest and weakest countries were identified, and the impact of components (sub-indexes) of the I-DESI index on GDP was studied. To assess the level of development of the digital economy in domestic and foreign assessment systems, several approaches are used. A wide range of methodological approaches is due to the intertwining of various concepts and interpretations of the digital economy. For this study, the digital economy and society index, which is a composite measure that studies the digital indicators of Europe, developed by DG CONNECT (the European Commission) to provide an evidence-based contribution to the assessment of digital development in the EU as a whole, is considered as an assessment of the level of digitalization. Based on the sub-indexes of this index, a multidimensional classification of the countries of the world was carried out. The main components method identifies the main factors that were used to identify their impact on the level of GDP in various clusters. The Statistica package is used for information processing and analysis. This study examined the values of sub-indexes of the I-DESI index in five dimensions: communication, digital skills, citizens' use of the internet, integration of business technologies, and digital public services. According to the hierarchical classification based on these sub-indexes, 2 groups of countries were identified. Using the k-means method, the features of each cluster are identified. Comparisons of cluster analysis results by sub-indexes were made based on data from 2020 and 2019. Using the main components method, five main factors were identified out of*

*twenty indicators characterizing the I-DESI index and their influence on the level of GDP in various clusters was revealed. The analysis of twenty indicators of the I-DESI 2020 index, applied in the method of main components, by the directions of the index itself, the economy in the context of GDP and the social sphere (life of society) through the HDI (human development index) in various clusters was also carried out. According to the research, two groups of countries were identified by the level of digitalization. This cluster is mainly represented by developing countries, which still have a large share of production in GDP. The level of GDP in the first cluster countries with a high I-DESI index was mainly influenced by factors that characterize fixed broadband and digital public services. Two groups of factors also influenced the GDP level of the second cluster countries. One group of factors combined variables that characterize new technologies in business, the other group - the use of the Internet by the population. The study of the development of the digital economy has allowed us to conclude that in general, the trend of rapid spread of modern technologies is developing around the world. This suggests that society in the context of the state and the individual needs to be mobile and ready to adopt new technologies in advance.*

**Keywords:** *digitalization, digital economy, the main components method, multidimensional classification, the digital economy and society index*

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## **CURRENT STATE AND POTENTIAL OPPORTUNITIES OF THE SECURITIES MARKET IN AZERBAIJAN**

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### **ABSTRACT**

*In every society, the securities market plays an important role in broadening the field of financial relations. Facilitating economic entities' access to financial services and growing productivity in the diverse use of resources are two important aspects of the country's economic growth. In this regard, one of the key factors driving economic growth is the efficient use of capital resources in various sectors of the economy, and the securities market's position in obtaining these resources is undeniable. Therefore, the functioning of Azerbaijan's organized stock market is one of the most significant factors in the country's economic growth. This paper evaluates current state and potential opportunities for the securities market in Azerbaijan, and it shows that in contrast to other countries, Azerbaijan's securities market is very young. However, there has been a recovery and improvement in all segments of financial markets in the light of the country's accelerating economic growth and deepening structural reforms, and there is a solid potential for growth. Furthermore, it has to be given attention as a part of ongoing economic reforms in terms achieving economic diversification and stimulate non-oil sector growth. The President of the Republic of Azerbaijan has launched Securities Market Development Program in 2011 to further advance this sector. The advent of market makers to increase liquidity in the securities market, as well as the transparency of operations and the improvement of corporate standards, have all paved the way for this area's development. Some of the works achieved for the development of this sector in the recent years include increasing market awareness, explaining the benefits of*

*the sector to the key plays, as well as introducing the Baku Stock Exchange's Listing Advisory program.*

**Keywords:** *Financial securities market, Azerbaijan, economic growth, economic reforms*

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## **EVALUATION OF THE QUALITY LEVEL OF THE MACHINE INDUSTRY PRODUCTS BY THE INDEX QUALIMETRY METHODS**

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### **ABSTRACT**

*Quality indices are used to assess the quality level of heterogeneous products. They make up an index of quality control. The article describes the methods for determining quality indices and defect indexes of professor A.V. Glichev and professor V.K. Fedyukin. The quality index depends on the relative quality index and the relative volume of a certain type of product. The defect index depends on the defectiveness factor of the n-th product and the weighting coefficient of a certain defect. The contribution of each i-th type of product to the defect index is shown in the diagram in the form of a circular sector. The quality index and the defective index are universal indicators that evaluate the quality of the enterprise's products. The paper assesses the quality level of heterogeneous products being repaired by a machine-building enterprise. To get a real idea of the product quality level, you should use pie charts based on relative indicators of the product quality. It demonstrated that average losses caused by the defects per unit of one product typical size were permissible by the production capabilities of the enterprise. Having evaluated the quality level of 50HP32radial piston pump, YMP-7511 engine, SMZH-81hydraulic jack using*

*two different methods, it was found that in both cases the quality index of heterogeneous products in considered period is higher than the base. The defectiveness index is acceptable in a considered period by the production capabilities of the enterprise. The main direction of index qualimetry is the evaluation of changes, the speed of the "movement" of the product quality indicators, and processes.*

**Keywords:** *coefficient of weight, index, quality, evaluation, defectiveness, central angle*

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## **FISCAL MECHANISM IN A TRANSITIONAL ECONOMY AND STATE REGULATION OF ECONOMIC GROWTH**

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### **ABSTRACT**

*Each state independently determines for itself the main directions of the budgetary and tax mechanism. It is necessary that the fiscal mechanism is well adapted to new social relations and consistent with world experience. At present, it acts as the main instrument of the state's influence on the development of the economy, determining priorities and economic and social development. The state of the domestic economy depends on the fiscal policy pursued. The state will have to fulfill the main tasks with the help*

*of fiscal policy: create predictable fiscal conditions, balance the state and regional budgets, and reduce the shadow sector of the economy. The present main directions of budgetary and tax policy are aimed at the implementation of the budgetary and tax strategy for the medium term, the unconditional fulfillment of both previously adopted and accepted expenditure obligations, and increasing the efficiency of budget expenditures. In this regard, budget and tax regulation is an integral part of the state's interests. In order to implement the principle of a balanced budget, so to minimize the budget deficit, the process of drafting, approving and implementing the budget must proceed in accordance with the rules: budget regulation follows tax regulation. This sequence is unchanged. In the coming period, implement measures in the region aimed at preserving and developing tax potential, ensuring fiscal sustainability in the medium and long term is necessary.*

**Keywords:** *fiscal policy, budget, tax regulation*

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## **FEATURES OF HUMAN RESOURCE MANAGEMENT INNOVATIVELY ACTIVE COMPANIES**

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### **ABSTRACT**

*The article examines the features of human resource management in domestic innovation-active companies. The approaches of domestic and foreign experts to the problem under consideration are described. The results of a pilot study of the opinions of the heads of 118 domestic companies are presented, groups of innovatively active (33%) and non-innovative companies (67%)*

*are distinguished. The features of the strategy and practice of human resource management, contributing to innovative activity, are analyzed. The authors come to the conclusion that in those companies in which innovative projects are carried out, there is a holistic strategy for their implementation, including software practices aimed at the formation of innovative working behavior of personnel. Scientific achievements and advanced technologies have radically changed and continue to change the way of the world economy, forming the structure of a post-industrial society. These patterns directly affected Azerbaijan, which faced serious problems associated with the insufficient efficiency of the system of organizing, managing and supporting scientific and technological progress, mechanisms of reproduction and rational use of innovative resources of science, as well as the implementation of its achievements in the economy. Human resources is a term that characterizes, from a qualitative, substantive point of view, the staff or all personnel of an enterprise, labor force or labor resources of an industry, territory, region, country as a whole. Along with the traditional features that are inherent in the elements of the defined population - personnel, personnel, labor force, labor resources, the term "human resources" includes the ability to create, defines potential opportunities for the all-round development of employees, general culture and moral reliability, a certain effect of cooperation and self-organization, first of all, collective forms of labor organization and acceptance decisions, "quality circles", "team spirit", as well as improving labor relations, self-motivation, entrepreneurship.*

**Keywords:** *human resource management, innovative work behavior, innovative activity*

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## **FUNDAMENTAL DIRECTIONS OF STATE SUPPORT FOR EXPORT ACTIVITIES OF SMALL AND MEDIUM-SIZED ENTREPRENEURSHIP IN AZERBAIJAN**

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### **ABSTRACT**

*The purpose of this study is to study the state of support for small and medium-sized businesses, as well as a theoretical and methodological analysis of the economic problem, study the possibilities of expanding this support, develop proposals and recommendations based on scientifically grounded forms, moreover, to determine the importance of increasing export activity in ensuring economic development, the main conditions for increasing the country's export potential, to stimulate exports based on an assessment of the current state of export operations, to increase the country's export potential and stimulate its use. to develop proposals and recommendations to improve the legal framework. The objectives of the study are: to determine the importance of export activity in the modern system of economic relations, to study the main conditions for increasing the export potential in the Republic of Azerbaijan and the stimulated means of using the export potential, to substantiate the need for legal regulation of state intervention to increase the export potential of Azerbaijan and promote its implementation, to analyze the system of legislative acts regulating the implementation of export operations, to study the existing mechanisms of state support in the field of export stimulation in our country, assessment of the use of export potential based on the analysis of the current state of the country's export operations, identification of challenges facing the current state of export potential, to study the main directions of using the experience of foreign countries in increasing the export potential and stimulating exports, to*

*determine the directions of improving the legal framework in order to increase the export potential and stimulate exports in our republic, etc.*

**Keywords:** *Export policy, Economic Growth, Small and Medium-sized Enterprises, SMEs Role in Economy, Socio-Economic Development*

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## **BUDGET AND TAX POLICY OF THE GOVERNMENT OF AZERBAIJAN AGAINST THE CORONAVIRUS**

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### **ABSTRACT**

*The challenge of COVID-19, thrown to virtually all human beings, forced them to take urgent decisions. The COVID-19 epidemic required the government to adopt operational solutions to minimize the spread of the virus, as well as to support the economy and the population. Similar to the main areas of anti-crisis policy, the developed and developing countries are differentiated, first, by the volume of support and, secondly, by the set of tools used. Resolutions adopted by the Government of Azerbaijan fully agree with international practice in the areas of support. In this regard, the stated volumes and priority tools of neutralization of the negative socio-economic consequences of the pandemic in Azerbaijan differ from the leading economic world. The most important tasks of the Strategy for the further development of Azerbaijan in the conditions of the pandemic are the improvement of tax administration, the continuation of the course on the reduction of tax breaks and the simplification of the tax system. The main objectives of tax reform in Azerbaijan are*

*to ensure financial security and the development of small and medium enterprises in the country, the creation of favorable conditions for entrepreneurship and budgeting. The creation of a favorable institutional environment for small and medium-sized businesses contributes to the diversification of the economy, the expansion of the non-oil sector on the principles of development, the opening of new jobs and, at the same time, its modernization. Timely reform of the system of state management allows Azerbaijan not only to adequately respond to the challenges of the pandemic period, but also to formulate tasks and defense mechanisms for the entire post-pandemic system of key interference. This work is dedicated to the study of tax policy in Azerbaijan in overcoming the pandemic. There is a review of scientific literature and normative legal acts, synthesis and analysis of the information obtained, as well as comparisons and analogies.*

**Keywords:** *Tax policy, pandemic, tax system, tax benefits and holidays*

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## **ANALYSIS OF THE IMPACT OF AZERBAIJAN'S OIL STRATEGY ON THE DEVELOPMENT OF NON-OIL SECTORS**

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### **ABSTRACT**

*After the independence of the Republic of Azerbaijan in 1991, the main leading area of national economic development fell to the oil sector. Despite the country's economic difficulties in the first years of independence, foreign investment in the oil and gas sector in 1995 by the world's leading companies boosted the economy. The signing of the so-called "Contract of the Century" agreement with the oil companies of developed countries (DCs) in 1994 played an important role in increasing the country's financial capacity, boosting economic growth and maintaining currency stability in the following years. The full operation of the Baku-Tbilisi-Ceyhan oil pipeline in 2006 led to the peak of oil export revenues to Azerbaijan between 2006 and 2012 and led to the rapid development of the national economy. Azerbaijan's new oil strategy started with the "Contract of Century" between newly-independent Azerbaijan and multinational oil corporations reached the following achievements. Ensuring rapid access of Azerbaijan to the world energy market through the involvement of international oil corporations in oil and gas projects, foreign business circles as a whole, establishment of an export pipeline system to ensure free and rapid access of Azerbaijani oil to the world market, signing of 26 oil agreements with foreign oil companies since the contract the Deal of the*

*Century. The oil strategy of Azerbaijan provided the flow of billions of dollars into the national economy, and the gained money supports the reform today non-oil export sectors including manufacturing, agriculture, non-oil industry as well as entrepreneurship. This paper illustrates that the oil strategy of Azerbaijan today provides the flow of petrodollars to Azerbaijan, and this in turn provides liquidity of the reform in non-oil sectors.*

**Keywords:** *Oil strategy, Azerbaijan, non-oil sector, diversification*

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## **XENOBIOTICS - AS A MAJOR FACTOR AFFECTING HUMAN HEALTH**

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### **ABSTRACT**

*In this article, we propose to consider the problem of human interaction as a biological species with a multitude of synthetic and strange substances in general, which have recently been intensively added to the huge amount of natural xenobiotics produced by plants, fungi, microbes and viruses. This problem is considered to be general biological, where chemicals, among other things, were and especially now are the most powerful factor of evolution and natural selection. Nutrition is one of the most important factors mediating human relationship with the external environment, and determining the state of health.*

*Rational nutrition creates conditions for the normal physical and mental development of the body, supports high performance, contributes to the prevention of diseases, and provides significant attention to the ability of the body to withstand the effects of adverse environmental factors of the physical, chemical and biological nature. Currently, the problem of xenobiotics as a whole has not only been developed, but also has not been touched. It should be noted that the identification of particular aspects of the effect of xenobiotics on humanity does not exhaust the problem of the relationship of living beings with chemical compounds of the environment. The value of the chemical factor of natural selection with the development of civilization will increase until a certain point, when scientists and society realize the tremendous importance of studying this problem and will not learn to control this system of the body.*

**Keywords:** *xenobiotics, human health, environment, balanced diet, harmful factors*

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## **DIRECTIONS OF BUDGET FINANCING OF SCIENTIFIC AND INNOVATIVE ACTIVITY IN THE REPUBLIC OF BELARUS**

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### **ABSTRACT**

*The purpose of the article is to consider the financing of scientific and innovative activity in the Republic of Belarus. Improving the effectiveness of an innovative development strategy of organizations in national social and economic systems is one of the key objectives in today's conditions of strong competition.*

**Keywords:** *Innovation activity, Planning, Financial resources, Social processes*

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## THE ISSUES OF FINANCING OF ACTIVITY OF OIL AND GAS INDUSTRY

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### ABSTRACT

*The oil and gas sector has high export revenues, but this does not relieve it of the need to solve the problems of financing large-scale, highly risky investment and innovation projects. Currently, leading oil and gas companies are seeking to finance innovation activities at their own expense, formed on the basis of net profit and depreciation. In the context of globalization, in order to ensure high rates and quality of economic growth, increase its competitiveness and efficient use of resources, the main task is to develop innovative activities of enterprises of all sectors of the economy, including the oil and gas complex. State financing in the form of budgetary and tax benefits is directly related to technologies at an early stage of development, since these stages are characterized by significant technological barriers, time-consuming and non-guaranteed commercial benefits. Other various methods of state support and private financing from venture funds and various other funds, institutes and*

*organizations are characteristic of the subsequent risk stages associated with the stage of demonstration of a prototype and its commercialization. However, this mechanism should be based not only on the optimization of tools and methods for financial support of innovative processes of oil and gas sector enterprises taking into account foreign experience.*

**Keywords:** *state, financing, economic development, oil and gas sector*

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## INTERCULTURAL DIVERSITY AND MANAGEMENT

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### **ABSTRACT**

*As an environmental factor in the cultural atmosphere, it affects the activities of enterprises and managers in the country. The purpose of this study is to determine whether the activities of country managers are related to national cultural values and how these values affect country managers. For this purpose, in the article I tried to explain the history of the development of culture and management, how it developed and changed. At the same time, I tried to show that intercultural differences lead to management differences by referring to the research of GLOBE-an interdisciplinary study on culture and management, Trompenaars, Schwartz, Hofstede.*

**Keywords:** *Management, culture, cultural dimensions*

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## THE ROLE OF DIGITAL ECONOMY IN THE DEVELOPMENT OF FINANCIAL SYSTEM

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### **ABSTRACT**

*The digital finance is one of the key components of public policy, and it is particularly relevant in terms of the efficient utilization of financial resources, improving the quality of management in the financial system, and the formation and implementation of perfect financial services in coordination with international standards in modern globalization condition. The digital financial market of Azerbaijan is currently experiencing a rapid growth period, driven by digital financial decisions for more mature markets, such as the application of online payments and transfers, which are typical for emerging economies, and on the other hand, investment insurance, crediting and management. This area was one of the first to introduce advanced technologies such as biometrics and blockchain, and was the driving force behind the application of the national digital identification system. The economic structures, including the public sector, regulators, digital financial companies, banks and other financial institutions, should further promote innovation in this area by strengthening relevant regulatory and partnership relations in the digital financial system. The aim of the research is to investigate the theoretical and practical issues of the formation and development of the digital economy in the growth of the financial system based on the experience of developed market economies. Research methods such as scientific abstractions, comparative and empirical analysis, and logical generalization were used in the research. The practical significance of the research is to enrich the scientific and practical knowledge of the experts working in this area, as well as for the development and implementation of the digital economy in the fiscal policy of*

*developing countries. The article reveals the role of the digital economy in the development of the financial system, and its impact on improving the existing financial infrastructure by highlighting the essence, content and character of digital finance in a global context. The importance of financial innovation in the digital financial system of the country has been identified, the potential benefits of digital finance such as efficiency, competitiveness and new business models have been emphasized, and the importance of partnerships with digital financial service providers is emphasized. The expansion of SMEs opportunities by enhancing of digital finance as well as improving the efficiency of regulatory processes and control over financial market participants have been substantiated by the application of innovative technologies. The current situation of the digital economy in the financial system of Azerbaijan has been analysed and evaluated, the existence of potential opportunities for the wider use of digital financial technologies in the country have been revealed, and relevant recommendations have been made in their implementation.*

**Keywords:** *financial system, digital economy, digital finance, financial innovation, innovative technology*

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## THE INFLUENCE OF ENZYME PREPARATIONS ON GENERAL INDICATORS OF GRAIN

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### **ABSTRACT**

*Wheat used for human consumption is customarily processed into flour. The most important fraction of the by-products obtained during grain processing is bran, which constitutes approximately 25% of the microstructure of the grain. The bran fraction also consists of the starchy endosperm and the aleuron layer, because it is impossible to completely separate all the anatomical parts of the wheat grain. Bread made from white and refined flour is devoid of many biologically active compounds. Furthermore, these compounds are concentrated in bran. It is known that the use of whole-grain products reduces the risk of disease. A research aim is to research the effect of fermentation by using a phytase-based complex enzyme preparation to change the microstructure of anatomical parts and some indicators of wheat composition. *Hordeum vulgare* L. "Karabakh 22" (R2 P 1) wheat sort was fermented in solution of phytase-based (manufacturer of *Penicillium canescens*) complex enzyme preparation for 15 hours at a pH 5.5 in a 55 ° C thermostat. The drug contains xylanase and phytase, selobiohydrolase,  $\beta$ -glucanase (phytase 12005 units / g, xylanase activity - 801 units / g). A pH 4.5 citrate buffer was used to maintain the pH level. Grain: water ratio is 1: 1.5. The concentration of the enzyme preparation was 0.7 g / l. Local grains and dry grains was used as examples. The analysis was carried out under the Jmol JSM 6390 electron microscope. Antioxidant activity was determined by spectrophotometric*

*method in alcohol extract. The polypeptide content of the total protein in the grain was determined by gel-chromatography. Determination of phenolic compounds was carried out by high-efficiency liquid chromatography on the Milichrome-5-3 device.*

**Keywords:** grain, protein, enzyme preparation

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## **ECONOMIC IMPACT OF TOURISM IN AZERBAIJAN: A SAM-BASED MULTIPLIER MODEL**

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### **ABSTRACT**

*A social accounting matrix is a square matrix that reflect all transactions between economic agents in a specific economy for a specific period of time (usually one year). While it is a comprehensive snapshot of the economy recording economic flows related to production, income generation and its distribution and redistribution among economic agents, it is also an important basis for different types of models. A SAM extends the classical input-output tables, and because reflects both distribution and redistribution of income alongside with production linkages, economy can be analysed in a more*

*consistent way using SAM compared to IO models. Therefore, in this paper, a SAM multiplier model was used to estimate the impact of tourism sector on other sectors of the economy, and at the contrary, the impacts of changes in other sectors on tourism sector. Tourism is one of the main sector of economy and until pandemic it was considered an important area for both emerging and developed economies to compensate for weak export earnings from other goods and services. With the development of the non-oil sector in Azerbaijan as one of the main directions of the economy, the development of the tourism sector was in the spotlight. However, during the Covid-19 pandemic, the tourism sector is one of the most negatively affected sectors. In this regard, the assessment of the impact of changes in this sector on other sectors and the country's economy as a whole is important both in terms of analyzing the current situation and also identifying areas for economic recovery in the post-pandemic period.*

**Keywords:** covid-19, input-output models, multiplier analysis, social accounting matrix, tourism

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## **IMPLEMENTATION'S PERSPECTIVES OF THE HACCP SYSTEM FOR FOOD SAFETY**

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### **ABSTRACT**

*Hazardous food products originating from microbiological contamination are in the first place, measured by the nature and degree of danger to people's health. All of the activity of microorganisms in the product causes chemical and physical changes. In most cases, these processes are undesirable they*

*deteriorate consistence, taste and even spoil the product. Microorganisms causing food poisoning are of particular importance. According to the list developed by World Health Organization, the degree of food poisoning and frequency of food poisoning cases occurred mostly in milk and dairy product care attributed to the first category (food poisoning, which is the main source of food and its components). The application of HACCP system in milk processing enterprises plays an important role for the human body in order to produce safe products. Thus, HACCP system developed in order to maintain and control the placement of the emerging threats at each point of production. HACCP quality system developed individually for each institution and process separately. The end, result of each production evaluated by the quality of the product. Great importance attached to the quality of food, because it depends on human health and even life. Today, the concept of "quality product" for the consumer means a safe product with health-promoting features and visual appeal. Food safety is important and, above all, the object of sanitary and hygienic control. Food safety is always a focus, as there is always the possibility of danger to the consumer in the food market. Responsibility for controlling the production and safety of food products lies not only with producers but also with state regulators. The food safety system, which includes the elements that make up such a system, is the most effective tool for consumer protection. These include the regulatory framework that establishes product requirements, metrology, conformity assessment, control systems and market control. The basic model of quality management and food safety is the HACCP system. The article explores this system in more detail and explores the prospects for the application of the system.*

**Keywords:** Food safety, food products, HACCP system

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## **MANAGEMENT ACCOUNTING OF EXPENDITURES IN THE IN HIGHER EDUCATION INSTITUTIONS: CHOOSING OPTIMAL METHOD OF COST ACCOUNTING**

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### **ABSTRACT**

*The article discusses the issues of choosing the optimal cost accounting method in a higher educational institution, which enables effective management decisions in a higher educational institution (HEI) to improve the quality of education and the competitiveness of the institution. Scientific novelty lies in the development of methodological foundations for the development of an optimal cost accounting method in a HEI. Applied value - Within the framework of the study, an optimal method of cost accounting in the system of a HEI was proposed, the main stages of the development and implementation of this method were described. Economic efficiency of work - The development and implementation of an optimal cost accounting method in a HEI will improve the quality of the provision of educational services, thereby increasing the competitiveness of a higher educational institution at the world level.*

**Keywords:** *management accounting in HEI, expenses, cost accounting methods, cost calculation, cost rationing*

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## **APPLICATION OF THE BANCASSURANCE MODEL IN AZERBAIJAN: PROBLEMS AND PROSPECTS**

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### **ABSTRACT**

*The article explains the essence of the bancassurance model, comments on the results of the analysis of the current state of the banking and insurance market in the context of world experience and notes the main trends in its development. The coverage of some problems of the Bancassurance model is of particular importance. The article examines the changes in the intersection of banking and insurance segments of the European financial market. The interaction of banks and insurers is important for modern financial markets. One of the modern forms of interaction between banks and insurance companies is bank-insurance synthesis, ie the process of integration of banks and insurers for the purpose of selling both insurance and banking products. At the same time, there is a merger of sales channels, insurance of banking risks, access to each other's internal financial resources. The type of bank insurance, which is quite widespread in the West, has not developed in Azerbaijani banks. There are several reasons for this. First, the relatively small size of the business of Azerbaijani banks makes such insurance very expensive for banks. Second, the lack of experience of Azerbaijani insurance companies severely limits the range of possible participants in such insurance by insurers. Finally, the lack of legislation and regulations for Azerbaijani banks to protect against risks, as well as relevant business traditions, does not force banking institutions to take out such insurance. Due to low demand from customers, the share of financial and commercial risk insurance contracts in the portfolios of insurance companies is also small.*

*The main risk is the high level of dependence of insurance companies on the banking sector. The type of bank insurance, which is quite widespread in the West, has not developed in Azerbaijani banks. Today, the regulator is tasked to increase the share of insurance premiums in non-oil GDP by 1.8% (against the current 0.8%) by 2020. There is a need to create new insurance products in order to expand the insurance market, cover the uninsured population with insurance products, increase access to financial services and support the diversification of the economy. The share of insurance premiums is expected to reach 1.4% by the end of 2021. Another problem in the insurance market is the lack of services offered. While more than 300 insurance products are used in the world, only 40 insurance products are used in Azerbaijan. Thus, our research suggests that there are a number of serious problems that banks and insurance companies need to address in the application of the "bank insurance" model at the current stage of development. In our opinion, the effective development of the "bank insurance" model requires a common interaction of regulators, banks and insurance companies. We believe that raising the level of awareness about the need to apply the "bank insurance" model will significantly activate the "bank-insurance" model in Azerbaijan and raise it to a higher level of quality. The purpose of the article is to clarify the nature and principles of organization of the banking insurance market, to explain the interaction of its participants, to identify the advantages, disadvantages, modern trends and conditions necessary for the future development of this process in Azerbaijan. This topic is studied for the first time in the Azerbaijani economic literature.*

**Keywords:** *Financial market, bank-insurance market, banks, insurance companies, sales channels of insurance products, problems of bank-insurance market*

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## **IMPACT OF NATURAL RESOURCE ENDOWMENT ON THE ECONOMIC DEVELOPMENT OF AZERBAIJAN**

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### **ABSTRACT**

*The purpose of the research is to study the relationship between the endowment of natural resources and the economic development of the country using the example of Azerbaijan. The presence of rich oil and gas fields and the involvement of Azerbaijan in global projects for the transportation of oil and gas led to the dominance of the gross domestic product of the oil and gas sector. Thanks to the measures taken by the government of the Republic of Azerbaijan in the 2010s to diversify the economy, the non – oil sector began to develop. The study carried out a correlation analysis and linear regression multiple analysis of empirical data, reflecting the impact of oil production, investment, employment and other indicators on the Gross Domestic Product. It was found that the availability of natural resources does not have a predominant effect on economic growth in Azerbaijan. For natural resources to be of great benefit to citizens, efficient management of natural resource export revenues is essential. The research results show that the abundance of natural resources should not impede successful economic development. The problems associated with the country's increased vulnerability to external shocks, the risk of “Dutch disease”, often associated with a strong dependence on natural resources, are quite serious, but they can be solved with the help of appropriate institutions and policies.*

**Keywords:** *Azerbaijan, economic development, Gross Domestic Product, natural resource endowment, oil production*

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## PROBLEMS OF FORMATION AND DEVELOPMENT OF ECOLOGICAL TAXATION

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### **ABSTRACT**

*Currently, there is no unity of approaches to the definition of the concept of environmental tax, the modern understanding of the essence of this type of payment does not have uniform, clearly formed semantic boundaries. This means that the formation of such borders is the task of every state. The purpose of the study is to study the formation and development of an effective ecological taxation. Because, an effective system of environmental taxation is one of the main instruments of public policy, which has many advantages compared to traditional methods of environmental regulation and other instruments of environmental policy. The main advantage of taxes and other market instruments in comparison with traditional methods of environmental regulation, such as standards, quotas, prohibitions, is efficiency. In general, efficiency means that the taxpayer can achieve the same environmental effect at a lower level of his costs or achieve a greater environmental effect at the same cost level. It is primarily about establishing a different tax burden depending on the extent of environmental damage caused by the activities of the taxpayer. Taxation becomes objective when the one who pollutes the most and pays the most. It is also important to note that the transition to environmental criteria in the taxation of transport does not eliminate the need to take into account the wear of the roadway, which actually takes place. Abroad, this is the purpose of the heavy vehicle tax, which is usually calculated depending on the indicators of the weight of the car, as well as the number of axles of rotation*

**Keywords:** *taxes, government, economy, finance*

## **DIAGNOSTIC ANALYSIS OF THE DEVELOPMENT OF THE RECREATION AND TOURISM SECTOR**

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### **ABSTRACT**

*The article discusses recreational and tourist areas from the point of view of a systematic approach. The principles of diagnosing the development of recreational and tourist areas are outlined. The main groups of factors influencing the development of the recreational and tourist system are identified: statistical (natural, cultural-historical) and dynamic (demographic, socio-economic, material and technical, political). The economic aspect of recreational and tourist activities is revealed, the multiplicative effect of recreational and tourist activities in the region is shown. The role of recreation and tourism in terms of social and environmental factors of development of individual territories and the country as a whole is disclosed. Diagnostics of the development of the recreational-tourist system in the structure of the general system of the region helps to identify positive and negative socio-economic processes occurring within the recreational-tourist system, and indicates the advantages and disadvantages of a particular region in the development of the tourism industry. Thus, the purpose of diagnosing the development of the recreational-tourist territory is to study the state of the recreational-tourist system, determine the level of development and use of the recreational-tourist potential and its impact on socio-economic regional processes. The object of the study is the recreational-tourist system, as a set of economic sectors involved in the production of recreational-tourist services. According to the point of view of some scientists, the tourism object includes three main components - a tourist region (place), a tourist organization and a tourist enterprise. A tourist uses a range of services that are provided to him in a specific*

*place (or region) where tourist activities take place. Due to its attractive factors, this place becomes a tourist center. Tourist places differ in features that interest the tourist and determine his choice. This definition is given from the point of view of the user (tourist, vacationer). When a tourist chooses his travel destination, he compares among themselves the various places and the level of service that are provided there. Therefore, the diagnosis should be made taking into account the assessment of the satisfaction of the needs of tourists. However, one should not forget that the recreational-tourist system should contribute to the development of the region with minimal damage and discomfort to the local population, therefore a second aspect of diagnosis arises, from the point of view of the need to develop the region and the cultural and historical traditions of the local population. Only an integrated approach to the diagnosis of the recreational and tourist system will allow us to assess the potential and development opportunities of the region, as well as reveal the needs of tourists who determine the range of tourist services in a particular region.*

**Keywords:** *tourism, recreation, recreational-tourist territories, recreational-tourist systems, economics*

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## **RISK MANAGEMENT IN INTERNATIONAL BUSINESS**

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### **ABSTRACT**

*The whole of strategies and methods constitutes a special risk management mechanism, which is risk management. Risk management incorporates a part of financial management.*

*Duties such as purposeful search performed on the reduction of the risk level and organization of works, obtaining an income and its increasing are based the risk-management. The ultimate purpose of risk-management is the same with the purpose of entrepreneurship. It is closely connected with maximum reduction of risks and obtaining an income. Risk-management incorporates a system of management of the risk, which arises from entrepreneurial activity, with financial relations. The main purpose of management of economic risks in enterprise consists of minimizing of financial losses. This management process is regard to valuation of the level of separate economic risks, their prophylactics and insurance. The calculation of the level of economic risks is carried out on the following stages: identification of the types of separate economic risks related to the activity of enterprise; valuation of the degree of probability for occurrence of separate economic risks; determination of possible financial losses related to separate economic risks. The valuation of bankruptcy probability takes a special place in diagnostics of risks and management of production-sale activity. So, management of other aspects of assets, capital, investments, risks and financial activity of the enterprises must have mutual related character. Such mutual relations are provided in the process of complex management of financial condition of trade enterprise and in its optimizing. The optimizing of financial condition of enterprise is one of the main terms of successful economic development in its future perspective. Also, the financial crisis of enterprise creates strong danger for its bankruptcy. Therefore, the distribution of risk factors on commodity production in industrial enterprises to ranks in marketing researches is an important direction.*

**Keywords:** *international markets, risk management, strategic marketing, marketing researches, processing industry enterprises*

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## UNIQUENESS OF RECOVERY OF THE DIFFUSION OPERATOR FROM THE SPECTRAL DATA

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### **ABSTRACT**

*The theory of inverse spectral problems attracts the attention of many researchers interested in the theory itself and in its applications. Research in the field of inverse problems of spectral analysis includes finding spectral data that uniquely define an operator, proof of the corresponding uniqueness theorems, constructing an algorithm of recovery of the operator from the spectral data and finding conditions for the solvability of inverse problems. One takes for the main spectral data, for instance, one, two, or more spectra, the spectral function, the spectrum and the normalizing constants, the Weyl function, sequence of signs, scattering data. Depending on the choice of spectral data, the inverse problems differ in their formulations. By now, the problems of reconstructing the Sturm-Liouville and diffusion operators with separated and nonseparated boundary conditions without a spectral parameter have been well studied. Research related to boundary value problems with a spectral parameter in boundary conditions plays a very important role in many theoretical and applied problems of mathematical physics. Application of the method of separation of variables to mixed type partial differential equations, in which differentiation with respect to time is included in the boundary conditions, leads to such problems. Similar problems often arise when studying a number of problems - the construction of systems for protecting devices from shock, vibrations of a string with a load at the end of the string, torsional vibrations of a shaft, vibrations of antennas loaded with lumped capacitors and inductances, etc. In this paper we consider the diffusion operator with real*

*coefficients. The boundary conditions are nonseparated. One of these boundary conditions depends quadratically on the spectral parameter. Some spectral properties of the operator are studied. An asymptotic formula for the spectrum is given. The problem of recovering the coefficients of the diffusion equation and boundary conditions is researched. The spectra of two boundary value problems and a certain sequence of signs are used as spectral data.*

**Keywords:** *Diffusion operator, Inverse problem, Non-separated boundary conditions, Solution algorithm, Uniqueness theorem*

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## **THE ROLE OF AIR TRANSPORT IN INTERNATIONAL TRADE AND ITS IMPORTANCE IN THE DEVELOPMENT OF THE AGRICULTURAL SECTOR**

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### **ABSTRACT**

*The basis of economic growth in modern global economic development is the transport, especially, air transport. Air transport eliminates political and economic limit problems in strengthening international economic relations. The economically and socially beneficial air transport industry creates potential opportunities for economic growth by coordinating national economies. The influence of air transport*

*on the development of world trade is an indisputable fact that leads to the prosperity of agriculture and the development of inaccessible territories. The role of agriculture in world trade. Impact of the pandemic on agriculture.*

**Keywords:** *air transport, transport industry, economic growth, air transport in agriculture, agriculture in world trade*

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## **“QUALITY - AS THE MAIN RESULT OF A CONTINUOUS EDUCATIONAL PROCESS”**

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### **ABSTRACT**

*In the modern world, in a tough competitive environment, quality factor is of more importance. The process of quality management should have a finished look only after achieving high results in the field of quality. This article has conducted a study on quality management in an educational institution, on identifying tools that influence the achievement of quality indicators of the main directions of an enterprise management system approach. A system of factors influencing product quality has been developed in four directions: quality planning, quality assurance, quality control, quality improvement. In order to determine the effectiveness of the formed quality management system of an*

*educational institution, the main components are proposed that are combined into the following groups: quality of the planning, analysis and control system; the quality of the organization of the educational process; the quality of the process management ; the quality of the final product and the positioning of the institution. The optimal management styles of higher education institutions are analyzed and justified. At the same time, world-class authors' development was used in the field of analysis of the quality of management processes. The author's definitions were given to consumers and the result - the end product of the educational process. The achieved results of the research can be used by higher institutions in the course of determining the main directions of the organization's quality management process.*

**Keywords:** *quality, quality management, process efficiency, quality management, complex indicator*

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## **THE PROBLEMS OF FORECASTING OF THE SELECTION OF SOURCE OF FINANCING OF OIL AND GAS PROJECTS**

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### **ABSTRACT**

*The oil and gas complex is the most important structural element of the economy, one of the key factors in overcoming crisis phenomena. Revenues of oil and gas companies form a significant part of the state budget, provide more than half of the country's export potential. The oil and gas complex is a capital-intensive industry requiring significant investments in both the exploration and production and refining sectors. In the exploration and production sector due to the depletion of the resource base of*



*traditional hydrocarbon production areas, subsoil users are forced to develop more inaccessible deposits in the northern latitudes or on the shelves of the seas, which is associated with an additional amount of capital investment. Firstly, at present, the oil and gas complex, which determines the development of the national economy, is faced with a number of problems, the main solution of which is the introduction of high-tech technologies, the development of innovative activities. Secondly, statistical data show that in terms of their level of innovative development, significantly behind the foreign one due to insufficient funding. At present, the main source of financing the innovative activity of oil and gas companies is their own and state funds, while in world practice the implementation of innovative activity is due to the developed financial support process based on the interaction of science, business and the state. Thirdly, in addition to their own funds, foreign oil and gas companies use external sources of financing.*

**Keywords:** *state, oil and gas sector, tax incentives*

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## **THE ROLE OF CLUSTERING IN INCREASING COMPETITIVENESS**

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### **ABSTRACT**

*A cluster is a relatively fixed and stable collection of specialized enterprises that produce competitive products in the industry. In other words, clusters are systems of business entities operating in a similar sector, complementing each other and having communication capabilities in a particular geographical area.*

*Within the cluster, there is competition between small and medium-sized businesses operating in a similar field. One of the main conditions for business entities and other participants to act at the same time is to gain a competitive advantage. At the same time, with the introduction of the system, the costs of business entities are reduced, marketing opportunities are expanded, productivity is increased, exports are increased, research and development capabilities are strengthened. This leads to the launch of new products, the establishment of new relationships, increased employment, regional development, and the improvement of infrastructure services. Geographically suitable area, abundance of natural resources, availability of scientific base, professional staff and developed infrastructure are important factors for the creation of industrial clusters. In order for industrial clusters to operate sustainably, reliably and productively, the state's cluster policy must be perfect and provided with working mechanisms. In this case, first of all, the state should develop a targeted cluster strategy and define specific approaches to clusters, their application models, goals and objectives, priority development directions. The most effective, competitive and perspective direction of small business development is its cooperation with large business through the formation of clusters. The development of a cluster network provides certain benefits to both government and business. Such benefits for the government include increasing the tax base, reducing dependence on individual business groups, increasing opportunities for economic diversification; for business, improvement of personnel infrastructure, creation of scientific and technical research infrastructure, reduction of costs, access to international markets and etc.*

**Keywords:** *clusters, competitiveness, small and medium business, innovation activity, conditions of clustering*

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## REVIVING TRADE INTEGRATION IN DEVELOPING COUNTRIES IN AN UNSTABLE WORLD ECONOMY

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### **ABSTRACT**

*The process of increasing international trade uncertainties is the main trend of the world economy. There has been an increase in scientific and practical interest in regional economic ties. This paper examines and summarizes the main trends and key areas in the field of regional economic relations of developing countries. The combination of a COVID-19 pandemic and a collapse in oil prices has affected all aspects of the economies in the Middle East, Africa, Central Asia and Eurasia. The most significant regional factors have been identified. The pandemic has further exacerbated trade restrictions and protectionist trends. Overall, trade performance has declined significantly in recent years in the context of the pandemic, slowing trade liberalization and increased protectionist measures. According to the WTO, in 2019-2020, 60% of new trade measures implemented by the G20 countries were related to the pandemic. The pandemic has also disrupted global value chains in developing countries and exacerbated as well as the growing importance of geopolitics, national security and the declining importance of multilateral decision-making. Internal industry prioritization has led to major disruptions in the regional supply chain. In the current situation, it is not clear how the global value chains will change with the reduction of the risks associated with the pandemic, as well as the emergence of reshoring trends. Changes are likely, although the economic underpinnings of most global value chains are still in place. This policy aspect becomes all the more relevant in a context of possible retrenchment or reconfiguration of GVCs, brought about by escalating trade conflict among major*

*developed economies. In the context of an unstable world economy in developing countries, the trend of regional economic integration is increasing. It follows from this that regional economic cooperation may to a greater extent determine trade relations in the future, since its role in the restoration of the economic systems of developing countries is increasing. However, in order to develop complex ties and bring relations to a new level corresponding to the changing realities of the world economy, Central Asia and Eurasia need innovative approaches to interaction and economic recovery.*

**Keywords:** *Central Asia and Eurasia, COVID-19, GVCs, regional trade integration, reshoring*

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## **EXPORT AND IMPORT POTENTIAL OF AZERBAIJAN'S AGRO-INDUSTRIAL PRODUCTION**

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### **ABSTRACT**

*The paper says that food security is one of the main goals of the agricultural and economic strategy of the political leadership of our state. In addition, in its general form, it forms the vector of movement of the national food system to the ideal state, representing a continuous process. Such branches of agriculture as cotton growing and tobacco growing are being revived, olive, nut and almond orchards are being laid, tea plantations are being expanded, and agricultural land is also being expanded, soft loans are being issued, and agricultural services are being expanded. To this end, work has begun in the regions of the country to put tens of thousands of hectares of cultivated land into*

*circulation. Today, our country actively promotes the national brand Made in Azerbaijan in foreign markets, expanding the geography of export. The introduction of export incentives for persons engaged in the export of non-oil products has significantly increased domestic production and exports of these products. For this purpose, the Association of producers and exporters of wine, pomegranate, hazelnuts, fruits and vegetables, persimmons, bee products, etc. was established earlier with the support of the Ministry of Economy. In comparison with similar indicators for previous years, there were significant fluctuations in the dynamics of imports of livestock products. During the analyzed period, there was a decrease in the volume of egg imports with some fluctuations. One of the priorities for the development of the agricultural sector is to strengthen the export potential. In 2015-2019, an increase in exports of some types of crop production was achieved.*

**Keywords:** *agricultural land, agro-industrial complex, consumer protection, foreign trade, export, favorable investment environment, food security, import substitution, international trade*

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## **DEVELOPMENT OF CASHLESS ECONOMY IN AZERBAIJAN: CONSUMER ATTITUDE AND PERCEPTION ON CASHLESS TRANSACTIONS**

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### **ABSTRACT**

*The current article studies the trends in the formation of cashless payments in Azerbaijan, as well as the status and prospects for establishing a cashless economy in the country. The methodology of the paper is a survey as well as economic analysis of indicators such as the number of debit and credit cards, the use of contactless payments, the spread of payments through mobile devices, and the volume of cashless transactions during the last years. The use of electronic money is spreading. The article explored the factors affecting admittance to the cashless society and consumer' reasons behind choosing to utilize or not to utilize electronic payment, including a lack of confidence in the security and availability of innovative literacy or internet access. The data was collected from 179 citizens of the Republic of Azerbaijan using a questionnaire. The increase in electronic money usage depends on the awareness of society and government encouragement. Results of the survey showed the benefits and threats of the cashless economy and in the formation of the*

*digitalization development activities. The paper's main output showed an increase in economic cashless payments, goods and services payments, e-commerce, consumer credit, social payments, pensions, and subsidies will lead to economic growth increase and integration processes in the Republic of Azerbaijan. The results showed that education, rate of literacy and age are key factors that affected respondents' attitude to cashless transactions. Finally, this paper suggests that an understanding and recognizing of the factors affecting the intention to use digital payment is critical to practitioners who plan and foster new forms of banking activities in the current competitive environment.*

**Keywords:** *Cashless economy, cashless transactions, cashless society, consumer, digital payment*

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## **CURRENT STATUS AND SOCIO-ECONOMIC ASPECTS OF THE AGRICULTURAL INSURANCE SYSTEM IN AZERBAIJAN**

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### **ABSTRACT**

*The agricultural sector, which is one of the real and non-oil sectors of the economy, plays an important role in the life and well-being of people, especially those living in rural areas. Features of agriculture, which is one of the areas of material*

*production, are primarily conditioned by natural and biological factors. It can save small and recurring risks by using risk reduction techniques (such as irrigation, crop management, and pest prevention), self-insurance tools such as savings, and conventional credit in farms. However, agricultural producers are unable to handle the less but more severe losses that affect agricultural activities. In this case, farmers transfer risks to other parties through financial instruments such as insurance when they are available and accessible. Owing to agricultural insurance, farmers take measures in advance against losses that may arise from risks and gain more confidence in the activity of the farm and increase its well-being. As a result, the socio-economic well-being of farmers living in rural areas is also relatively ensured. The development of agricultural insurance, which is one of the optimal methods of risk management in agriculture, has become a global trend, and major steps have been taken in this area in the country. During the government measures a law was adopted in this area and an Agricultural Insurance Fund was established. However, the next steps should be taken to systematically consider the next steps and bring Agricultural Insurance into operation. That all these nuances lead to positive trends on a global scale, the choice of optimal development directions by the existing climate in the country's agricultural insurance, and the study of solutions to existing problems in this area have become an actual issue.*

**Keywords:** *agricultural insurance, farming, finance, risk, socio-economic*

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## **THEORETICAL FOUNDATIONS OF THE DEVELOPMENT OF THE DIGITAL ECONOMY IN MODERN CONDITIONS**

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### **ABSTRACT**

*The article considers the study of the needs of finding new sources of economic growth in Azerbaijan - first of all, in the field of innovative development, which, with the explosive development and large-scale penetration of new technologies in all spheres of human activity, takes on new meaning. The significance of the ongoing global changes suggests that Azerbaijan, like the whole world, is entering the largest technological period in its history, when the wealth of natural resources ceases to be the main growth factor, giving way to a knowledge paradigm. Together, these changes are rated as a "new industrial revolution." The widespread use of information and communication technologies and the need for a transition to the Information Society and the knowledge-based society provide economic growth in conditions of increased environmental protection, accelerating the reduction of physical consumption in favor of information and the capitalization of knowledge, moving the center of gravity of investments in fixed assets, investments in human capital. According to these conditions, information is a key resource for a new model of the economy, i.e. digital economy. The new economic model is characterized by the growing incorporation of knowledge into new products and services, the increasing importance of learning and innovation, globalization and sustainable development. This article is considered appropriate to consider this new model of the economy, highlighting specific functions and main components. In turn, the digital economy is characterized by a set of procedures that radically change the*

*relationship between business partners and investors, introducing a consistent growing civic consciousness.*

**Keywords:** *innovation policy, technological revolution, digital economy, globalization*

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## **TRANSITION TO A DIGITAL ECONOMY AND ENSURING SUSTAINABLE COMPETITIVENESS IN GLOBAL MARKETS**

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### **ABSTRACT**

*The problem of digitalization of the economy, the challenges facing business, the state and society as a whole in this regard, the challenges posed by the digital economy, and the opportunities it provides are the object of intensive reflection. Its importance is reflected in the launch of the Global Digital Competitiveness Rating, which is focused on assessing the availability of opportunities and the degree of readiness of the countries included in the rating for digital transformation. The assessments of the progress achieved, as well as bottlenecks and problem areas of the transition to the DE, contained in the rating, are of undoubted interest both for politicians and for business, including in Azerbaijan. Analyzing the formation of the digital economy as a key area of the 4th industrial revolution, it is necessary to dwell on its structural characteristics, without understanding which it is difficult to organize effective management of the relevant processes by regulatory bodies, taking into account their innovative nature. The answer to this question is also important for enterprises (organizations), helping them navigate the radical transformations taking place in*

*the economy, and not only for those of them that belong to the high-tech core of the modern economy. As for the technologies on which the DE development is based, then, according to the well-established ideas among experts, they include the following main ones: analytics of large databases, advanced robotics and sensors, neuroethologies and artificial intelligence, the Internet of things and the industrial Internet, virtual and augmented technologies. reality, cloud computing and a number of others. Meanwhile, for economic analysis, as well as for the orientation of business, and, we will repeat once again, not only the part of it that is employed in the information and communication sector, but also for those working in other, including traditional, sectors of the economy, the first is of considerable interest. from the levels highlighted above for the deployment of the 4th industrial revolution and the formation of the DE, namely, the level of markets and sectors of the economy.*

**Keywords:** cybersecurity, digital economy, digitalization, digital environment, digital infrastructure

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## **CONCEPTUAL APPROACHES OF WORLD SCIENTISTS TO INTEREST-FREE FINANCIAL MARKETS**

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### **ABSTRACT**

*The purpose of the modern management system is to study the scientific and theoretical approaches of world scientists Aristotle, Nizami Ganjavi, Ibn Khaldun, Ismail Mutlu, Seyid Qutubi, Abu Ala Mawdudi, Yahya Abdurrahman, Muhammad Yunus and Servet Bayindir in the field of interest-free financial markets. The*

*goal is to identify and research the contributions of world scientists to interest-free financial markets. The methodology of the article is a systematic and comprehensive study of the scientific approaches of world scientists Aristotle, Nizami Ganjavi, Ibn Khaldun, Ismail Mutlu, Seyid Qutubi, Abu Ala Mawdudi, Yahya Abdurrahman, Muhammad Yunus and Servet Bayindir in interest-free financial markets. Because these approaches have a great impact on the organization, management and development of interest-free financial markets. The importance of the application of the article is to apply the results in the management of interest-free financial markets. All this will lead to an innovative approach to the management of interest-free financial markets, the systematic development of this area, sustainable and sustainable operation. The scientific results of the article - Improving the management of interest-free financial markets, reflect the conceptual theoretical innovations in this area. The results of the study serve the application, improvement and development of interest-free financial markets. The originality and scientific novelty of the article is that the main scientific-theoretical directions of the scientific approaches of world scientists in interest-free financial markets are studied, theoretical and practical views, theories on the formation of this field as a scientific and practical direction were studied and generalized, and its necessary scientific aspects were studied. From this point of view, the research work can be considered commendable in terms of research of scientific approaches to the management of interest-free financial markets.*

**Keywords:** *Islamic finance, Islamic financial management, Islamic financial system, interest-free financial markets, interest-free financial market management, Islamic management system*

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## POTENTIAL FOR ECONOMIC DEVELOPMENT AND SECURITY OF THE NATIONAL ECONOMY

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### **ABSTRACT**

*The economic security of the country and the sustainability of growth in modern conditions are of paramount importance, since they provide guidelines for making the most important socio-economic decisions. Constantly occurring changes in socio-economic dynamics give rise to the possibility of crisis phenomena, which in turn actualizes the problem of ensuring economic security and sustainable growth. Modern transformations in the economy of the Republic of Azerbaijan have a multifaceted nature, which is influenced by internal economic conditions and trends in the world process. Significant changes in the conditions of globalization have led to radical changes in national economies, which are under positive and negative, objective and subjective, stable and temporary influences. Reproduction of the national economy at a progressive pace presupposes the achievement of economic stability as one of the conditions, which is not an end in itself for economic development. The goal of economic development is to improve the level and quality of life of the population. The condition for ensuring the economic security of an individual country is the ability of the economy to resume the process of expanded reproduction in all sectors and branches of the economy. In this regard, a study of the features of economic and social dynamics is carried out by industries and spheres of economic activity of the republic.*

**Keywords:** *development potential, ensuring national security, economic diversification, quality of economic growth, innovation orientation*

## **MACROECONOMIC SUSTAINABILITY CHALLENGES OF AZERBAIJAN: A NEW APPROACH TO ECONOMIC DIVERSIFICATION**

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### **ABSTRACT**

*In the light of recent global economic volatilities, macroeconomic sustainability challenges have recaptured significant policy attention in Azerbaijan. The essence of these challenges is largely shaped under the impact of the transition and resource-rich character of the national economy. In the new phase of economic reforms launched in 2016, the urgency for economic diversification is not only explained by the necessity of structural transformation but also maintaining long-term economic development. In this research, current macroeconomic sustainability challenges are analyzed through three aspects. Brief analyses reveal that despite continuous reforms and an increasing share of the non-oil economy, the capacity of the tradable sector to reduce dependence on the oil sector is still limited. Such underdevelopment level of the tradable sectors creates an additional burden on the fiscal sector which also adversely affects fiscal sustainability and transition into more resilient policymaking. Finally, chronicle challenges regarding exchange rates restrict monetary policy independence and effectiveness of the structural policies. Authors consider that*

*there is a need to redesign the economic diversification strategy and review it as a comprehensive set of macroeconomic, financial, and structural reforms.*

**Keywords:** *Economic diversification, macroeconomic sustainability, economic development, resource abundance, volatilities*

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## **“APPLICATION OF A SYSTEMATIC APPROACH IN THE MANAGEMENT OF THE CONTINUOUS EDUCATIONAL PROCESS IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT”**

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### **ABSTRACT**

*In modern conditions, companies in management use a situational, process or systematic approach. The choice of a more optimal approach is justified by the existing management system in the enterprise. A systematic approach is a comprehensive analysis of business processes, identification of the main elements of the processes, and making decisions that affect the ultimate goal of the company. The main problem in the formation of the*

*system is the scheme of interactions between subsystems, since each system has its own subsystems, and they respectively sub-subsystems. Continuous educational process as the main goal of the educational organization determines the principles of strategy formation and the relationship with the outside world, including the state and potential customers interested in the final result of the educational process. This article defines the systems approach, reveals the elements, and substantiates the effectiveness of its use. The role of teamwork and priorities in achieving the goals of the educational institution are determined.*  
**Keywords:** *system, system approach, subsystem, result, educational institution, continuous educational process*

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## **MODERN UNIVERSITIES: NEW CHALLENGES, TRENDS, PARADIGMS AND EXPECTATIONS**

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### **ABSTRACT**

*Radical transformations are observed in the higher education system of economically developed countries. Experience shows that the abundance of natural resources is not the main indicator of the development of society, but the main thing is to ensure the transformation of these resources into human capital, which is*



*the driving force of society. This is the most important task of the higher education system at this stage. The United States, Japan, South Korea, and other developed countries have benefited more from the human capital produced by the education system than from the material resources they have. This means a change in the socio-economic functions of universities: the emergence of a rapidly growing sphere of economic activity, along with the already traditional educational and scientific missions. In this context, the issues of commercialization and marketing of academic science products are analyzed. Universities are accepted and specialized not only as educational centers, but also as research centers. In addition to teaching people at universities, they also conduct large-scale scientific research in various areas. At the same time, the reputation of universities is achieved through their scientific achievements. In modern times, universities are an integral part of the global economy, acting as the leading players in the global knowledge services market in the field of the most advanced knowledge and creative intelligence. In this context, the governments of many countries around the world are well aware that it is important for their leading universities to be at the forefront of the world's intellectual and scientific development. Thus, "Does university research meet the needs of society and the economy in today's world?" The topic is one of the most discussed topics, and the article will seek answers to these questions.*

**Keywords:** Universities, research centers, higher education system, knowledge economy, research university

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## **ANALYSIS OF THE PROCEDURES AND SOURCES OF FINANCING RESEARCH AND INNOVATION**

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### **ABSTRACT**

*This article discusses and analyzes the financing process of innovative scientific processes that take place in parallel with innovation processes. This process is pre-emulsive as an element of the state policy under way in this area. The structure of the sources of financing of these processes in the Republic of Belarus, as well as the expenditure from the Republican budget in this direction has been analysed in details. The main place is the allocated financial resources for fundamental and applied research, as well as those related to the financing of scientific and technical programs and the development of the material and technical base.*

**Keywords:** *Innovative development, Financing research, Belarus*

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## **THEORY OF ECONOMICS IN CATEGORIES OF RISK AND UNCERTAINTY EVOLUTION OF COMPOSITION**

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### **ABSTRACT**

*The rapid changes in the globalized world, the intensification of market competition, the deepening of market segmentation with a substantial increase in consumer demand and taste, the need to shorten the period of adoption of new production technologies have led to radical changes in the activities of enterprises and, consequently, in the content and strategic management systems. The main purpose of this study is to analyze the categorical characteristics of uncertainty and risk from an international practice and consider international practices to understand Azerbaijan's economic stability field. This consists of exploring the use of techniques to guarantee security. The research was carried out on the basis of research methods such as scientific abstraction, logical generalization and systematic analysis. The study found that strategic flexibility, competitive positioning, strategic segmentation, synergetic, diversification and other components of the strategic management system enable businesses to operate in a complex and changing external environment. The presence of uncertainties complicates the process of selecting optimal decisions. Innovative changes in the modern world require risky decisions, accompanied by uncertainty in the economic sphere. The limitations of the study are the need for more practical information. The practical significance of the research is to ensure the continuity of economic entities against the background of modern economic*

*processes and determine that their development is impossible without financial stability. From this point of view, the practical significance of the work is to make certain proposals and recommendations to increase the effectiveness of decisions made in the long run in conditions of uncertainty. The originality and scientific novelty of the research is that the proposed approaches allow business entities operating in the economy to better understand the existing system of relations related to the development and implementation of strategy and, accordingly, to develop effective measures in strategic management.*

**Keywords:** *Entrepreneurship, Economic Freedom, Efficiency, Risk, Uncertainty*

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## **MAIN DIRECTIONS OF INCREASING THE EFFICIENCY OF BUDGETARY EXPENDITURES FOR PROGRAMS AND PROJECTS IN THE REPUBLIC OF AZERBAIJAN**

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### **ABSTRACT**

*The state budget lays the groundwork for the state's economic and social goals to be realized. It regulates specific areas of spending and acts as an efficient economic regulator, but it is also an object that requires optimization, especially in the area of raising the efficiency of budget spending. This study aims to identify the key directions for improving the productivity of budgetary expenditures for programs and projects using the Republic of Azerbaijan as an example. The work examined the current state*

*of public budget spending in the Republic of Azerbaijan, studied the experience of different countries in improving budget spending performance, demonstrated the factors influencing budget revenues and expenditures, identified opportunities and specific steps to achieve the work's target, and made related recommendations. Since the President of the Republic of Azerbaijan, Ilham Aliyev's social policy prioritizes "security of people and their interests above all," social initiatives and programs receive special attention at work. The paper also discusses how to improve the performance of projects and programs aimed at restoring territories that have been freed from the Armenian occupation.*

**Keywords:** *State budget, the efficiency of budget expenditures, programs and projects, Azerbaijan*

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## **AZERBAIJAN HEALTH ECONOMICS IN THE CONTEXT OF DIGITALIZATION OF SOCIETY**

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### **ABSTRACT**

*The digitalization process, covering all spheres and industries, has been actively introduced into healthcare. Health today has become a valuable category, an indicator of the country's economic development, a strategic indicator. From this point of view, the introduction of innovative technologies to improve the health indicators of the population is a necessity. Public health protection is one of the leading components of world development. In this area, the backbone elements of the digital economy find their direct application. The proliferation of artificial intelligence is proceeding at different rates depending on the direction. In healthcare, it used in the analysis of medical*

*data, the selection of therapy, patient control, the preparation of predictive analytics for more effective prevention, improvement of the quality of treatment, rehabilitation, to remind the need to undergo procedures and tests, to warn the patient and his loved ones in critical cases, to stimulate a healthy lifestyle. Digital in medicine and pharmaceuticals has led to a change in consumer behavior associated with an increase in demand for complete and reliable information. The patient is no longer a passive participant in the medical diagnostic process; he becomes active and independent, developing the strategy and tactics of his treatment together with the attending physician. Digital health is delivering good results in terms of quality of care, as well as providing more efficient and convenient services. This is especially important for patients belonging to vulnerable groups of the population. In the context of the coronavirus pandemic, the digitalization process has accelerated at a record pace. The pandemic has forced people to use remote methods of receiving medical care: worldwide, the volume of telemedicine services has increased 15-20 times. Additional attention was drawn to the use of robots, whose activities implied the introduction of 5G (with minimal data transmission delays). The experience of using telemedicine for managing patients during a pandemic increases the investment attractiveness of telemedicine. However, users need to be in control of their data and know who is using it and why to ensure that their data is protected and confidential. It is also very important to unify the information interaction of various information systems and resources.*

**Keywords:** *digitalization of healthcare, medical robots pandemic, telemedicine, pandemic*

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## **ECONOMIC PROSPECTS FOR THE GROWTH OF AZERBAIJAN NON-OIL SECTOR IN THE LIBERATED TERRITORIES OF THE REPUBLIC**

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### **ABSTRACT**

*For nearly 30 years, Armenians controlled 20% of the Republic of Azerbaijan's territory (Nagorno-Karabakh and neighboring regions). Azerbaijan was able to regain its territorial integrity by military means in the fall of 2020. The economic value of restoring Azerbaijan's territorial integrity cannot be overstated. Azerbaijan's economy suffered tremendously as a result of the occupation. For several years, this nation has been refused access to the wealth found in these territories. By restoring territorial integrity, Azerbaijan will be able to completely exploit the region's economic potential in the production of these tools. Management, defense, infrastructure, social services, and economic growth are all part of the process of restoring and developing the liberated territories. The most important contribution of the liberated territories to the growth of the economy of the Republic of Azerbaijan, in our view, can be made primarily through the development of agricultural product production and processing, as well as the development of specialized tourism. Agricultural production is crucial for the country's food self-sufficiency and diversification of exports. Domestic tourism growth has the potential to become a vital link in the Republic of Azerbaijan's long-term economic development. The Republic of Azerbaijan is well-known for its ample fuel and energy resources. High prices for fuel and energy services have been an impetus for the republic's economic growth in recent years. However, considering the high instability of fuel prices, this situation poses a significant threat to the economy's stability.*

*The acceleration of the economy's non-oil and gas sector's rate of growth is especially significant in this regard. The liberated territories' economic contribution will be critical to Azerbaijan's long-term economic growth, especially in the non-oil field.*

**Keywords:** *Republic of Azerbaijan, the economic potential of the region, the development of agricultural production, specialised tourism, the non-oil sector*

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## **DINAMIC MODEL OF GROSS DOMESTIC PRODUCT TWO CONTROLS**

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### **ABSTRACT**

*One of the indicators of the country's economic growth is the gross domestic product (GDP), and one of the factors of economic growth is capital. The main criteria and source of economic development is economic growth. Economic growth is a sustainable increasing tendency of the main indicators of national theory production (GDP, GNI). Furthermore, absolute value and growth per capita are also considered. In economic and statistics, various indicators are used to measure the volume of national production. The most important of these is gross domestic product (GDP). GDP is expressed by monetary unit of the final products and services produced in the economy. Here should be taken into account the fact that GDP comprises final products and services produced within the particular country. In this work, was created the dynamic model that demonstrates the dependence of GDP on investments and oil price in case of Azerbaijan economy. This approach provides an opportunity for strategic planning of GDP for the country. In this work, to*



*achieve the desired level of GDP, the volume of investment and oil price are used as the independent variable in the dynamic model. But as indicated above, many other factors affect GDP. We chose two of them: the amount of investment and oil price. But even so, the dynamic model of the optimal GDP trajectory yielded good results. Further research will take into account the other most influential factors on GDP. In this case, a dynamic model of the optimal trajectory of GDP will give even more adequate results.*

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

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## **IMPROVING STATE SUPPORT FOR THE DEVELOPMENT OF THE COTTON SECTOR IN AZERBAIJAN**

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### **ABSTRACT**

*After the privatization of agricultural lands, the development of cotton growing was neglected, cotton-related sectors declined, and competitiveness in this area almost completely fell down. The role of the cotton complex in the economy of our country, the wide opportunities in the value chain are explained in the economic literature. Taking into account the needs and requirements for agricultural products in the natural and climatic conditions of Azerbaijan, high-yield cotton production has been identified on up to 100,000 hectares. However, the stimulation of raw cotton production at the expense of the budget causes farmers to show interest in the field. In this regard, the article emphasizes the importance of stimulating the development of the cotton industry*

*and increasing the competitiveness of products in the value chain in the domestic and foreign markets for the national economic interests of the country and the need to improve state support in this area. Improving state support can stimulate the development of the cotton sector, lay the foundation for the sustainable development of light industry, one of the most important sectors of the non-oil sector of the economy, and help increase the level of development. It should be noted that the problem of further development and competitiveness of the cotton complex, increasing the economic efficiency of the sector is complex and multifaceted, which requires a comprehensive study of organizational and economic issues of dynamic development of its raw material base, improvement of cross-sectoral economic bases and mechanisms, while also making it necessary to improve state support. In other words, the article analyzes and recommends to improve the support for the development of intersectoral relations, to stimulate the production of raw cotton not by budget funds, but by revenues from the production of value chains, and to improve state support in this direction. At the same time, the article aims to improve state support, improve the integrated cotton complex products and integration processes of technological processes in the country from raw cotton production, primary processing, fiber to the final product of the value chain and focus on some kind of protection of the primary source, i.e. raw cotton producer.*

**Keywords:** *agriculture, cotton growing, state support, stimulation, income growth, and development*

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## **ANALYSIS OF FACTORS AFFECTING THE LEVEL OF TAX BURDEN AND TAX ENVIRONMENT IN REPUBLIC OF AZERBAIJAN**

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### **ABSTRACT**

*The main purpose of the analysis is to study the fiscal mechanisms in the economy of Azerbaijan, their assessment and determination of the tax burden. The research was carried out based on several research methodologies including comparative analysis, systems approach, and logical generalization. In the course of the study, the dynamics of such fiscal indicators in the Republic of Azerbaijan as the tax burden, the coefficient of tax elasticity, the marginal tax burden were analyzed, and the factors influencing them were studied. As a result of the study, the fiscal indicators of Azerbaijan's economy for a specific period were assessed, and in this regard, relevant results were obtained. Limitation of the study is the need for more practical information. The practical significance of the research study lies in obtaining information on the level of fiscal indicators in the Republic of Azerbaijan and providing practical assistance in determining the optimal level of taxation.*

**Keywords:** *Tax burden, Tax elasticity coefficient, Marginal burden, Taxation system, Gross domestic product, Corporate tax*

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## GLOBAL ENERGY SECURITY: PROBLEMS AND PROSPECTS

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### ABSTRACT

*Entering the 21st century, the world community pays more and more attention to solving global problems of energy security, which determine not only the pace of socio-economic development, but also the survival humanity in the future. Although modern civilization is the result of the functioning and interaction of many areas of society (industrial and agricultural production, science, information technology, education, etc.), it is energy that is the basic and at the same time its most vulnerable link. The consequences of the unexpected “disappearance” of the energy industry will appear instantly, and the scale of the losses will be catastrophic. Oil in the 20th century became the “blood” of the world industry and disruptions in its supply repeatedly led to national and world economic crises. Over the past 40 years, the consumption of natural fuel resources (oil, gas and coal) has increased 2.5 times, and they make up almost 90% of the global energy balance. Various forecasts appeared for the development of world energy after a significant depletion of natural resources. The global character of problems of energy security necessitates the creation of the world control system of energy resource balance for the benefit of humanity. The article is devoted to those particular problems which allow presenting the modern panorama and contours of the future development of world energetic, and also to understand tasks facing the world community.*

**Keywords:** *demand and consumption, energy security, global energy balance, risks and threats*

## **TOURISM AS AN OPPORTUNITY FOR REHABILITATION OF ORIGINAL FAMILY CRAFTS (TRADITIONAL CRAFTS) IN CROATIA**

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### **ABSTRACT**

*It is often pointed out that Croatia is a country rich in cultural and historical heritage, which is true, as is the fact that Croatian cultural heritage abounds in traditional crafts, but despite that fact, currently only 18 such crafts are registered in Croatia. From this fact it can be concluded that there is no adequate care or approach in the restoration, preservation and promotion of traditional crafts. On the other hand, tourism can be an excellent platform for the rehabilitation of original family crafts, ie traditional crafts, but care should be taken that one-time profit is not the only motivation and that the renewal of traditional crafts is approached in a systematic and organized manner, in accordance with guidelines for the concept of sustainable development. Namely, if the renewal of these activities is approached spontaneously and superficially, more harm than good is done, while, on the other hand, the renewal of traditional crafts can generate profit on several levels and can be a*

*significant contribution not only to tourism but also to economy and culture. social communities and countries in general.*

**Keywords:** *traditional crafts, original family crafts, cultural tourism, tourism*

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## **THE INFLUENCE OF INVESTMENT POLICY ON THE SECTORS OF FUEL AND ENERGY SECTORS**

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### **ABSTRACT**

*The fuel and energy system is a key sector of the economy, which largely determines the country's development opportunities in the economic, social, technological and political spheres. Therefore, the study of the relationship of energy with the economy is a traditional research topic. These studies are based on a systematic research methodology, which implies a comprehensive consideration of all aspects and areas of interaction between the economy and the fuel and energy industries with the development of methods, economic and mathematical models, and an information database for their regular use as part of a quantitative analysis of the status and prospects of fuel and energy system development. To study the impact of investment policy in the industries and individual large companies of fuel and energy systems on the development of the economy, a methodology and appropriate model-information tools have been developed aimed at assessing the national economic effect, including the intersectoral multiplicative effect of investments in*

*fuel and energy sectors. The economic effect of investments in thermal power plants includes:*

- *The interindustry multiplicative effect of the growth of investments in the sectors of thermal power plants is the increase in production in the sectors of the investment complex and along the chain of intersectoral relations in all other sectors of the economy, due to an increase in orders for investment goods and services.*
- *Intensification of the growth of investment and production in the economy due to a reduction in the price burden on industrial consumers of electricity.*

**Keywords:** *investment, state, fuel and energy system*

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## **THEORETICAL AND PRACTICAL PARTIES OF SUSTAINABLE LABOR MARKET REGULATION**

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### **ABSTRACT**

*The article is devoted studying the features of state regulation of the labor market. The essence of the labor market has been identified and legal regulation of the labor market and trends of its development are taken into consideration. At the current stage of economic development, it is necessary to improve labor market regulation not only in the republic and regions, but also in economic sectors. To achieve a positive outcome, there is a need for an integrated approach to its improvement, based on a qualitatively new level of the regulatory system. Development of new technologies, cities' labor market is open to competition due*

*to limited workplaces and low demands. The rural population has a lot of chances to find workplaces in the city's industry and service sectors. But how should this be adapted to the need for urban labor? Does the city provide a guarantee for adequate workplaces? These questions should be answered systematically. Regulation of the labor market should be based on application of modern technologies and timely adjustments to monitor the market situation. The main concepts and categories that reflect the processes in the employment area of the population are reflected in article in one or another way. In particular, factors and mechanisms affecting level of employment have been studied in this article.*

**Keywords:** *economy, labor, market, development, mechanism*

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## **ANALYSIS OF THE IMPACT OF THE EXCHANGE RATE ON THE DYNAMICS OF ECONOMIC ACTIVITY**

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### **ABSTRACT**

*The exchange rate is an important factor in the development of the national economy of any state. In addition to the financial market, this factor also affects other sectors of the economy, since money itself is the only measure of the value of goods and services. For many years, economic theory assumed a*



*predominantly negative impact of an appreciation of the national currency on economic activity in the country, linking the strengthening of the currency with the switch of domestic consumption from domestic goods to cheaper imported ones (expenditure-switching effect), with a reduction in the production of tradable goods. with a decrease in the level of competitiveness in the domestic and foreign markets, with a fall in exports and, as a result, with a decrease in the current account balance of the balance of payments. However, over time, theoretical models have emerged that illustrate the positive effects of an appreciation of the exchange rate, expressed in the growth of aggregate output. Research results on the impact of changes in the exchange rate on economic activity are quite contradictory. The ambiguous nature of the relationship between the exchange rate and economic activity is explained by the presence of several channels of influence of exchange rate changes on economic activity. The main purpose of our research is to analyze the influence of the dynamics of the real exchange rate on economic activity. As shown in the literature review, the effect of the real exchange rate on economic activity can occur through several channels. First of all, it is necessary to single out two effects of the influence of the dynamics of the real exchange rate on economic growth along the demand channel. The first is the expenditure-switching effect of replacing demand for domestic goods with demand for imported goods while strengthening the national currency in real terms, which leads to a decrease in production and deterioration of competitiveness in the tradable sector. The second important effect is the income effect, which consists in a decrease in prices for imported goods with a subsequent increase in real incomes of the population, which can lead to an increase in demand, including for domestic goods, causing an expansion of their production. The study examines the impact of exchange rate dynamics on economic activity in Azerbaijan. To obtain estimates, the SVAR-X methodology and the most recent data on the Azerbaijani economy are used. In the work, VAR models are constructed using detrended series. The vector autoregressive model (abbreviated as VAR - Vector Autoregressive Model),*

*firstly, is presented as a generalization of AR-models in the case of using multivariate time series. And secondly, the VAR model is a special case of a system consisting of simultaneous equations. The models of this specification are widely used in both structural analysis and forecasting due to their relative simplicity and consistency. But for the correct display of the dynamics of the actual time series data, VAR models often require large amounts of lags, which can lead to large errors in the obtained forecasts. The use of high-dimensional VAR models can potentially make the forecast quality more correct. Thus, the VAR model describes a certain joint development of variables for a selected period of time, relying on a number of information contained in the studied time series themselves. Using structural vector autoregression with exogenous variables (VAR-X), we analyze the impact of exchange rate dynamics on economic activity. We have shown using the Time Variable Ratio Model (TVP-VAR) that the pass-through effect exhibits only small fluctuations over time. The main result of this work is the conclusion that the weakening of the real effective exchange rate affects economic activity either positively or neutrally. It should be noted that the described hypotheses characterize the effect of the real exchange rate on economic growth in the short term, while in the long term the scheme of influence can change dramatically. We are examining the effect of the dynamics of the real exchange rate on economic activity without taking into account many other factors; therefore, the results obtained should be interpreted with caution.*

**Keywords:** *currency, exchange rate, Azerbaijan economy, vector autoregressive model, economic activity*

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## STATISTICAL ANALYSIS OF THE IMPACT OF AGING POPULATION ON ECONOMIC DEVELOPMENT

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### **ABSTRACT**

*Demographic problems are at the center of attention of the international organization today. The demographic problem has an economic dimension, and having mentioned that the downward trend in the working-age population can become a serious brake on economic growth. Indeed, demography is inextricably linked with the economy, and this connection is two-way. It is rather difficult to separate the processes of mutual influence due to the intertwining of many social, economic, political, demographic and other factors and processes. At the same time, less attention was paid to the study of the impact of demographic factors on the economy than the opposite. The demographic transition has been a significant cause of socio-economic change. Population aging is one of four global demographic megatrends, along with population growth, international migration and urbanization, that have a lasting impact on the development of the world. The importance of changing the age structure of the population and its consequences for socio-economic development was recognized in the Program of Action adopted by the International Conference on Population and Development in 1994. Subsequently, the Madrid International Plan of Action on Population Aging was adopted. The solution to the socio-economic problems associated with the aging of the population is provided for by the Sustainable Development Goals until 2030 and the tasks set to achieve them in terms of the commitment to “leave no one behind”. The analysis shows that the world's population is aging, because every year the life expectancy in the world is increasing, and the*

*birth rate is decreasing. As a result, the share of older people in the population is increasing, while the share of working-age people is decreasing. Population aging is a very important process, as it affects all aspects of society. A detailed analysis of the demographic situation in the country and in the world is needed to make decisions concerning the interests of the whole society: in the field of education, health care, the pension system, insurance and others. Therefore, the study of demographic aging is very relevant all over the world. According to the forecasts of the United Nations (UN), in the next 40 years, the proportion of people over 60 will almost double: Globally, the proportion of the population aged 65 and over has increased from 6.2% in 1990 to 9.3% in 2020. By 2030, it may increase to 11.7%, and by 2050 - up to 15.9%. In other words, if now every eleventh person on Earth has already crossed the age limit of 65, then in 2030 every eighth person will belong to this age group, and in 2050 - every sixth person. A few decades ago, it seemed that population aging, that is, an increase in the proportion of the elderly in the total population, was characteristic only of developed countries. However, it has now become clear that this demographic process has spread to almost the entire world, although its scale and speed are different. The purpose of the study is to study the impact of population aging on economic development, then more attention should be paid to such a factor of production as labor. Labor, from a demographic point of view, represents the working share of the economically active population. The paper analyzes the effect of population aging theoretically, using also Romer's endogenous growth model, but adding to this model the human capital variable, which is one of the catalysts for economic development. For further investigation, a descriptive analysis of all variables used is performed to remove insignificant observations or variables. To understand the impact of population aging on economic development, examine variables such as the proportion of people aged 65 and over and the old-age dependency ratio. The aging of the population is a process that affects both the economic side of society and the social one. The analysis shows that the relationship between population*

*aging and economic development is negative. In other words, as the population ages, the rate of economic growth slows down. Regression analysis showed that population aging affects economic development non-linearly, despite the fact that many economists and demographers argue that the relationship between population aging and economic development is linear (positive or negative). The result of our study is an inverted “U-shaped” curve showing the relationship between the rate of GDP per capita growth (economic growth) and the proportion of people aged 65 and over (population aging). Thus, with an increase in the proportion of older people, economic growth first increases, but then gradually begins to decline. Thus, both economists claiming a positive relationship and authors holding a pessimistic view were right to some extent, but only within certain limits. In addition, based on the empirical analysis carried out, it can be concluded that the rate of economic growth begins to decline when the share of people aged 65 and over exceeds about 10% of the total population. And if we recall the current demographic situation in the world, when in 2013 the share of elderly people was 11.7%, and by 2050 it will reach 21.1% of the world population, then we can assume that the rate of economic growth will gradually decline.*

**Keywords:** *demographic problems, population aging, economic development, statistical analysis, variables, proportion of persons aged 65 years older, dependency ratio of the elderly*

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## PROBLEMS OF BUSINESS INFORMATION INFRASTRUCTURE DEVELOPMENT

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### **ABSTRACT**

*The article reveals the essence and significance of the information infrastructure of business, analyzes the influence of information resources, the information market and information business on the sustainable development of the economy and improving the social welfare of the population. The leading direction of the information business development is globalization. Many countries and companies are integrating into the information business. Integration of the main producers of information technologies leads to convergence in the structure of the information sphere. One of the results of convergence is the dynamism of development trends among companies engaged in the information business, that is, companies develop at a faster pace, combining directly or on the basis of lower forms of cooperative ownership. The field of information and communication technologies was studied as a priority area. So, in the near future, it is expected that the communications and information technology sector will become the most developed sector of the Azerbaijani economy after the oil industry. The widespread use of information and communication technologies, in addition to serving the overall development of the country, is of particular importance from the point of view of ensuring national information security.*

*In conclusion, substantiated proposals were made to determine the directions of innovative development of the business information infrastructure.*

**Keywords:** *Business information infrastructure, information resources, information market, information business, information society*

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## **IMPROVING THE FINANCIAL MECHANISM FOR FINANCIAL SUSTAINABILITY AND SOCIO-ECONOMIC DEVELOPMENT OF THE REGIONS**

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### **ABSTRACT**

*Researching the current status of the regional distribution of production in the country and identifying ways to increase the development potential of the regions will enable to identify the amount of financial resources necessary for the future development of various regions, to determine the factors that prevent the activation of the existing financial potential and to neutralize the impact of these factors. One of the important functions of the state is to overcome the deficiencies in the market mechanism. It should be noted that, as a result of the impact of market forces in Azerbaijan in the current situation, the opportunities for efficient placement of production in the region are limited. Efficient placement of production in the region requires the presence of competitive and relatively large firms in the country. Therefore, a scheme for the placement of discrete productions on the region of the country should be*

*developed by the Azerbaijani government. The government should coordinate the provision of soft loans with public investment in infrastructure development, education system improvement and other areas. Thus, the development of these infrastructure areas increases the volume and quality of services provided in these areas. Moreover, there is a need to increase public funding of the private sector to increase the number of institutions using these services*

**Keywords:** *financial mechanism, regional financial policy, regional socio-economic development, state programs, state regulation*

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## **DEVELOPMENT OF FAMILY BUSINESSES IN KARABAKH REGION OF AZERBAIJAN: NEW OPPORTUNITIES AND PROSPECTS**

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### **ABSTRACT**

*Family entrepreneurship refers to a significant number of companies around the world in which one or more members of a family are active in business operations and have the primary responsibility for ownership or power. Families may operate small businesses or multinational corporations. Family-owned companies often save money by using the financial and other resources of family members, allowing them to meet long-term business objectives at lower costs. The family business is an efficient segment in the non-oil sector as well, thanks to its duty and confidence, as well as its clear management. As a result, it assists in the resolution of social concerns in a market economy, as well as economic development and citizen jobs. The main aim of this paper is to investigate the opportunities and prospects for*



*the formation of family businesses in Azerbaijan's Karabakh region. To achieve this aim, the concept of family business is theoretically applied to explain the current state of family businesses in Azerbaijan's Upper Karabakh and Kalbajar-Lachin economic regions and to recognize opportunities for family business growth. In addition, proposals for the growth of family businesses in the area have been developed. The following is a breakdown of the paper's structure. The first section includes details about Azerbaijan's economy and economic landscape as well as economic potential of Karabakh region of Azerbaijan. The second part examines the latest research on family businesses. The third sections discusses opportunities for family businesses in Azerbaijan and aims to uncover potential in Azerbaijan's Karabakh region. At last, conclusions will be drawn and shared to summarize the papers.*

**Keywords:** Karabakh, family business, development, opportunities

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## **ISLAMIC FINANCIAL SYSTEM: KEY TRENDS AND PROSPECTS**

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### **ABSTRACT**

*The Islamic economic model has become widespread in the world, which has determined the interest of the economic and scientific communities in introducing its experience into the*

*traditional financial model in order to minimize the risk of crisis situations and form a more stable financial system. The problems of the development of Islamic banking have acquired particular relevance now: the demand from the dynamically increasing number of Muslims in the United States and Europe for financial services and transactions made in accordance with the principles of Sharia is constantly increasing; financial products offered by the Muslim industry are attractive enough for both Muslim and non-Muslim investors. In addition, it is interesting to discuss the need to apply the experience of Islamic banks in the traditional financial system. Therefore, the topic of the development of the Islamic financial industry in Azerbaijan is also relevant in connection with its rapid growth throughout the world. The aim of the work is to study the theoretical foundations of Islamic banking, analyze the problem and development of Islamic banking in modern conditions of the new challenge of globalization of the economy, as well as develop recommendations and proposals for the introduction of Islamic institutions into the banking system of Azerbaijan. Analysis of the financial sector in Azerbaijan and Russia, which are implementing a pilot project to introduce Islamic banking, revealed a number of problems and prospects. Firstly, the developed market environment contributes to the adaptation of the principles of the Islamic banking model, and secondly, the availability of qualified personnel in the field of Islamic banking makes it possible to develop tactical and strategic plans for the development of a financial institution.*

**Keywords:** *Islamic finance, Islamic banking, alternative banking system, financial product, Islamic financial institutions*

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## **SWOT ANALYSIS AND ASSESSMENT OF AZERBAIJAN'S TRANSITION POTENTIAL TO THE CONCEPT OF SUSTAINABLE DEVELOPMENT**

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### **ABSTRACT**

*At the article, it searches and evaluates the concept of transition to sustainable development based on world experience, all fields of human activity from the scientific and methodological point of view, taking into account economic, social, environmental sustainability, as well as the interests of present and future generations. Depending on the nature and structure of the factors that determine development, negative tendencies are also observed, which manifests itself in the form of "development without a future", uneven development. Because, in some cases as a result of economic development, depletion of natural resources, environmental pollution, and demographic imbalances are also observed. Based on the analysis of concrete factual materials of Azerbaijan, it is concluded that the economic, social, scientific, technical, financial potential, human capital, infrastructure, improvement the level of population social welfare, as well as normative-legal acts and institutional framework has made the transition to the concept of sustainable development a practical challenge. Then, based on the current state of socio-economic development of the country and the 360-degree diagnostics of the SWOT analysis of the starting position and opportunities that can be mobilized within the existing opportunities, the balance of resources, the level of their use and potentially mobilized national economy for the near future. Attempts were made to define the main priorities, goals and objectives, as well as to make concrete proposals and*

*recommendations for the effective implementation of the existing forms, methods, principles and mechanisms of regulation of socio-economic processes in our country in the near future economic, social, demographic, environmental, humanitarian and institutional development are put forward.*

**Keywords:** Sustainable development, economic sustainability, social sustainability, environmental sustainability, SWOT analysis, “Development without a future”, “Uneven development”, development concept, national priorities, economic environment, social environment, ecological environment

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## **MATHEMATICAL MODELING OF THE LIMITING OPERATING MODE OF STRAIN WAVE GEARING**

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### **ABSTRACT**

*Findings of the theoretical research provided in the article, and experimental data produced by the research paper [3] show that radial deformation, the depth of gear teeth penetration, and membrane thickness are key factors with a significant impact on the limiting moment of strain wave gearing (also known as harmonic gearing). During the research, the limiting moment has been estimated given that no breakthrough occurs in regard to the operation of a wave generator. For the gearing in question, the limiting moment could exceed the nominal (torque or*

*rotational force) value by a factor of five to six. Such difference in the value of the moment of resistance could cause plastic deformations of the elements of strain wave gearing. Therefore, while setting the limiting moment the static strength must be calculated. The singularities of operation of strain wave gearing have also been studied, along with the mathematical model that covers spatial deformation and the corresponding interaction among the elements of strain wave gearing. The Bubnov-Galerkin method has been applied to get the determinant set of equations. Consequently sensitivity coefficients have been obtained through the methods of the spatial (covariant) theory of elasticity, while the limiting moment has come out of the condition of generator breakthrough. Also studied is the impact of various parameters on the limiting moment of strain wave gearing with a flexible-bottom bucket-shaped cam wave generator. Design calculations have demonstrated that the radial deformation of flexible spline, depth of gear teeth penetration, the angle of standard basic rack tooth profile, and radial (internal) clearance have a significant impact on the limiting moment, while preload pressure in the gearing, the membrane length and types of straining of the flexible spline almost fail to affect limiting moment parameters.*

**Keywords:** *mathematical model, gear teeth intervention, strain wave gearing, circular spline*

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## THE IMPROVEMENT OF E-MUNICIPALITY SYSTEMS IN AZERBAIJAN LOCAL GOVERNMENTS

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### **ABSTRACT**

*The main philosophy of e-governance is its view of management as a source of services to citizens and companies as customers who wish to benefit from these services. E-government has many aims that it seeks to achieve in the context of its dealings with customers. Electronic government is the best mechanism for maximizing administration productivity and efficiencies. It is a key method to ensure services to citizens. Nowadays, e-government is becoming an increasingly essential phenomenon in public administration. Azerbaijan has not been indifferent to this phenomenon which is no longer an option and with the impact of the Requirements of the European Charter period especially since the 2000s, Azerbaijan has accelerated the e-government projects and applications. This notion has been accepted in developed countries and has led to more individualization by supporting independent actors and decision-making. Participation, characterized at this grade, alludes to a more solution-oriented get into touching, with the dimension of attainability and intelligibility, both between the rulers and between the rulers and the ruled. This study intends to determine and test crucial success elements for the execution of e-municipality systems, which are very utility in today's world. When the population of Baku is considered, e-government systems are very significant for Baku citizens and the smallest part of that e-government system is e-municipalities. That is why establishing a highly used e-municipality ambiance is an essential thing. In this context, this doctorate study aims to make strategic suggestions, by measuring the potential of e-*

*participation at local governments. This study also performed how and in what way e-participation influenced and by researching how to contribute to the improvement of local management systems in the context of governance.*

**Keywords:** *E-government, e-municipality systems, e-service, local governments*

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## **INFLUENCE OF INTELLECTUAL CAPITAL ON SME'S EFFICIENCY IN THE TRANSITION ECONOMY OF AZERBAIJAN**

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### **ABSTRACT**

*Small and medium enterprises play a key role in the maintenance and economic development of many emerging countries. They use different internal and external components of intellectual capital, but most companies do not have a systematic approach to intellectual capital management. The article examines the special manner of perceiving and understanding this resource and determines the degree of intellectual capital's influence on the performance of national SMEs. The study, based on the authors' empirical research, has tested hypotheses about the impact of separate elements of intellectual capital, such as human,*

*structural and customer capital, on the overall performance of small and medium-sized businesses. Intellectual capital is assessed with respect to resource-based view theory. By conducting surveys of 206 representatives of small and medium-sized companies and using the SPSS application package, several hypotheses about the influence of intellectual capital on the company's efficiency have been proved. The study presents calculations confirming the existence of a direct relationship between the level of development of intellectual capital and the growth of SMEs' productivity. This research also provides computations allowing to conclude that in elaborating a series of measures for improving the efficiency by using intellectual capital, it is advisable increasing the knowledge and professional skills of the enterprise's management staff. The article also provides a comprehensive analysis of the factors influencing the process of using intellectual capital in SMEs, according to which it is necessary to improve government measures aimed at increasing the efficiency of using intellectual capital.*

**Keywords:** *Factor analysis, Financial resources, Intangible assets of an enterprise, Small and medium business*

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## **PROBLEMS OF THE DEVELOPMENT OF STATE-BUSINESS COOPERATION IN AZERBAIJAN**

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### **ABSTRACT**

*Recently, in most countries, in terms of increasing investment activity and saving budget funds, they prefer to reduce the scale of state entrepreneurship and use equal state-business*



*cooperation in this area. In international practice, the practice of public-private partnership is widely used to ensure the participation of the private sector in financing infrastructure projects. Thus, due to the fact that the implementation of infrastructure projects requires large investments and limited financial resources of the state to meet them, in the implementation of these projects, preference is given to private investment. In this case, the private sector finances infrastructure projects and manages such projects over a long period of time, gradually withdrawing their investments and transferring the infrastructure to the state. Through this mechanism, the world provides funding for the repair and construction of airports, railways, seaports, highways, infrastructure for public services such as electricity, water, gas, telecommunications lines. Increasing the effectiveness of economic reforms in Azerbaijan also necessitates establishing close cooperation with the private sector, the main issue requiring attention in this direction is public-private partnership. Recently, serious steps have been taken in Azerbaijan to improve the business environment and stimulate investment opportunities. However, large socio-economic projects in the country are still funded from the state budget. With all this in mind, the Strategic Roadmap for the Production of Consumer Goods at the Level of Small and Medium Enterprises in the Republic of Azerbaijan, approved by the Decree of the President of the Republic of Azerbaijan dated December 6, 2016, defines the development of public-private partnerships as one of the main goals. At the same time, as you know, as a result of the 44-day Patriotic War, which began on September 27, 2020, most of the territory of our country, occupied by terrorist Armenia, was liberated from enemy captivity. It is important to create an infrastructure zone to ensure normal life in the liberated territories. The implementation of these projects at the expense of the state budget can cause many social and economic problems in the country. From this point of view, the implementation of this work once again actualizes the development of public-private partnerships in our country. The article is devoted to the scientific research of the problems of the*

*development of state-business cooperation in Azerbaijan. The article examines the economic significance of the application of state-business cooperation in the economy of Azerbaijan and its individual spheres, the role of state-business cooperation in accelerating investment activity in the country's economy and the problems of developing state-business cooperation in Azerbaijan. The purpose of the study is to study the problems of the development of state-business cooperation in Azerbaijan and prepare proposals and recommendations for their solution. Our research shows that in our country there are serious problems of state-business cooperation. It is necessary to take a number of measures to solve the existing problems in the field of public-business cooperation in our country: to create a legislative base serving this area, to achieve the normal development of the financial market, especially the credit and securities market, to determine the priority areas of cooperation between the public and business, etc.*

**Keywords:** *Business, business environment, cooperation, government, investment*

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## **INTERNATIONAL TRADE OF THE REPUBLIC OF CROATIA WITH THE EUROPEAN UNION: TRENDS AND PERSPECTIVES**

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### **ABSTRACT**

*International trade refers to economic transactions that take place between different countries. International trade is extremely important in today's global economy, and can be defined as the exchange of products and services between two or more countries of the world. Generally speaking, international trade allows countries to focus on industries and production in which they can be most productive and efficient. Thus, international trade, very often, raises the standard of living of both producers and consumers. The European Union is a member of the World Trade Organization and its trade policy promotes free trade in the world, which is a cornerstone of EU trade policy. Currently, the EU is one of the largest actors in international trade and accounts for about 17% of total foreign trade. After joining the EU in July 2013, Croatia began to implement the EU's Common Trade Policy on international trade, which led to increased exports and imports of products and services to EU member states and increased economic growth in Croatia after accession to the Union.*

**Keywords:** *Croatia, the European Union, trade exchange, CEFTA, common trade policy*

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## **ASSESSMENT OF THE IMPACT OF PUBLIC HOUSING POLICY ON THE SOCIOECONOMIC DEVELOPMENT OF THE COUNTRY**

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### **ABSTRACT**

*The article assesses the impact of public housing policy on socio-economic processes in the country. At present, the concept of "housing policy" is not reflected in the Housing Code of the Republic of Azerbaijan or in any normative legal acts. This leads to different understandings of the goals and objectives of public housing policy, the basic principles of its formation, as well as its role in the socio-economic development of the country. It is the relevance of the research topic. The purpose of the research is to assess the impact of public housing policy on socio-economic processes in the country. The research was conducted on the basis of generalization, systematization and economic-statistical methods. An article analyzes the theoretical and practical approaches to the definition of the concept of "housing policy", the definition of goals and objectives of public housing policy, as well as the basic principles and problems of its formation and implementation. The author gives an explanation of the impact of housing policy on the socio-economic development of the country. The main goals, objectives, basic principles of the successful formation of the public housing policy are systematized, the role and importance of its implementation in solving the problems of socio-economic development of the country are substantiated. The proposed approach to the results of housing policy has allowed to systematize the main goals, objectives and basic principles of its implementation, while examining the existing problems in this field. The scientific novelty of the research is the comparative analysis of housing and affordability in Azerbaijan and a number of developed countries, the development of priority*

*areas for improving socio-economic policy based on the model of interaction between public housing policy and socio-economic development of the country. It is considered that all this will contribute to the formation and implementation of an effective public housing policy in the country in the future. The results of the research can be used by government agencies accountable for the formulation and implementation of public housing policy.*

**Keywords:** *public housing policy, socio-economic development, housing maintenance, housing affordability, social welfare*

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## **THE SOCIO-ECONOMIC PROBLEMS OF INVOLVING FOREIGN INVESTMENT TO THE NON-OIL SECTOR**

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### **ABSTRACT**

*At the article, it is investigated and evaluated the socio-economic problems of attracting international investment in the non-oil sector of the Azerbaijan's economy and gave relevant recommendations on how to eliminate them. Among the many issues currently considered by world economic theory, the problem of foreign investment is one of the most pressing, because the attraction of foreign investment, especially foreign direct investment (FDI) can play a key role in the structural and technical restructuring of the economy. Foreign investment in the country plays an extremely important role in economic development. It is known from world experience that the main goal of countries is to support the production of competitive export-oriented products in the market. In this regard, there is a need to attract financial resources to ensure competitiveness.*

*In this regard, it is necessary to study foreign direct investment in terms of ensuring sustainable economic development as the main source of economic growth. FDI affects economic competitiveness. In order to clarify the nature of the problem in more detail, the motives and mechanisms for attracting foreign direct investment, as well as the reasons for foreign investment, are substantiated. The main purpose of the search is to stimulate the growth of exports to the non-oil sector and identify new sources of foreign investment in the context of improving the attraction of foreign investment in the non-oil sector of the economy and increasing their socio-economic efficiency. The research used the methodology of a systematic approach, methods of analysis, comparison and generalization. The article analyzes theoretical and practical approaches to the main theoretical and methodological principles of FDI research, substantiates the role of placement factors in attracting foreign investment in the context of globalization, and evaluates the impact of foreign investment on the economy of host countries and foreign investment policy. The scientific novelty of the research is to conduct comparative analysis with other countries in the field of attracting foreign investment to Azerbaijan, to develop relevant proposals to improve the attraction of foreign investment in the non-oil sector of the economy.*

**Keywords:** *non-oil sector, foreign investment, foreign direct investment (FDI), export stimulation, competition*

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## FACING CHALLENGES IN AN OMNICHANNEL WORLD

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### **ABSTRACT**

*American Marketing Association's first ever intellectual agenda has identified seven big problems that all marketing community currently confront in the modern world. Jaworski, Malcolm & Morgan pointed out "the AMA's intellectual agenda seeks to serve as a big tent source of guidance and inspiration that includes both theoretical and applied knowledge that will ultimately provide actionable insights, frameworks, tools, and resources for the AMA community". The fifth problem listed by the agenda is dealing with an omni-channel world. As the emergence of digital media omni-channel has become a priority for marketers. Haukingham (2017) claims that a customer using several different channels buys up to 30% more compared to a mono-channel customer. Nowadays, the marketing industry not only understands the advantages of the omni-channel marketing but is confronting a compulsion from customers to be omni-channel as a standard. Despite the importance of omni-channel strategy to marketers, delivering a seamless customer experience across multiple channels is a complex, multi-faced challenge for them. Implementing a successful omni-channel strategy requires adjusting management methods as well as management itself otherwise it can end up a huge amount of loss. According to a study conducted by 1WorldSync (2017) "45 percent of merchants and suppliers have lost more than \$1 million in revenue due to cross-channel commerce challenges, and more than one in ten have lost more than \$3 million". Therefore, in order to overcome challenges and be successful in the omni-channel world, marketers need to be more careful while implementing the strategy.*

**Keywords:** *omnichannel marketing, marketing strategy, marketing, omni-channel*

## **DEVELOPMENT AND PLACE OF MODERN ENTREPRENEURSHIP IN AN INNOVATIVE ORIENTED ECONOMIC DEVELOPMENT**

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### **ABSTRACT**

*This scientific report on the topic of innovation based on socio-economic development reflects development trends and the place of modern entrepreneurship based on innovation-oriented economic development. Thus, the transition of the Republic of Azerbaijan to the path of innovation development is an absolute condition for its development. , development of criteria for selection of optimal option, selection of more perspective ideas, completion of ideas taking into account criteria and development of business plans, assessment of business plans and conditions of its implementation, creation and application of case studies, analysis of sales data and relevant adjustments reflected. In addition, the availability of information and financial markets has become a key development factor, which has led to the density of contacts and the proximity of decision-making centers in terms of communication. Thus, the development of Azerbaijan's innovation system on the basis of regional modules is considered expedient. It is also stated in this scientific report that Innovative entrepreneurship in a market economy is a creative activity of those who develop innovations of the country's economic development potential.considered commercialization. Innovative entrepreneurship is the development and application of new technologies, equipment, goods and services in order to make a profit. The reflection of the specific organizational form of innovation activity, which is important for meeting the individual needs of developers and innovators, was noted in detail. In recent years, the systematic implementation of state support for entrepreneurship, increasing the effectiveness of state support*



*measures for entrepreneurs has created conditions for significant achievements in this area. The normative-legal documents adopted for this purpose, the further improvement of the mechanism of state financial support for entrepreneurship have increased the self-confidence of businessmen, stimulated the expansion of entrepreneurial activity, especially the launch of new business entities in the regions. Regarding the role of small business in innovation-oriented economic development, it is noted that the integration function of the enterprise is considered as their main intersection in terms of raw materials, information, financial, technological, labor resources flows. At the same time, it reproduces economic connections and relations with other elements of the macroeconomic system (with elements of the external environment). As an element of the global system, it implements and reproduces macro and micro interactions and relationships.*

**Keywords:** *Business plans, innovative ideas, entrepreneurship, technological order*

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## **FINANCIAL SECTOR IN A PANDEMIC: NEW CHALLENGES AND OPPORTUNITIES**

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### **ABSTRACT**

*Amid the spread of the new coronavirus infection (COVID-19), many countries have taken large-scale measures to support the financial market and the economy since the end of February*

2020. The actions of financial regulators were aimed at creating conditions for maintaining the volume of financing for the real economy, supporting affected borrowers and ensuring an adequate level of liquidity for financial institutions. The pandemic has a negative impact not only on people's health, but also on their well-being. In this regard, the financial system, which is compared to the circulatory system of the body, can play a very important role in terms of mitigating the negative consequences of a slowdown in the economy for businesses and the population. The crisis caused by the coronavirus pandemic has affected the asset quality of many banks in the CIS countries. Recently, digital technologies have been actively developing in the financial sector. The pandemic of the new coronavirus infection COVID-19 has only spurred this process. The author also concludes that the quality and successful functioning of the financial sector depends on the level of digitalization of the financial sector. Along with regulatory measures, government support plays a key role in combating the economic consequences of the COVID-19 pandemic, which mainly includes loan programs, guarantees, credit holidays, wage subsidies, direct payments to the population and businesses, and an increase in unemployment benefits. various tax breaks. The amount of government support measures differs significantly in different countries: according to the IMF, in the EU they amount to 4.3% of GDP, in the USA - 14.3% of GDP, in China - 2.5% of GDP, in Brazil - 6.5% of GDP. , and in Japan - 21.1% of GDP. Azerbaijan is implementing economic support measures worth up to 3.3 billion manats (about 2 billion US dollars, or 4% of GDP).

**Keywords:** financial sector of Azerbaijan, digitalization of the financial sector, pandemic, digitalization, fintech, central bank

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## IMPROVING THE ASSESSMENT OF THE INTELLECTUAL PROPERTY MARKET IN AZERBAIJAN

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### **ABSTRACT**

*In modern times, the economic potential of every country is determined by the ability to expand production, acquire new knowledge, create technologies and identify a variety of new products. Records show that only in this way society can maintain a high level of viability. The revival of production in the country depends on the volume of direct investment and the level of application of new technologies. In the world practice, along with cash, targeted bank allocations, shares, stocks and other securities, the rights to intellectual property are widely used in investment processes. Intellectual property should be considered as the basis of the strongest and most real impact on the development of all sectors of the national economy. As the country's economic potential grows, changes take place in the structure of the economy, which stimulates the development of science-based industries and ultimately increases the demand for intellectual property. This shows that it is vital to determine the norms in accordance with international standards, to conduct methodological and practical work, taking into account the realities of Azerbaijan, in order to take into account intellectual property in the assessment of property. The purpose of the research is to improve the assessment of the intellectual property market in Azerbaijan in accordance with modern international methodology. The research was conducted on the basis of generalization, systematization, comparison and analysis methods. At the article, it gives an author's explanation of the theoretical-methodological and conceptual-legal aspects of the assessment of intellectual property (IP), analyzes the features of the assessment of types of intellectual property. The proposed*

*approach to the results of the assessment of the intellectual property market has allowed to systematize the main goals and objectives, the main methods of its implementation, while examining the existing problems in this field. The scientific novelty of the research is the comparative analysis of the assessment of the intellectual property market of Azerbaijan and a number of developed countries, the development of priority fields for improving the assessment methodology based on the interaction between approaches to intellectual property assessment and human capital development in the country.*

**Keywords:** *intellectual property market, assessment, profit, comparison, cost*

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## **IMPROVING THE MECHANISM OF STATE SUPPORT FOR ENTREPRENEURS IN THE AGRIBUSINESS SYSTEM**

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### **ABSTRACT**

*The article shows the directions of improving the mechanism of state support for entrepreneurs engaged in the production of agricultural products in the agribusiness system of the Republic of Azerbaijan. For this purpose, first of all, the need for special programs to support entrepreneurs in the agribusiness system was substantiated and the main tasks facing it were indicated. At the same time, 3 stages of the program implementation mechanism, as well as the volume and sources of its funding are indicated. In modern economic conditions, it is recommended to*

*apply only guaranteed supply prices from the main types of prices regulated in the Republic of Azerbaijan. The article emphasizes the need for widespread dissemination of the collateral system and identifies areas that will create conditions for its implementation through the application of the principle of collateral in the procurement of products in the agribusiness system. In the agribusiness system, agrarian credit policy faces special challenges in providing long-term loans to economic entities with different categories of ownership. The problem of long-term investments and their financial and credit security is still relevant in the current situation. The directions of regulation of entrepreneurship in the agribusiness system of the country in modern conditions have been identified. Production costs in the agribusiness system have been analyzed in terms of the possibility of calculating subsidies and compensations in accordance with these costs. A model of entrepreneurship regulation in the agribusiness system has been proposed. This model ensures absolute transparency and accurate calculation of subsidies and compensations. Given the above, the solution of the problem through the general management model of entrepreneurship in the agribusiness system consists of three stages.*

**Keywords:** *agribusiness system, agriculture, compensation, entrepreneur, state support, mechanism, price, subsidy*

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## **WORLD EXPERIENCE OF STATE SUPPORT FOR ENTREPRENEURS IN THE AGRIBUSINESS SYSTEM**

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### **ABSTRACT**

*The study of world experience of state support for entrepreneurs in the agribusiness system of the Republic of Azerbaijan has become one of the necessary issues. It is substantiated that there is a need to study the practice of developed countries with competitive agriculture, especially North America and the European Union, in order to effectively regulate the state, using the basic principles of market economy in the agribusiness system in our country. The article discusses the mechanism of price regulation in the agribusiness system of these countries. At the same time, it is noted that in terms of the practice of foreign countries in the field of state regulation of the agribusiness system, the study and generalization of government programs implemented in the United States is of great interest. In this regard, the importance of agricultural insurance programs in those countries in order to provide state support to entrepreneurs*

*has been studied. Another group of popular government programs in the United States is federal programs to support the price and income of entrepreneurs in the agribusiness system. In addition to the government programs mentioned in the article, there are many smaller programs, most of which are short-term. The main regulatory directions of the state policy to support entrepreneurs are widely reflected in the article. In developed countries, there are diversified systems that support agribusiness. The agrarian policy of most countries is to ensure maximum food security of the state, to maintain the economic situation in the agribusiness system, to ensure a minimum level of profitability that will attract the industry in terms of investment, to prevent overproduction, to protect the domestic market, to ensure competitiveness of local entrepreneurs. and so on.*

**Keywords:** *agribusiness system, entrepreneur, experience, EU, member countries, state support, USA*

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## **DIRECTIONS OF FORMATION OF INNOVATIVE DEVELOPMENT IN MODERN AZERBAIJAN**

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### **ABSTRACT**

*Achievement of economic development through the use of innovative management practices to meet the growing needs of the population with the ecologically clean products in connection with the transition to market relations in Azerbaijan is one of the key challenges facing innovaton management. “Azerbaijan 2020: Vision of the Future” reflects the directions and composition of innovative development in Azerbaijan. Creating an innovative*

*economy in Azerbaijan in the context of new economic relations, enhancing innovation activity and ensuring the development of innovation activities are an integral part of the economic policy pursued by the state. Innovative use of advanced technologies in production and management techniques plays an important role is in the management practices of developed countries in the modernization of the economy. In this context, modern directions of application and management of innovations in organizational and legal forms of management should form to modernize the Azerbaijan economy.*

**Keywords:** *innovation, management, product innovation, process innovation, technological innovation*

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## **PROBLEMS OF CREATION OF AUTOMATIC WEAVING FACTORIES**

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### **ABSTRACT**

*Increasing the productivity of the textile factories and improving the quality of the products requires their extensive mechanization and automation. For the production of automated knitting factories, the technological processes should be analyzed at the weaving department and the textile shop. The article outlines the main directions of the textile industry, including the mechanization and automation of weaving factories.*



*The processes of weaving and preparation of textile fabrics were analyzed, as well as the technological and auxiliary processes necessary for mechanization and automation were determined. Here is the level of automation of technological processes and machines and equipment that performs them.*

**Keywords:** *automation, mechanization, technological process*

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## **SPATIAL ASPECT OF KNOWLEDGE DISSEMINATION IN THE PRODUCTION SECTOR**

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### **ABSTRACT**

*The article examines the problem of measuring and analyzing endogenous factors of economic growth in a knowledge-based economy. The authors discuss the key characteristics of knowledge – non-competitiveness, non-exclusivity, the ability to set a common framework for the incorporation of new experience and the development of technologies. The review of works with theoretical models of knowledge and technology influence on economic growth is being performed. The authors highlight the need to take spatial relationships in the analysis of endogenous factors of economic growth into account. The purpose of the*

*article is to study the spatial aspect of the knowledge dissemination in the production sector of Russian regions based on the use of the cost indicator for technological innovations. Based on the spatial correlation between 2009 and 2019, it is shown that there is a technological imbalance between regions as a result of an unbalanced distribution of knowledge in the industrial sector, the regional competition in terms of costs for technological innovations, discovered the local spatial clusters of regions with high and low costs of technological innovation.*

**Keywords:** *Economic growth, Endogenous factors, Knowledge, Technological innovation costs, Spatial correlation, Moran Index*

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## **SOCIAL AND ENVIRONMENTAL INNOVATIONS AS FACTORS OF SUSTAINABLE DEVELOPMENT OF ECONOMIC SYSTEMS**

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### **ABSTRACT**

*The active transition of the world community to an innovative economy, in which the main share of the gross domestic product is provided by the production and sale of high-tech products, leads to the emergence of interest in ensuring the sustainable development of the state and enterprises through the introduction of innovations. In the modern economy, innovations that contribute to the implementation of new ideas in specific technical and commercial achievements are one of the key factors of the competitive advantage of enterprises. This article is devoted to such tools for achieving sustainable economic*

*development as social and environmental innovations. The article defines the essence of social and environmental innovations that ensure the sustainable development of economic systems. Attention is focused on the need to solve the problem of ensuring the sustainable development of economic systems through the implementation of their innovative activities through the introduction of basic and improving innovations. The increase in environmental problems, the economic consequences of natural and man-made disasters, the problems of the social sphere, the rapid decline of natural resources dictate the need for advanced development of certain specific areas of scientific and technological research and development ("clean" energy, biotechnology, genomic medicine, new technologies in agriculture, environmentally friendly materials, "green" innovations, etc.). The sustainable development of the state is influenced by innovative activity, and therefore it is necessary to increase the intensity of the introduction of scientific research, to create conditions conducive to the innovative activity of enterprises.*

**Keywords:** *economic development, environmental innovation, innovation, innovation activity, social innovation*

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## **THE APPLICATION MODEL OF ORGANIZATIONAL AND PRODUCTION INNOVATIONS TO IMPROVE THE EFFICIENCY OF AN ADVERTISING AGENCY**

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### **ABSTRACT**

*It is known that in modern times, it is difficult to manage the activities of an advertising agency because of the dynamic variability of some parameters of business processes. Frequent changes in these parameters reduce the likelihood of achieving the set goals. Therefore, there is a need for the application of organizational and production innovations. The article describes the mechanism of operation of the advertising agency and for this purpose uses the concept of "state of the system" in accordance with the term base of the theory system. As is commonly known, 3 types of approaches (process approach, systematic approach, situational approach) are used more in management. The most widely used of these is the process approach. A process approach to the design and implementation of organizational and production innovations requires "engineering" skills. Therefore, the "engineering" ability is of utmost importance in building an application model to increase the efficiency of the advertising agency. At the same time, the design of the process of application of organizational and production innovations means the procedures applied consistently. These procedures allow you to create a system of purposeful actions that increase the quantity, speed and quality of direct advertising services provided to clients. Each of these procedures is a step towards achieving a specific goal. In other words, the main task in planning the process of application of organizational and production innovations is to find an answer to the following question: "What*

*should an advertising agency that produces competitive advertising products and services look like?".....*

*In order to increase the efficiency of the advertising agency, the article considers the process components of the activity before moving on to the process of building a specific model for the implementation of organizational and production innovations, and then develops recommendations for the formation of an innovative activity management model to maintain the required level of competition, taking into account the positioning conditions. With the aim of enhancing the efficiency of the advertising agency, I proposed a special model for the application of organizational and production innovations. Another important issue is that the advertising company faces the negative effects of the external environment when implementing organizational and production innovations. These issues need to be considered separately. To prevent such side effects, the company should use PR, advertising, lobbying and other methods of sales promotion. For this purpose, the article describes in detail the negative impact of the advertising agency on the parameters of the external environment in the application of organizational and production innovations. In the end, some advantages of the organizational and production innovations application model to be used to increase the efficiency of the advertising agency were noted and analyzed in detail.*

**Keywords:** *advertising agency, organizational and production innovations, model, efficiency, competitive advertising*

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## **PROBLEMS OF RECOGNITION AND METHODOLOGY OF ACCOUNTING FOR CAPITALIZATION OF INVESTMENT COSTS IN LONG-TERM ASSETS**

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### **ABSTRACT**

*It is known that investing in the acquisition and creation of long-term tangible and intangible assets is risky because the value of such assets is recovered over a long period and their liquidity is not very high. Therefore, when making investment decisions in this area, different information is always used, generated from different sources, among which the financial statements play an important role. However, to the question - whether the financial statements contain useful information for making effective investment decisions - there is no unequivocal and comprehensive answer. The paper proves that the quantity and quality of such information largely depends on what principles, criteria and rules are the basis of the methodology for accounting of its formation. The analysis and evaluation of current formal and informal prescriptions, judgements and methods of capitalising the costs of creating certain types of long-term tangible and intangible assets are given. This paper drives the conclusion that*

*the information developed on the basis of the currently applied normative does not allow the formation and application of a unified system of indicators for the objective assessment and analysis of the economic and social consequences of investments in the considered assets.*

**Keywords:** *assets, costs, investment, capitalisation*

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## **THE ECONOMIC IMPACT OF THE COVID-19 PANDEMIC ON EUROPE AND ACTION STEPS OF EUROPE**

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### **ABSTRACT**

*Covid-19 (Coronavirus), founded in China in 2019 and continues to challenge the world, soon became the world's principal enemy. The epidemic has caused the worst global recession since the "Great Depression" of the 1930s. The closure of trade routes, economic shutdown, reduction of production, closure of many jobs has contributed to a remarkable slowdown in the economy.*

*Economists do not rule out that the process of self-recovery may take a long time. However, in our opinion, economic recovery will happen quickly. We believe that after the pandemic subsides, the European economy will recover and soon return to the pre-pandemic economic situation. The recession did not go unnoticed by Europe. What areas did the European life slow down, what did it do to prevent the economic downturn, and when did the vaccination process begin? We will report on such topics.*

**Keywords:** covid-19, economic influence, European Union, economic predictions, SME, vaccination

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## **TRANSFORMATION AND MODERNIZATION PROCESSES IN AZERBAIJAN IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT**

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### **ABSTRACT**

*The article studies the main directions of the processes of transformation and modernization in Azerbaijan in the context of basic principles of the concept of sustainable development. It is noted that, one of the most relevant issues today is the integration of the planetraies process of conciousness widespread in XXI century into the dialogue of local national cultures, exploring the new foundations of globalization based on narional self-awareness and moral values, the objective, impartial study of the mutual benefit of the social and spiritual heritage of peoples. The establishment of the information society at the beginning of the new millennium, the deepening of globalization and integration increase the importance of building sustainable development on the principles of economic growth, social progress and*



*environmental protection. The contradictions that arise in modern times as a result of aggravation of global problems and the complication of transformation processes require the creation of new models of interaction between civilizations based on dialogue and cooperation. The need for full-fledged and more comprehensive participation in the diversified global market conditions the intensive intellectualization of production, the transition to a “knowledge economy”, the modern norms of integrative development of politics, morality and economy; forms a new culture of thinking that embraces the political and economic processes, lifestyles and the system of values. In the line with the goals of the concept of sustainable development, it is changing in the direction of creating values beyond the narrow pragmatic economic goals, utilitarian markets and the economy. In order to ensure the sustainable socio-economic development, it is high-priority task to minimize the damage to social ecology and natural ecosystems, and to rationalize the moral and political goals in order to overcome planetary threats. From this point of view, the study of social, political and ideological influences on universal progress, determining the role and place of philosophical and social approaches in this direction, which allow us to overcome the challenges and threats of modern times, is one of the factors that actualizes our research.*

**Keywords:** *information society, sustainable development, globalization, universal progress, economic growth, social progress*

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## **WAYS OF EXPANDING THE LOGISTICS SYSTEM OF PRODUCTION DIVERSIFICATION**

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### **ABSTRACT**

*It was noted that the strategic road map on logistics and trade development in the Republic of Azerbaijan would allow the creation of a refining center for petroleum products and the creation of a supply base for general use in the new port of Baku for oil and gas processing and other purposes in the region. At the same time if we look at world experience, the creation of the “Alat chemical and petrochemical” logistics center with high potential and strong infrastructure at the Baku port could have been a great success to our Republic, including chemical and petrochemical enterprises. Thus, the logistics center has the potential to supply a wide range of chemical and petrochemical products, especially major chemical products from Iran and other gulf countries, as well as South-East Asia. In other words, this logistics center could provide a strong stimulus for the formation of processing networks, the creation of chemical and petrochemical enterprises by bringing large volumes of chemical and petrochemical products to our country. On other hand, the processing or re-packing of chemical and petrochemical semi-finished products would increase the export potential and so on. It should be noted that there is serious state support for the development of the logistics system in our Republic, and attention to the development of this area is growing. Thus, in December 6, 2016 by the decree of the president of the Republic of Azerbaijan, the strategic road map on the development of logistics and trade in the Republic of Azerbaijan was approved. In this important document, short, medium and long-term directions of economic*

*development in the field of logistics for the period to 2020, to 2025 and after 2025 for the subsequent period have been determined. In the near future, taking into account the development trends of the logistics system, its strategic targets, the maximum optimal and efficient solutions of the economic and organizational problems of the logistics system in enterprises will be further actualized in our country and in the world. Based on the real challenges of modern era and trends in the development of this sector, enterprises in the creation and operation of an improved logistics system will have a significant role etc.*

**Keywords:** *Enterprise, Logistics System Organization and management, non-oil sector, innovation, material flows*

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## **THE DIRECTIONS FOR IMPROVEMENT OF COMMODITY STRUCTURE OF AGRICULTURAL EXPORT IN AZERBAIJAN**

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### **ABSTRACT**

*The sustainability of the socio-economic development of Azerbaijan is determined to a large extent by the establishment of effective foreign economic relations which serve to its integration into the international economic system, the expansion of favorable trade and economic relations with foreign states and international economic organizations in accordance with the national interests of the country. At present, our country establishes mutual economic relations with about two hundred states of the world. But, the majority of these relations, especially export relations are related to oil and gas products. Therefore, today the necessity for profound study, objective assessment and*

*adequate measures of export potential of Azerbaijan's non-oil sector seems very actual. The fact that Azerbaijan is on the list of low-soil countries in the world indicates that the country produces less product in terms of production capacity. Moreover, remaining of about 20 percent of the territory of the republic under occupation for about thirty years decreased sowing and pasture areas considerably, as a result, the volume of agrarian food production did not pass unnoticed. Also, it is impossible to use enough of innovated technologies in agrarian field, therefore the import capacity of foodstuffs still remains high. The point is that, there is enough wide potential in Azerbaijan for production and processing of the majority of the imported products. It is also due to the characteristics of agriculture. So, agricultural products can be put up for sale both naturally and by processing. It also should be noted that, the processed products obtained naturally from exported products return to internal market at high prices. The commodity structure of agricultural export shall be considered periodically for elimination of these contradictions. The exports of products that do not require large investments in processing should be reduced in the near future. The measures shall be taken in the direction of promotion of export of competitive products made of their processing on the basis of high technologies. It can be resulted in increase of employment, improvement of the people's welfare and decrease of currency expenses for food import on the account of processing sector. Therefore, the opportunities for transition from natural raw materials to the finished products shall be investigated in agricultural export of the country and the existing opportunities shall be used maximally.*

**Keywords:** product, export, import, investment, competition

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## **PROBLEMS OF DIGITAL ENTREPRENEURSHIP DEVELOPMENT IN AZERBAIJAN**

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### **ABSTRACT**

*Digital entrepreneurship is an essential field for future innovation. The Azerbaijani government has taken a number of important steps in this direction, however, the weakness of the country's innovation ecosystem, as well as the lack of a historically formed open innovation culture that constantly supports entrepreneurs and encourages them to take risks, has led to relative stagnation. In the last years, there has been a relative slowdown in venture investment, and there has been a gradual decline in the number of successful companies entering the market. Therefore, there is a need to improve coordination between the different policy instruments used by the state, accelerate digital transformation and stimulate state-owned enterprises to create the need for innovation, and ensure a predictable business environment and internationalization of the national startup ecosystem. All this characterize the urgency of the research topic. The purpose of the research is to identify the existing problems in the policy of the state in the field of digitalization of entrepreneurship and to develop specific proposals and recommendations to address them. The research used a number of general methods of economics, including a systematic and logical approach, comparative analysis, as well as methods of analysis and synthesis. The article analyzes the theoretical and practical approaches to defining the goals and directions of the state policy in the field of digitalization of*

*entrepreneurship, as well as to identify and eliminate the main problems. The authors advice on the impact of the policy of digitalization of entrepreneurship on the socio-economic processes in the country, substantiate the role and importance of measures taken by the state in solving the problems of socio-economic development of the country. The scientific novelty of the research is a comparative analysis of the policy of Azerbaijan and a number of developed countries in the field of digitalization of entrepreneurship, the development of priorities for improving socio-economic policy based on the interaction between the digitalization of entrepreneurship and socio-economic development.*

**Keywords:** *digital entrepreneurship, innovation ecosystem, government innovation policy, government support tools*

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## **THE MAIN CAUSES AND CONSEQUENCES OF MIGRATION AND EMIGRATION OF LABOR RESOURCES AND METHODS OF THEIR REGULATION**

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### **ABSTRACT**

*Since the second half of the twentieth century, migration processes have acquired truly global proportions, covering all continents of the planet, social strata, and groups of society, various spheres of public life. Quite rightly, the past century is called the "era of migration". International migration in modern*

*society is a fairly significant phenomenon in terms of its scale, as well as its socio-economic and political consequences for countries and regions. The process of internationalization of production, which is actively taking place all over the world, is accompanied by the internationalization of the labor force. Labor migration has become a part of international economic relations. Despite giving rise to certain problems, labor migration provides undoubted advantages to countries that receive and supply labor. The intensification of migration processes observed in recent decades is expressed both in quantitative and qualitative indicators: the forms and directions of movement of labor flows are changing. Cross-country migration of the population and labor resources occurs when there is a significant contrast in the levels of economic and social development and the rate of natural demographic growth of countries receiving and giving away labor force. The world community, which until recently did not directly feel the size, characteristics, and consequences of migration processes at the international level, faced the need to coordinate the efforts of many countries to resolve acute situations and collectively regulate migration flows. The purpose of this work is to consider the concept of migration, to identify the main causes and consequences of migration and emigration of labor resources, and ways to regulate them. To achieve this goal, the following issues will be addressed in this paper:*

- *revealing the concept and types of international labor migration;*
- *showing the scale and direction of international labor migration;*
- *considering the socio-economic impact of labor migration;*
- *considering the state regulation of external labor migration;*

**Keywords:** *international labor migration, labor resources, migration processes, migration regulation policies*

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## **THE IMPORTANCE OF DIGITAL TECHNOLOGIES IN THE REVIVAL OF TOURISM IN GEORGIA AND AZERBAIJAN**

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### **ABSTRACT**

*Today, as never before, the use of modern technologies to solve existing problems has become urgent. The use of digital technology acquired new practical value during the Covid-19 pandemic when society faced new challenges. The fact is that the pandemic has had the strongest negative impact on the tourism sector. Therefore, in Georgia, Azerbaijan, as well as in other countries, tourism trends and key statistical characteristics have changed significantly. The revival of tourism, along with the epidemiological situation, will depend on many factors. Clearly, digital transformation, as a synthesis of advanced digital technologies combining physical and digital systems, will be crucial to shaping and realizing demand for a country's diverse tourism product. This put on the agenda the identification and analysis of the factors affecting the recovery of tourism and the expectations that we should expect after the end of the Covid-19 pandemic. We can boldly say that, today, digital technologies can be considered as a catalyst for the revival of the tourism industry and consequently the growth of Georgia's and Azerbaijan's*



*economy. The aim of my research is to determine the impact on the expectations and prospects of the revival of the modern digital technology tourism industry in Georgia and Azerbaijan for the post-pandemic period. It will be of great importance how the popularity of Georgia and Azerbaijan will increase and their attractiveness coefficient in the digital world will increase. And, in general, what will be the response to the activities of travel companies in the post-pandemic period in terms of digital transformation. The methods of induction, deduction, observation, grouping and analysis were used in the research process. Digital technologies can be considered as a catalyst for the revival of the tourism industry and consequently the growth of the country's economy;*

- *Digital technologies are transforming the tourism industry and introducing new tourism products and services;*
- *Leading the way for companies to interact with customers through online marketing, social media and various applications and so on.*

**Keywords:** *tourism, analysis, digital technologies, statistics*

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## **ANALYSIS AND EVALUATION OF THE ECONOMIC ORDER QUANTITY MODEL IN OPTIMUM CASH MANAGEMENT**

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### **ABSTRACT**

*The actuality of the research. One of the main problems of inventory companies that order different types of products is to find the EOQ by keeping total costs to a minimum. Having the feature of substitution for more than 2 products is the way to find*

*the best reorder point and demand level for the product that reaches 0 in stock. In the process of substituting inventory types, the firm determines the upper and lower levels of the cash flow and the return point by using the Miller-Orr model, one of the optimum cash method models. Establishing an EOQ model for substitutable products by determining the cash level positively affects the balance of the total costs and expenditures of the firm. The aim of the research is to ensure the calculation of the EOQ model for substitutable products by choosing the most appropriate of the optimum cash management models to the financial processes of companies working with large-scale inventory orders. Correlation analysis was used for the data collected through quantitative research. In order to conduct research and reveal the relationships between variables, the data obtained from the enterprise "Özst Azerbaijan" were used. Necessary data at the time of the research were collected through an interview. These data cover issues related to the finance and product ordering of the enterprise. In our country, researching the subject or using it in practice has not been given much place. By doing this research, it is to ensure that the economic order quantity, substitutable products and the Miller - Orr model are used in the same process and that the company is kept in a balance in the total costs and expenses.*

**Keywords:** *EOQ, Miller-Orr model, Cost, Company, Optimum cash*

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## **ECONOMETRIC EVALUATION OF THE IMPACT OF EDUCATION LEVEL AND SCIENCE IN POVERTY RATE: THE CASE OF AZERBAIJAN**

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### **ABSTRACT**

*The article covers education, science and poverty levels indicators, the exchange rate of the manat, per capita income and other indicators. The indicators were examined and correlation analysis was conducted to identify the factors that significantly affect the poverty rate. The poverty rate was econometrically assessed in the Azerbaijani example. It was found that the share of secondary special education institutions graduates and university graduates per 10,000 people, the number of articles per 1 million people in basic science and engineering indexed in Web of Science, per capita income reduces the country's poverty rate, while the increase in the manat against the dollar increases poverty rate. It was determined that the share of secondary school and vocational school graduates per 10,000 people did not have a statistically significant impact on the country's poverty rate. The dataset is based on data from national and international official statistics and covers the years 2001-2019.*

**Keywords:** *graduate, poverty, science*

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## **EVALUATION THE IMPACT OF THE DEVELOPMENT OF CULTURE AND CREATIVE INDUSTRIES ON THE TOURISM SECTOR**

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### **ABSTRACT**

*Cultural and creative industries are one of the fastest growing sectors in the world economy. CCI is an industry that combines economy, culture and creative technology. According to the 2002-2015 review to Creative Economy of the United Nations Conference on Trade and Development (UNCTAD), CCI showed an average annual growth rate of 7,3%. At the same time, the world exports of CCI products and services increased by more than twice over the years, from \$ 208 billion in 2002 to \$ 509 billion in 2015. Recent international research shows that CCI generates 6.1% of global GDP (4.3 trillion USD) and 3% of global annual income (2.25 trillion USD). About one percentage of world's labor force are working in CCI, which means 29.5 million jobs. The measurement, monitoring and evaluation of development processes in this sector are not fully available due to lack of comprehensive statistics on CCI in Azerbaijan. According to the UNESCO report in 2018, CCI's share of GDP was mentioned 1%. The research of authors aims to examine the current situation in Azerbaijan, determine the share of CCI in the economy and assess the impact of the development of this sector on tourism. The development aspects of the CCI, the realization of the potential for development of the CCI in the liberated lands, contribution of the proclamation of Shusha city as the cultural*

*capital on development of this sphere has been examined and made relevant proposals in the period of Post-Pandemic.*

**Keywords:** *Azerbaijan, culture and creative industries, tourism, creative sectors, GDP, Strategic Road Map*

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## **DEVELOPMENT TENDENCIES AND DIVERSIFICATION PROBLEMS OF AZERBAIJAN'S ECONOMY**

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### **ABSTRACT**

*The study finds that, despite various indicators of economic growth for the world and countries provided by credible international financial institutions, the outlook for economic growth in 2021 is negative due to the global pandemic in 2020. The developing countries are projected to expand at a faster rate. The negative dynamics that have been observed in most countries around the world are the product of a strict quarantine regime enforced in response to the pandemic and its repercussions, and it is unavoidable that the results of such steps will be passed on to the Azerbaijani economy. According to the study, non-oil GDP, which has been a positive contributor to GDP growth over the last three years, will decline by 2.3 percent in annual projections in the timeframe under consideration in 2020. However, in terms of its effect on shifts in overall value added output, it has long since lost its dominant role. To avoid the spread of new coronavirus infections, decreases in value added from non-oil industries, which account for around 70% of GDP, resulted in a 1.4 percentage point reduction in GDP decline. This was due to the April implementation of a strict quarantine regime.*

*The pandemic's continued weakening of aggregate demand has stopped inflation from accelerating, whereas the quarantine regime has sped up disinflationary patterns. Of course, the new strategic plan, which is marked by the restoration of the country's territorial integrity, necessitates deep structural-institutional changes, the formation of export capacity, and long-term economic development through non-oil sector expansion, national economy competitiveness, improving, innovating as well as diversifying the economy. They will ensure the country's economic growth in Azerbaijan if the country's citizens' well-being is strong.*

**Keywords:** *non-oil industry, alternative energy sources, non-oil exports, global pandemic, economic growth*

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## **FACTORS AFFECTING INVESTORS BEHAVIOR UNDER CONDITION OF BREXIT**

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### **ABSTRACT**

*This paper identifies the factors and earning opportunities that affect investor behavior during the Brexit process. As a result of leaving the single market obstacles to the movement of capital and labor, the difficulty of trade relations, and the implementation of financial services under new rules have led to economic and political uncertainty. This situation was partially resolved on December 24, 2020. A number of indicators influenced investor behavior in 2016-2021. These includes: changes in the legislation; uncertainty after statements; earning opportunities. At the same time, the reputation of the London financial center complicates this issue. For investors, London is*

*the number one financial hub in Europe and the center of their financial operations. While other European financial centers are trying to take advantage of this process. In the course of this process, there has been an increase in investment flows to the UK. This can be considered unexpected in the event of Brexit uncertainty. Because a number of experts predicted a decline in investment flows to the UK in the event of Brexit. However, according to a number of institutions, the UK ranks first in the world in terms of the attractiveness of the investment climate. It is the factors that affect investor behavior that determine this process. With the Brexit effect, investors have a chance to achieve their goals, ie to make a profit. Given that the EU has made great strides in the integration process, it was impossible for the UK to withdraw from the union with the prospect of a no-deal. As a result, the end of this process resulted in an agreement, and the UK does not actually lose connection with single market, with some exceptions. Thus, Brexit will only lead to losses in the short term. In this case, long-term targeting is more optimal.*

**Keywords:** *Brexit, Economic uncertainty, Financial regulation, Investor behavior*

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## **ANTI-CORRUPTION MEASURES IN REGULATING THE INTERACTION OF CIVIL SERVICE AND ENTREPRENEURSHIP**

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### **ABSTRACT**

*The article examines the issues of anti-corruption regulation of the relationship between the civil service and entrepreneurship, as well as measures to improve the efficiency of government bodies in business regulation. Objectives: based on the analysis of legislation, to determine anti-corruption measures in the regulation of entrepreneurship, to reveal the influence of the civil service on business, to determine the boundaries of the participation of civil servants in the regulation of entrepreneurship, to determine the effectiveness of the control functions of the state body in the regulation of entrepreneurship. The article uses the methods of comparative analysis, logical generalization and synthesis. The author used a mutual analysis of business activity, economic indicators and anti-corruption statistics, revealed the impact of eliminating administrative and bureaucratic mechanisms on improving the business climate in the country. Analyzed the legislative framework for anti-corruption management of the activities of civil servants. The analysis of various approaches to ensuring the opportunities and freedoms of civil servants and the expectations of the interests of entrepreneurs in the process of making decisions on the regulation of entrepreneurial activity is carried out. Reforms are outlined in the model of public administration in Azerbaijan. Particular attention was paid to optimizing the work of the civil service and improving anti-corruption mechanisms.*



*As a result of the study, recommendations were made to improve the efficiency of civil servants providing services to entrepreneurs.*

**Keywords:** *Civil Service, Civil Servants, Anti-Corruption, Efficiency of Public Administration, Mechanism*

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## **THE EXPERIENCE OF APPLICATION OF EFFECTIVE MODELS OF SCIENCE- EDUCATION-BUSINESS COOPERATION IN MODERN TIME**

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### **ABSTRACT**

*The article is devoted to the study of the experience of applying modern effective models of science-business cooperation. Realization of science-education-business cooperation through different sources leads to weakening of the links between the components of “fundamental research application, research-industry production” cycle. As a result, the speed of development of the research sector lags behind the speed of development of the country’s economy and doesn’t meet the needs of entrepreneurship for new technologies. Integration processes in science, education and business are conditioned by the acceleration of scientific-technological progress under modern conditions, the application of innovative scientific developments in mass production and the informatization of the economy. The development of science-based industries places new demands on the training and re-training of innovative responsive personnel, as well as on science, education and business in a complex that cannot develop independently and adapt to changes in technology*

*and equipment. All these issues have determined the timeliness of this study. Socio-economic analysis, generalization and economic-statistical methods were used in the research process. The article identifies the main priorities of high-tech development, the main directions of state policy in Azerbaijan in this direction and the importance to form a more productive architecture of scientific-education-business cooperation. The article also reveals the modern requirements and shortcomings of integration processes in science, education and business, explores the principles of the national strategy of scientific development and modern international models of scientific and business cooperation, and makes relevant proposals for their application in Azerbaijan.*

**Keywords:** *scientific-business cooperation, education policy, integration processes, model*

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## **SAVING THE WORLD THROUGH TECHNOLOGY: THE ASPECT OF E- LEARNING IN EDUCATION**

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### **ABSTRACT**

*Introduction and purpose of the study - Our present world is characterized by the empowering revolution of technology. The dominance of IT in 21<sup>st</sup> Century is eminent. Humans exposed to external threats like the Covid-19 pandemic are made to rely on technology than ever before. While our developed systems are disturbed in the wake of this crisis, emphasis is made on the reliance of technological power than on human capacity. This research aims to undercover how major sectors like education*

*are hinging their activities on technology. E-learning is fighting the odds in the time of distrust and uncertainty. The research strategies used are: 1) a quantitative analysis of affected students (internationally), 2) studies published on the role of technology in education and crisis management. Data has been collected first-handedly by surveying student responses and supporting secondary sources. The findings support our given stance on technology's savior role in current times. It is evidenced that the majority of higher educational institutions are going by e-learning methods. There are implications on the quality and means to this approach, to be dealt with in futurist stages of advancement. This research work is formulated on the basis of secondary sources. It includes academic literature, scientific published articles covering global aspects of the pandemic and role of technology. Some primary information regarding the international students has been collected at the initial stage of research. Used sources includes materials of scientific-practical conferences and business forums, expert analyses, documents of international organizations, as well as of business associations specialized also in scientific research. Methods include rational reasoning based on the analysis of relevant subject and of statistical data, analysis of COVID-19 reports and data that is publicly available on the websites of different global forums. The concluding discussion and implications can be, principally of interest to readers of education technology. Also, the content gives a direction to the future of e-learning and present state of academic. The paper discusses how educationists and investors are corresponding to crisis management.*

**Keywords:** Technology, Education, e-learning, Crisis Management, Covid-19, Pandemic

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## **FACTOR INFLUENCE TO THE LABOR PRODUCTIVITY LEVEL IN AZERBAIJAN REPUBLIC**

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### **ABSTRACT**

*An increase in labor productivity is a significant factor providing ensuring economic growth of the country. The main research question is: “What factors influencing labor productivity determine the positive development dynamics of the Azerbaijani economy?” This article considers the impact of such factors as the average monthly wage, the percentage employed in industry, in agriculture, forestry and fisheries, in construction, and the mean years of schooling to the labor productivity level in Azerbaijan. The aim of this article is to quantify the influence of the above-mentioned factors to the labor productivity level based on the economic and mathematical modeling. To achieve this goal, the following tasks were completed: (a) theoretical justification and identification of significant factors influencing the productivity level in the economy of Azerbaijan; (b) the statistical analysis of labor productivity indicator for the period 2015-2019 and (c) creating the correlation-regression model based on selected factors. The analysis of the labour productivity dynamics for the period of 2015-2019 in the sectoral context is presented. Modeling of factors’ influence is performed by means of regression analysis. The methodology employed are disclosed with the scientific deduction, that allowed to identify the key factors influencing productivity dynamics; the analysis of statistical data for productivity level in Azerbaijan for the period 2015-2019, and economic and mathematical modeling in the form of regression analysis. Results obtained demonstrate the significant influence of such factors as the average monthly wage, the percentage employed in industry, the percentage employed in*

*agriculture, forestry and fisheries, the percentage employed in construction, and the mean years of schooling to the labor productivity level in Azerbaijan. The most influential are the average wage level and employment in the primary sectors. It is proved that the productivity defines the developmental vector for Azerbaijani economy and its economic growth.*

**Keywords:** *educational level, employment, labor productivity, wage level*

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## **OPPORTUNITIES AND PRIORITIES OF AZERBAIJAN'S TRANSITION TO THE CONCEPT OF INCLUSIVE GROWTH**

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### **ABSTRACT**

*At the article, it searches the problems of ensuring the transition to the concept of inclusive growth in Azerbaijan from a theoretical, methodological and practical point of view. SWOT analysis and evaluation of existing concepts related to the concept of inclusive growth leads to the conclusion that inclusive growth is, above all, the optimal use of labor potential, ensuring effective employment, minimizing poverty and its negative consequences, the level of income between different social groups. It is necessary to eliminate the sharp differences, as well as to reduce inequality in living standards between different regions, especially in the provision of social infrastructure, in general, comprehensive human development, as well as access to health and education services. It is also a fact that the transition to inclusive development is not possible without ensuring the*

*transition to sustainable development. Then, the possibilities, main ways, characteristics and mechanisms of transition to the concept of inclusive growth on the basis of concrete materials of Azerbaijan are evaluated on the basis of SWOT analysis, while identifying priority fields, and its implementation, the creation of appropriate social infrastructure to ensure sustainable development in the long run, a sharp increase in the share of human capital in GDP, the creation of the necessary institutional structures for effective social policy and the transition to inclusive development are national priorities. It is also emphasized that the balance of resources of our country, the degree of their use, the achievements in socio-economic development in recent years will allow our country in the near future to move to the concept of inclusive economic growth. At the end of the article, the concrete suggestions and recommendations are put forward to improve the mechanisms of social development, social progress and effective implementation of the social security system in our country to ensure the transition to the concept of inclusive growth.*

**Keywords:** *inclusive growth concept, sustainable development, inclusive development, Strategic Roadmap, development concept, social development, social security system*

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## COMPARATIVE ANALYSIS OF MORTGAGE LOAN IN INTERNATIONAL BUSINESS

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### ABSTRACT

*The existing problems of mortgage crediting in Azerbaijan are tried to be solved at different levels from Bank structures up to*

*government: though the problems which solution is important and stand before mortgage mechanism and mortgage crediting in regard to real estate, housing market and those have many aspects, its mutual relation with other social-economic factors is drawn to the foreground. The mortgage of real estate always has been one of the most reliable methods to provide the fulfillment of obligations in a proper order. Mortgage mechanism is one of the important priorities of market economy system to buy an apartment and gives an opportunity for creation of efficient investment environment. So, there are significant problems in economic aspect of mortgage crediting. Solution of these problems is not so easy. But, it is impossible to increase the efficiency of mortgage crediting without trying their solution and attempting to it. All of these mentioned confirm the urgency of this research. Different types and models of mortgage crediting in Azerbaijan and in the world are considered in the article, they were compared from the standpoint of economic efficiency, profitability and social orientation and estimated. The establishment of organizations and importance of their development giving an opportunity to increase of crediting and financing systems of housing market by basing on analysis of the world practice is emphasized. It was concluded that, the application of different systems of saving in housing construction gave an opportunity to increase the level of guarantee in efficient and available apartments, all of these were accepted as important process, the importance of the use of mortgage model mechanisms basing on balancing was said. The selection of mortgage models in mortgage crediting systems depends on features of national economic development and development history of financial-mortgage system of the state. The comparative functional analysis of national models of mortgage formed during a long period gives opportunity to determine their priorities and negative sides. Also, the necessity of classification of means analyzed and investigated in terms of different priorities was emphasized to finance mortgage assignment apartment market as one of the research results. The use of the main elements of each model considered and their application put*

*forward as suggestion to improve and develop the system of financing of apartment market and mortgage crediting in the article.*

**Keywords:** *mortgage, crediting, mortgage crediting system, apartment market, apartment construction, financing of apartment market*

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## **EFFECTIVE FINANCE, MONETARY AND FISCAL POLICY IN ENSURING ECONOMIC DEVELOPMENT IN AZERBAIJAN DURING THE PANDEMY**

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### **ABSTRACT**

*COVID-19 aims to ensure the sustainable economic development of the Azerbaijani economy in the financial sector and to make certain changes in the regulation of fiscal and monetary policy in this sector. In the context of the implementation of economic reforms in the country, the implementation of economic policy in accordance with the relevant specific conditions is very important for this period. Stimulation of both national and regional economies through the introduction of fiscal and monetary policies in a country in a pandemic environment, the provision of local markets based on achieving a certain stability in the financial sector, depends largely on financial stability and fiscal*



*and monetary policy . The development model aimed at ensuring sustainable development in the country has negative priorities: expecting optimal ratios of key and progressive factors in economic growth, economic security of the national economy, competitiveness, growth efficiency in terms of reproduction, social efficiency and the level of efficient use of one of these factors. The focus on the impact of fiscal policy should be improved. Even during a pandemic, the regulation of macroeconomic stability depends to a large extent on the optimal coordination of monetary, fiscal and fiscal policies. Coordination between fiscal and monetary policy in connection with the use of oil revenues in solving the problems of national development of the country's economy during the pandemic is of particular importance. Thus, this policy is the basis for a serious economic and social threat in accordance with the current level of inflation in the country. As a result of successful monetary, fiscal policy and other economic measures carried out in the country in 2020, successful responses to external and internal shocks were given and conditions were created for effective management of these shocks, which have a strong impact on all spheres of public life and economy. For 2021 and the medium term, the country faces challenges such as a return to a sustainable economic growth trajectory, a doubling of GDP over the next 10 years, macroeconomic stability in the light of realities, and the restoration of liberated territories.*

**Keywords:** *sustainable economic development, development model, economic stability, fiscal-monetary policy, pandemic*

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## **THE CONCEPT OF SUSTAINABLE DEVELOPMENT AND THE PROBLEM OF SOCIO-ECONOMIC DEVELOPMENT OF REGIONS**

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### **ABSTRACT**

*The article reflects the achievements of recent socio-economic reforms in Azerbaijan, as well as issues such as ensuring sustainable development of the regions, the formation of an innovation-oriented economy in line with modern conditions. We must keep in mind that sustainable development combines economic, environmental and social components in the selection and implementation of human development indicators. The most important goal here is to move resolutely towards sustainable development and to achieve the development of a concept of sustainable development of the country, region and city. Thus, the current stage of development based on market relations presupposes the formation of the economy and its effective integration into the world economic system and, above all, ensuring the competitiveness of the country's economy. At the current stage of reforms that can ensure sustainable economic development of the country, a systematic approach to the economy, the development of innovation-investment and structural policies require the implementation of targeted programs that can stimulate the comprehensive development of the country's economy. The essence and purpose of economic reforms in our country is to create an innovative economy in the country and regions, to successfully implement socio-economic problems, to achieve economic growth in the development of innovative entrepreneurship. Effective use of the economic potential of the regions, ensuring its sustainable socio-economic development, more successful implementation of the adopted programs and the development of new programs in this direction*

*require a study of the essence of such concepts as region, region and economic region. From this point of view, back in the 70s of the last century, the main focus in the country's economy was on the study of theoretical views on regional reproduction and distribution of wealth by regions, as well as the practical application of scientific and theoretical views. At the same time, the issues of using the development potential of new forms of self-government remain insufficiently studied and discussed in the development of models of sustainable socio-economic development of the efficient use of local resources. Such issues include effective management of the economic potential of the regions, formation of local and regional markets, as well as their infrastructure, implementation of appropriate investment policies, proper use of property of various forms of ownership, ensuring efficient use of local resources, intensification of full and efficient use of existing potential.*

**Keywords:** *sustainable development, innovation, investment, reforms, regions, socio-economic*

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## **ORGANIZATIONAL CONFLICT MANAGEMENT DURING COVID 19**

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### **ABSTRACT**

*Covid19 has a significant impact on the organizational life all around the world. Due to the restrictions from the governments based on the social distancing, employees have to work from home and accept new reality in every aspect of life. It has changed not only work, but families and their social life. This has caused changes in their behavior related to the work and daily activities. Due to this fact, managers and leaders of the organizations faced even more difficulties. They have to win on their own feelings and attitudes, adapt to the new reality very fast and manage new organizational reality effectively. Business continuity approaches show its vital need for the organizations. As the organizations who did not have business continuity plan found themselves in front of the high risks. Many of them had difficulties with financial issues, resource shortages and staff well-being. Due to this factors, peoples' behavior and attitude has changed. Their*

*emotional level increased due to the uncertainty which continues even nowadays. As people vary by nature, personality, life-style, family conditions and other factors, they had dissimilar approaches to the new reality which had different impact in the behavior at work. Nature of the organizational conflicts has changed as well and its management has become more challengeable for managers and organizational leaders.*

**Keywords:** Covid19, Current challenges, Management, Organizational conflict

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## **ASSESSMENT OF THE IMPACT OF THE LEADING PROCYCLICAL INDICATORS ON THE SOCIO – ECONOMIC DEVELOPMENT OF THE COUNTRY**

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### **ABSTRACT**

*The purpose of this article is to assess the impact of procyclical indicators on the main macroeconomic fundamentals of the development of the Azerbaijani economy. As a result, 11 different economic indicators were reviewed and analyzed based on the annual data of the State Statistical Committee from 2000 to 2020 inclusive. Method and methodology of the work. The methodology of the work is comprised of correlation - regression and graphical analysis, as well as fundamental works of foreign scientists and research by experts from the IMF and the National Bureau of Economic Research (NBER) of the United States. The article investigated and evaluated autocorrelation coefficients for the presence of lagged independent variables and their impact on macroeconomic variables with some delay. The versatile*

*econometric tests carried out in the course of the research showed that the constructed econometric models meet all the basic postulates of econometric analysis, that is, they meet the conditions of specification, parameterization and verification and are sufficiently adequate to the real economic situation in the country. Consequently, the conclusions obtained in the study can be successfully applied to predict cyclical development during the period of diversification of the Azerbaijani economy. The novelty of the research lies in the uniqueness of the work. The study revealed a system of procyclical macroeconomic indicators that allow monitoring economic fluctuations in the Azerbaijani economy. The identified various groups of indicators, leading indicators, which, with a certain degree of reliability, make it possible to identify the phases of expansion and contraction of the economic system, to determine negative trends in the economy and to allow taking measures to eliminate them. Also, false procyclical indicators were highlighted, which in fact do not have any effect on macroeconomic indicators. As a result of the study, three multivariate linear and logarithmic regression models were assessed, the features of the influence of countercyclical indicators on Azerbaijan's GDP were revealed, and their significance was determined. The research results can be used both for monitoring the development of the Azerbaijani economy, and for forecasting, predicting the onset of the corresponding phases of the economic cycle, in order to adapt and reduce the negative impact of crises at the micro and macro levels.*

**Keywords:** *indicators, factors, economic cycle, procyclical factors, correlation analysis, GDP*

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## **EVALUATION OF THE BANKING SECTOR SERVICES INTENDED FOR THE KARABAKH REGION**

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### **ABSTRACT**

*Since the collapse of the Soviet Union in 1988, the Karabakh issue has been on the agenda of the world public opinion. This conflict has been experienced between Azerbaijan and Armenia in the Nagorno-Karabakh Autonomous Region, which has been a Turkish territory throughout history. This problem reached its peak when Armenia occupied 20% of Azerbaijani territories in 1992-1994. The Second Karabakh War, which took place after a long silence, was the most intense and longest war since the ceasefire agreement signed in 1994. This war resulted in the recovery of Azerbaijan's occupied territories with the contract signed on 10 November 2020 after the liberation of Shusha, the second largest city of Nagorno-Karabakh. Following the long-awaited victory for the development of the banking sector, PASHA Bank, one of the leading banks in Azerbaijan, opened a PASHA Bank branch in Shusha, using all its experience and knowledge to support government initiatives and reintegration into the liberated regions, as well as to develop entrepreneurship. He emphasized that it is ready to establish relations with partners both within and abroad. Purpose of the research: The liberated Azerbaijani lands, agriculture, precious metals, transport and logistics, tourism and hospitality, have a unique economic potential in many other parts of the real sector of the economy. In this study, the services of the banking sector for the Karabakh region, which has an effective economic potential, have been examined and evaluated. Research method: Both qualitative and quantitative methods were used in the study. In other words,*

*secondary data such as reports, news, domestic and external academic publications published by state and private institutions were used. In addition, the opinions of the powers of some banks were taken and primary sources were applied.*

**Keywords:** *Banking, Nagorno-Karabakh, Integration, Economy, Development*

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## **THE ROLE OF THE DIGITAL ECONOMY IN THE FORMATION AND DEVELOPMENT OF AN INNOVATIVE ECONOMY: AZERBAIJAN CASE**

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### **ABSTRACT**

*In the article, the authors considered some issues of the development of the digital economy and the introduction of innovations in Azerbaijan. Based on the analysis of the State Programs and Decrees of the President of the Republic of Azerbaijan, the authors of the article noted the need to prepare measures to create legal, technical, organizational and financial conditions for the development of the digital economy in our country; revealed the concept and advantages of the digital economy and emphasized the impact of ICT technologies on the development of innovative economy of Azerbaijan. The coronavirus pandemic has forced humanity to expand the*



*capabilities of information technology in practice and created the need for innovation in all areas of the economy. The authors of the article come to the following conclusions: the implementation of key government programs, the introduction of new technologies and business models requires a quick response to technological and economic failures and crises; the need to develop digital skills, since any technological breakthrough requires a highly skilled workforce. To accomplish all of this, the authors note that it is essential to invest in educational platforms, achieve rapid development of digital economy skills across the country, train and upgrade the skills of the workforce, implementing a model such as lifelong learning.*

**Keywords:** *Digitalization of the economy, Information technology, Introduction of innovations, Newest technologies*

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## **PLACE AND ROLE OF INNOVATIVE DEVELOPMENT IN ENTREPRENEURSHIP**

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### **ABSTRACT**

*The article focuses on the development of innovation-oriented economy, the creation of new technological processes, the effective use of scientific and technical potential in our country, entrepreneurship in new technologies and management and the emergence of new sales markets in a market economy. Building the country's economy through innovation depends on the creation and operation of a national innovation system. The role of innovation in achieving sustainable development of the national economy is very large. It is also important to note that in modern times, innovative entrepreneurship is very widespread in market economies. Innovative entrepreneurship is the*

*discovery and implementation of innovations. Entrepreneurship in Azerbaijan has a long history of development. The various natural resources owned by our country have created invaluable conditions for the arrival of foreign businessmen in the country, as well as for the development of local entrepreneurship. Entrepreneurial activity is constantly supported by the state and creates conditions for improving the living standards of the population as one of the main directions of the state's economic policy. It should be noted that entrepreneurial activity is an independent, enterprising economic activity of members of the society, aimed at obtaining personal income or profit, carried out at their own risk and responsibility for their own property. One of the most widespread forms of entrepreneurship in modern market economies is innovative entrepreneurship. Innovative entrepreneurship is associated with the creation, acquisition of services, as well as their commercial use. Because in this process, it is important to come up with new ideas, evaluate ideas, develop a business plan, search for the necessary resources, create prototypes, conduct tests, research the sales market and introduce goods to the market. The role of entrepreneurship is mainly related to the creation of innovations, unpredictable products and a new combination of traditional factors of the economy (labor, land, capital). The task of entrepreneurs is to reform and revolutionize the method of production through the application of inventions, in other words, to reorganize the previous branch of industry and create conditions for the opening of a new field, using new technologies to produce new goods and new sources of raw materials or new markets. It is an object used in production as a result of innovation-scientific research or service discovery and differs from the previous analogue.*

**Keywords:** market economy, innovation, innovation entrepreneurship, entrepreneurship

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## THE IMPACT OF PANDEMIC ON AZERBAIJAN BALANCE OF PAYMENTS

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### **ABSTRACT**

*Azerbaijan has one of the most stable economies among the countries of the region, thanks to a number of fundamental factors, such as rich natural resources, economic reforms and the trust demonstrated by international financial institutions. The global economic slowdown caused by the pandemic also affected the balance of payments of Azerbaijan. During 2020, both the export and import experienced a tightening, and the transactions associated with “Tourist services”, a sector that was one of the most actively growing industries, has practically ceased. This article analyzes the consequences of the pandemic for the current and the capital accounts of the balance of payments, and possible scenarios necessary to overcome them. The authors concluded that, despite the overall deterioration of the economic situation, the reserves accumulated in the previous years’ made it possible to maintain the stability in the balance of payments. And the attractive investment-enabling environment in Azerbaijan and the ongoing reforms will help overcome the negative consequences of the pandemic.*

**Keywords:** *Balance of Payments, Current Account, Exports, Financial Account, Imports*

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## **DIRECTIONS TO ENSURE THE SUSTAINABILITY OF TARGETED SOCIAL POLICY**

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### **ABSTRACT**

*Independent Azerbaijan is at a historic crossroads in terms of economic, social, political, and cultural growth. The country's economy has been improved and modernized as a result of the socioeconomic reforms introduced during this period. The amount of the country's economy has more than tripled in the last 17 years, good socio-economic growth has been ensured, infrastructure has been built, and the level of poverty has decreased significantly in the context of positive dynamics. The rise in the minimum wage has resulted in a substantial decrease in illegal labor. Currently, the Republic of Azerbaijan's social policy, which is a priority of state policy, is followed by the country's sustainable development and an improvement in the indicators that characterize people's living standards. State budget spending for 2021 on public administration agencies, power systems, social policy implementation, real sector financing, and other expenditures according to the report,*

*expenses related to the implementation of social policy account for 31.5 percent of total state budget expenditures. Expansion of the self-employment program, establishment of DOST centers providing 132 types of services, implementation of electronic appointment systems for 21 types of social security, ensuring accountability in the field of targeted social assistance and disability are great examples of this policy. The government's work in Karabakh to develop housing for families, disabled people, and internally displaced persons (IDPs) can also be considered a fruitful social operation. The conclusion was that the state should ensure a minimum wage, as well as help those who are unable to work and those who have temporarily lost their capacity to work. Azerbaijan government's social policy should be oriented to the establishment of an inflation-protection system, determination of the consumer basket's minimum level, economic growth, and population social situation, assisting the economy's improvement, ensuring the economy's sustainable development in order to enhance the country's socio-economic and demographic policy, equal social stability, an egalitarian society, and the balance of the capital and regions.*

**Keywords:** *living standards, poverty, socio-economic reforms, social politics, social security*

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## **PROBLEMS AND TRENDS IN THE DEVELOPMENT OF THE DIGITAL ECONOMY AT THE PRESENT STAGE OF GLOBALIZATION**

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*The emergence and spread of the Internet at the end of the last century and the beginning of this century has become a major feature of the global process of globalization. This led to the formation of a single information space. This new stage of globalization can be called "digital globalization". The article examines the basics of the relationship between the digital economy and the current stage of globalization. Large-scale development of information and communication technologies has led to significant changes in the functioning of economic systems at various levels. At the present stage of development, digitalization has become the most important factor in the economic growth of the national and global economy. Under the influence of these factors, there is a transition from the introduction of individual digital technologies to the integrated construction of a digital ecosystem. The process of digitalization is particularly important, as it determines the transition to the*

*fourth industrial revolution. Therefore, in most countries, digitalization of the economy is an important component of economic development. Digitalization of the economy is simultaneously becoming the basis for sustainable growth of production, improving competitiveness and living standards of the population. The article focuses on trends in the development of new global digital processes and risks that are generated by the digital economy. The study found that digital technologies are ubiquitous in traditional sectors of the economy and finance, and digital globalization should be viewed as a driving force of global economic growth, which provides companies with new business opportunities.*

**Keywords:** *digital economy, digital globalization, digital platforms, economic growth, information and communication technologies*

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## **ECONOMETRIC ANALYSIS OF PERSPECTIVES THAT OPENS UP GROWTH OF TOURISM IN REGION AFTER LIBERATION OF KARABACH**

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### **ABSTRACT**

*The tourism sector is a mirror of the commitment of the world's countries to civilized values, the rule of law and its socio-economic situation. In recent years, the development of tourism*

*has become one of the priorities of economic development of the regions of Azerbaijan and there are great opportunities for realization of this development strategy. Like other regions of Azerbaijan, the Garabagh (Karabakh) region has great tourism potential as well. There are great opportunities for the reconstruction and development of various forms of tourism in both lowland and upper Garabagh - eco-tourism, mountain tourism, winter tourism, medical tourism, hunting tourism. The article approaches the tourism sector as a complex, dynamic and stochastic economic-cybernetic system and was shown that cybernetic characteristics specific to this sector, in particular, necessitates the use of econometric modeling, which is a mechanism for assessing the validity of economic laws in the study of existing dependencies in the tourism sector is based on statistical concepts and approaches. The article tests the stationary nature of the time lags of statistical indicators characterizing the tourism sector by the correlogram method, and these lags are brought to the stationary. The Granger test also assessed the existence of a “cause-and-effect” relationship between the statistics involved in the study. As a result of econometric studies, multi-regression models of quantitative dependencies in the tourism sector have been developed and their practical significance has been assessed.*

**Keywords:** *Tourism sector, economic - cybernetic system, econometric modeling, stationary time lags, non-stationary time lags, correlograms, multi-regression model, Granger test*

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## **FINANCIAL SUSTAINABILITY: THEORY AND AZERBAIJAN APPLICATION**

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### **ABSTRACT**

*In addition to providing macroeconomic balances for the economies of the country, sustainability of these balances has become an important issue. One of the issues raised in the recent period regarding sustainability is the concept of financial sustainability, which covers the sustainability of budget deficits and debts. Financial sustainability is recognized as a necessary condition for the co-ordination of a sound and consistent economic policy and monetary policy. An unsustainable fiscal policy carries risks that may cause economic growth to slow down due to high interest rates in the future. Azerbaijan left the USSR on October 18, 1991 and announced its independence. The main reason for the sound functioning of all institutions in the market economy is the regulations in banking and other financial institutions. The reason for this is that the market economy consists of banks and financial institutions. It is not correct to talk to the market system from a healthy transition without creating healthy financial institutions and realizing free banking system in the country. This study begins with the development of economic policies in Azerbaijan since 1991. For this purpose, the economic crises and policies implemented over the last twenty-seven years*

*have been read from the example of Azerbaijan. The aim of the study is to empirically analyse the financial sustainability in Azerbaijan for the period 2006-2020. Firstly, unit root test was applied to the data used in the study and the results showed that the data were not stable at the levels. All variables were found to be static at first differences. The long-term co-integration relationship was then investigated using the Johansen (1988) test. Finally, Engle-Granger cointegration test were used to test financial sustainability. This study for the first time in the financial sustainability literature includes an innovative view. For the purpose of revealing the effects of public revenues and public expenditures separately, the analysis was performed by separating these items. The results show that the financial sustainability in Azerbaijan for the period 2007-2020.*

**Keywords:** *Azerbaijan Economy, Fiscal Policy, Sustainability, Financial Sustainability, Financial Competence, Government Budget Constraint, Unit Root Test, Co-integration Test*

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## **PORTFOLIO OPTIMIZATION USING GENETIC ALGORITHM: AN APPLICATION IN BIST – 100 BEFORE THE PANDEMIC AND DURING THE PANDEMIC PERIOD**

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### **ABSTRACT**

*The main purpose of our research is to investigate how the crisis created by the COVID-19 pandemics has an impact on certain*

*sectors in the Stock Exchange Istanbul. In order to conduct our investigation, we used data from shares of companies that have been traded for at least six years, starting in 2015. Investors' portfolios were compared before and after the pandemic to see if there were any discrepancies in stock selection. In our research, 4 sectors, 4 companies, and 16 shares were used in total. Data obtained from the "Borsa Istanbul (BIST-100)" index was covered in 2 periods: i) COVID -19 pre-pandemic period – 2015-2020 and ii) COVID-19 pandemic period – 2020-2021. The daily returns of shares and the covariance matrix were calculated with the help of Microsoft Excel. The covariant matrix is obtained using Excel Solver (Microsoft Excel Add in). The remainder of the work was completed in MATLAB R2016b using the genetic algorithm process. Simple genetic algorithms and multipurpose genetic algorithms are the two types of genetic algorithms used in MATLAB. Using the multipurpose genetic algorithm, you can use two different functions. The first is to reduce risk, and the second is to increase profit. The results of the MATLAB analysis have been interpreted, and the results have been collected. There were variations between pre and post pandemic as a result of the study. Significant variations were observed in the wholesale, retail, and industrial sectors before and after the pandemic, although minor improvements were observed in the banking and aerospace sectors. During the pre-pandemic and post-pandemic periods, the shares that will be weighted in the portfolio in the wholesale, retail, and industrial sectors have changed dramatically.*

**Keywords:** *portfolio optimization, genetic algorithm, COVID-19, pandemic*

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## THE HUMAN CAPITAL AND THE PROBLEMS OF ITS DEVELOPMENT IN CONTEMPORARY AZERBAIJAN

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### **ABSTRACT**

*The author suggests and proves the possibilities and perspective ways of further development of human capital in contemporary Azerbaijan. The author also reminds of theoretical sources of the very category “human capital” in economic science as far as about its appearance in practice; there is also given the estimation of meaning of “The Human Capital Index” in international comparisons. In his analysis of current situation in the Republic of Azerbaijan the author emphasizes current tasks connected with the struggle against covid-19 viral epidemic consequences alongside with long-range tasks of improving the life conditions and life activities of the population according to situation in our country. The special attention is given to priorities in suggested governmental policy in social activities; according to this analysis the author also suggests such term as social competitiveness of national state in sharpening global competition in contemporary world. According to special position of such branches of social activities as healthcare and education which define general situation of human capital in contemporary state, the author explains those achievements of Azerbaijan in these branches since 2010 which were marked on international level. Then he proves possible directions of their further development in the nearest years as far as in long-range future and also suggests some concrete measures of such development.*

**Keywords:** *human capital, qualitative development of the human capital, improving the life conditions of the population, social competitiveness of national state, prior directions of governmental policy in social activities, healthcare and education*

## **THE STRENGTHENING OF THE ROLE OF SCIENTIFIC & EDUCATIONAL FACTOR OF DEVELOPMENT OF THE AZERBAIJANI ECONOMIC MODEL IN THE CONTEXT OF OVERCOMING THE CONSEQUENCES OF THE GLOBAL CRISIS**

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### **ABSTRACT**

*In the proposed article there are shown objective reasons of strengthening of the role of science and education in nowadays realities of the struggle against the consequences of the crisis that was caused by the covid-19 viral epidemic, alongside with increasing of the importance of abovementioned branches in forming the long-range model of further stable growth in the Republic of Azerbaijan. The whole contemporary world experience confirms the special role of science and education and their decisive position among all other branches of economic and social life. There have been examined concrete results which have been achieved in our country during the period before crisis in improving situation in science and education branches and there are also have been suggested possible directions of their further qualitative development. The author demonstrates the key meaning of scientific & educational development for achieving that positive result of social & economic modernization which has been taking place in Azerbaijan during last several decades. Alongside with this the author emphasizes that the problem of supporting of the post-crisis stable growth remains the key one for the whole global economy, including the most developed countries. So, as far as Azerbaijan is concerned, we need qualitative improvement of the existing economic model just now; that will make us possible not only compensate losses after crisis but also provide basis for stable development.*

*The further increasing of such quality is possible, first of all, because of strengthening of the role of scientific & educational factor.*

**Keywords:** *improving of the Azerbaijani economic model, long-range basis of future growth, overcoming the consequences of covid-19 viral epidemic, strengthening of the role of science and education, social & economic modernization, post-crisis stable development*

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## **THE ROLE OF INNOVATION IN THE DEVELOPMENT OF TOURISM BUSINESS**

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### **ABSTRACT**

*Accelerating globalization processes in the modern economy contribute to increased competition in the market. Therefore, companies, in order to effectively develop their activities, must form and strengthen competitive advantages. Currently, the main source of maintaining the competitiveness of companies is innovation and scientific and technological advances, which have become the main driving force of economic and social development. The development of new products and services allows enterprises to modernize production, maintain a leading position in the market, achieve financial stability and capture new markets. The tourism business is innovatively capacious, due to the fact that in this area it is not goods that provide communication between producers and consumers of tourism services, but information flows in the form of payments and services. The development of the tourism business can only be based on the introduction of new ideas, improving the production processes of goods and services, expanding the range of tourism*

*products, development of management system on the basis of innovation methods. One of the most effective innovative methods of tourism business development is the cluster approach, thanks to which tourism business companies can maintain their competitiveness in the market. The development of the tourism business in Azerbaijan is one of the strategic directions for the development of the national economy. Currently, Azerbaijan has numerous factors for the development of this business, but there are many problems that do not allow Azerbaijani tourism to develop in accordance with the existing potential. Therefore, innovation should become the main component in the development of tourism in Azerbaijan. Only thanks to the innovative development of tourism, our republic can occupy its niche in the competitive environment of the global tourism business.*

**Keywords:** *innovation, tourism business, innovative technologies, management, innovation methods, competitive advantages, the cluster approach, Azerbaijani tourism*

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## **DEVELOPMENT PERSPECTIVES IN INCREASING AZERBAIJAN'S EXPORT POTENTIAL**

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### **ABSTRACT**

*The article highlights the current state of export potential on the basis of modern economic challenges, its development, as well as the integrated use of export potential, production of competitive goods and services using modern achievements of scientific and technological progress, ensuring their free access to international markets. In the current period of relations with the world market, the main directions of the state's foreign economic strategy should be to increase its export potential, improve the structure of both export and import operations, as well as access to world markets of competitive products that meet international standards and requirements. Today, one of the main priorities of Azerbaijan's foreign economic strategy is to be actively economically integrated into modern world economic processes, to respond adequately to new trends in the global economic space. At present, our main goal is to increase the competitiveness of the national economy and its effective integration into the world economic system, increase the volume*



*of exports of priority sectors of the non-oil sector, accelerate the development of entrepreneurship and stimulate export potential. is to do. Today, the export of products produced in Azerbaijan to most countries in the world gives reason to say that there are enterprises in Azerbaijan that produce high quality products in accordance with world standards, and their number is constantly growing, which is also one of the priorities of state economic policy. The high quality of the products increases the competitiveness of these products in the export markets, as well as ensures the right of our consumers to consume quality products. Therefore, in order to protect the domestic market from unfair competition, strengthen control over the compliance of imported goods with relevant quality standards and ensure the rights of consumers, work is underway to further expand the activities of the State Service for Antimonopoly Policy and Consumer Protection.*

**Keywords:** world market, international market, export potential, export stimulation, export tariff

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## **DISTANCE EDUCATION AND ITS APPLICATION FEATURES**

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### **ABSTRACT**

*This article is devoted to the distance learning or education which implies an approach to learning a foreign language in universities. This form of learning allows the students to choose the time and place for training, as well as to use new informational technologies in training. Informational technologies of distance education allow conducting classes in a foreign language in a videoconference mode and provide to control independent work of students. Today new information technology influences on students' knowledge level. Distance education becomes more and more popular in the form of education; it allows the student to study in their pace where they are. It is clearly differentiated from the traditional education in terms of a student's or teacher's physical presence and live communication. Distance education increases topicality of problem development private methods of application of technical training tools. These are primary contradictions between tradition and distance education. The bases of the educational process in distance learning is purposeful and controlled intensive independent work of the student, who can study due to an individual schedule having a set of special training tools and agreed opportunity to contact to the teacher by phone, e-mail and regular mail. Distance education it is type of training based on*

*educational interaction of teachers and student, who are remote from each other and implemented using telecommunications technology and internet recourses. Foreign language learner has an opportunity to communicate with varies communicants and this process is not limited to any time. Advantages and disadvantages of distant education, differences and similarities of traditional and distant education are indicated in this article. Also some difficulties of distant education such as lack of distant learning experience, preferring classical education, insufficient of computer literacy, poor using of standards of distant learning, the problem of finding specialists are noted. Synchrony and asynchrony formats of distant education are differentiated and explained. As a result, it was concluded that distant education has a positive impact on academic achievements of sturdents in terms of reduces costs, saving time and increasing accessibility of education as well as enhances academic performances.*

**Keywords:** *distant education, individual approach, remote teacher, technology, traditional education*

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## **IMPROVING THE METHODOLOGY FOR ASSESSING THE ECONOMIC EFFICIENCY OF ECONOMIC ENTITIES DURING A PANDEMIC**

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### **ABSTRACT**

*The main purpose of this publication is the research and study of the impact of the global coronavirus pandemic on the financial statements of companies since the beginning of 2020. Especially*

*the probability of “continuity of operations” used in International Financial Reporting Standards, recognition of income, valuation of inventories, determination of fair value, impairment of goodwill, etc. such as issues are discussed and recommendations are made to reduce the risks. According to the article because of the ongoing uncertainty due to the pandemic, to maintain the quality of the financial statements the effects that are expected and likely to occur due to the application of skepticism should be detailed in the financial statements. The article conducted a regression analysis of gross profit using linear multiplicity and nonlinear multiplicative of econometric modeling methods to assess the relationship between the gross profit of the organization, cash flows, current assets, current liabilities, private capital and debt capital. As a result of the research, it was found that “Azersu” OJSC (The organization in charge of state policy and strategy in the field of water supply, drinking water supply and sanitation services to consumers in a centralized manner) has a negative linear relationship between cash flows, vehicle assets and total capital and total profit, as well as between current liabilities and total profit, a positive linear relationship. The article can play a positive role in enriching the scientific and practical knowledge of experts involved in accounting and auditing. To avoid the research limitations more practical information and reporting indicators is required. The need for econometric modeling, based on the regression equation of dependencies, the audit of the financial statements of the audited entity and its improvement.*

**Keywords:** *continuity of activity, econometric modeling, fair value measurement, financial statements, profit, regression analysis*

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## **MAIN ASPECTS OF FINANCING THE ECONOMIC DEVELOPMENT OF THE REGIONS OF THE REPUBLIC OF AZERBAIJAN**

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### **ABSTRACT**

*The article outlines the essence of the state's regional policy and determines its main directions. Specifically, the criteria for determining the backward regions, which are of crucial importance in the formation of the regional policy of the state, have been substantiated. The article also substantiates the directions of financing the social and economic development of the regions. These justifications cover energy, transport and social development issues. The article outlines the factors that necessitate the state support to the development of the rural areas. The density of the population was noted as the main factor supporting the development of rural areas. Thus, in rural areas, due to low population density, both production and sales of products require large expenditures in comparison with urban areas.*

**Keywords:** *Regional policy, spatial inequalities, financing rural development, state programs*

## **OPPORTUNITIES AND PROSPECTS FOR ECONOMIC RECOVERY IN AZERBAIJAN IN THE POST-PANDEMIC PERIOD**

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### **ABSTRACT**

*2020 was mainly a year of struggle against the global COVID-19 pandemic. The dramatic contraction in global trade, supply chain disruptions, job losses, and growing uncertainty have negatively impacted global economic activity, causing sharp fluctuations in commodity prices. According to the World Bank, the economic slowdown caused by the COVID-19 pandemic last year will increase by 4 percent in 2021. However, it will still be 5 percent lower than the pre-pandemic level. After the damage caused by the pandemic, economic growth is expected to slow to 3.8 percent in 2022. In particular, the impact of the pandemic on investment and human capital is expected to disrupt growth prospects in emerging markets and developing countries and undermine key development targets. A comprehensive policy effort is needed to revive strong, sustainable and equitable growth. A series of reforms aimed at increasing investment in human and physical capital and increasing female labor force participation could help prevent the expected impact of the pandemic on potential growth over the next decade. The World Bank's "Global Economic Prospects" says economic recovery is possible only if countries implement economic reforms that contain the pandemic and increase investment. Azerbaijan's GDP in 2020 amounted to 72.4 billion manats (42.6 billion dollars). Compared to the same period last year, the gross domestic product decreased by 4.3 percent.*

*The main goal of the article is to determine the prospects for economic recovery in Azerbaijan in the post-pandemic period in accordance with the state program "Azerbaijan 2030: National priorities of socio-economic development."*

**Keywords:** *economic recovery, COVID-19, investment, human capital, economic policy*

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## **CHANGES IN THE APPLICATION AREAS OF ICT IN HUMAN RESOURCE MANAGEMENT IN AZERBAIJAN DURING THE PANDEMIC**

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### **ABSTRACT**

*During the COVID19 pandemic, companies faced great difficulties in adapting their business processes and employees. In addition to the ability of employees to work remotely, the lack of software to support the ongoing implementation of existing processes also played a major role. Despite all this, during the pandemic, companies have already managed to reorganize their activities. The new form of employment - home-office / remote work - brought with its new forms of application in software and tools. This article examines the changes in software requirements during the COVID19 pandemic, the functionality of the tools needed by HR managers, the limitations of current software, and the impact of this experience on the post-pandemic period as a result of a survey of human resources professionals in Azerbaijan. It is undeniable that the experience gained by employees during the pandemic will play an important role in the post-pandemic period.*

*During the pandemic period, the assignment of tasks to employees, the application of methods and tools used to monitor the implementation of tasks during the pandemic period was of great importance. Ensuring the observation and monitoring of the remote work process during the pandemic has also revealed very complex ethical dilemmas. This article aims to compare the current situation in Azerbaijan with relevant approaches in other countries.*

**Keywords:** *Covid19 Pandemic, Human resource management, Use of ICT*

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## **ISSUES ON DETERMINATION OF PUBLIC TRANSPORT FEES AND METHODS FOR THEIR IMPROVEMENT IN AZERBAIJAN**

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### **ABSTRACT**

*It is almost impossible to imagine a contemporary society without intensive communication processes. While overcoming obstacles related to public transportation system, it is difficult to evaluate social importance of them for all classes in society. It is essential to mention a role of public transport in developing cities and regions, improving environmental situation and increasing safety of passengers. In order for public transport system to work effectively, a regulatory base, an involvement of several public and government entities to development process actively and an increase of effectiveness of financing are required.*

*One of the fundamental needs for people is to provide a mobility of themselves, which is one of the symbols of freedom and higher standards of living. According to experts worldwide, public transport changes economical development of cities and regions in a high scale. Public transport is a driver and a tool of increasing effectiveness of economy. Meanwhile, it is one of the fundamentals of ecological and road safety. It can be confidently said that there is no city or entity in world that can operate without public transport. In the article, the process of regulation of tariffs in public transportation system by government has been evaluated. At the same time, the ways of shaping and regulating public transport fees in Azerbaijan has been analyzed. Taking the interests of corporations operating in transportation field into consideration, the samples for calculation of minimum fees in carrying passenger process. The calculation has been made in a cost method which considers financing the value of a passenger's economically justified travel cost and profitability of a service company. Actuality and relevance of the topic is determined with requirement of methods in setting fees in public transportation system, of new approaches to prices which allow adjustment of government's tariff policy in a field of passenger carrying in a competitive market to contemporary economical and social environment. The purpose of the article is to determine the features of shaping and regulating public transport fees in Azerbaijan and the mechanism in order to improve effectiveness in the system of passenger carrying.*

**Keywords:** Public transport, Transport system, Tariff, Tallinn model, Tariff determination

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## **EMPIRICAL EVALUATION OF NON-CONVENTIONAL SEGMENTATION METHODS OF APPAREL MARKET IN AZERBAIJAN**

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### **ABSTRACT**

*If earlier the traditional methods of market segmentation served as an effective method to match consumer needs with apparel companies' offerings, in the era of technological advancements with Big Data becoming a new type of sustainable capital and fashion market facing rapid changes, they no longer suffice. Hence, the use of non-conventional segmentation methods along with traditional can help companies to match with higher accuracy certain value propositions of their products with their customers' profiles, and by doing so eliminate the choice overload, that the customers are facing. Considering that that earlier studies discovered that music affects shopping behaviour and that apparels are hedonic products of high involvement, the following factors of non-conventional segmentation were analysed: psychographic dispositions, physiological factor, and musical choice. This article concerns the empirical evaluation of the effect that psychographic dispositions, physiological factors, and music choices have on consumer needs of women aged 18-35 in Azerbaijan. Once data was collected using convenience sampling method, the following statistical analysis were*

*performed: PCA, EFA, frequency, reliability and convergent validity analysis, linear regression and bivariate correlation analysis. The results demonstrated that psychographic, physiological, and musical factors are substantial determinants of consumer needs. As results suggest, fashion-oriented consumer needs positively correlate with extraversion and rhythmic type of music and negatively - with neuroticism, complex and rebellious types of music, rectangle figure and weight; meanwhile emotion is positively associated with agreeableness, neuroticism, complex music; and negatively – with rebellious music. Appearance-oriented consumer needs have a positive correlation with extraversion and conventional type of music, whereas individuality positively associated with openness to experience, and negatively – with conventional music. The need for novelty positively correlates with neuroticism, and negatively – with conventional music. At last, the need for comfort positively correlates with neuroticism and weight, and negatively – with extraversion, conventional music, and hourglass figure.*

**Keywords:** *fashion industry in Azerbaijan, music choices, non-conventional segmentation methods, physiological factor, psychographic dispositions*

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## **INFLUENCE OF SPECIFIC FEATURES OF THE CONSTRUCTION SECTOR ON THE METHODOLOGY OF MANAGEMENT ACCOUNTING AND ANALYSIS**

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### **ABSTRACT**

*The investment attractiveness of the construction business, to a very large extent, depends on providing investors with reliable*

*and transparent financial statements that show the property status of construction organizations, their ability to increase capital, as well as possible threats and risks. Accounting and analytical information reflected in the financial statements allows stakeholders to make timely management decisions. This is necessary for managing the strategic and tactical management. The worldwide experience shows that science and practice have not yet created anything more effective than a management accounting system to generate reliable information. Research shows that the formation and development of management accounting in the construction industry is difficult due to a number of problems. One of the possible ways to solve them is the architectonics of the features of the construction sector of the economy developed by the author, which shows their impact on the organization of management accounting and management analysis in contract construction organizations. Knowing the nature of the impact of the features and factors identified in the course of the study makes it possible to assess the risks of misstatement of the financial statements. The methodological basis of the study is a systematic approach that represents management accounting as a synergistic system. The result of the study was the disclosure of the influence of structured features of the construction sector on the organization and development of management accounting in supplier construction companies. Using the recommendations put forward by the author in practice will give the opportunity to form a reliable information base and increase the efficiency of the business activities.*

**Keywords:** *management accounting, management analysis, technical and economic, production and technological features of construction, management solutions*

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## **DEVELOPMENT PROSPECTS AND WAYS OF IMPROVING TRADE AND ECONOMIC RELATIONS**

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### **ABSTRACT**

*After 1993, the basis for using Azerbaijan's hydrocarbon resources in the interests of the people was laid thanks to the conclusion of the "Contract of the Century." Simultaneously, Azerbaijan started deliberate large-scale economic reforms. It was in those years that the foundation for our country's significant changes was laid. We note among them fundamental institutional changes aimed at replacing the old way of managing new free competition relationships. The purpose of these transformations was to implement political measures to create a market economic system, privatize state property, build new property relationships, and conduct land reforms. In addition, the opening of new production sites and the creation of new jobs in the non-oil sector made it possible to expand the infrastructure of production, transport and utilities and to create modern social infrastructure enterprises. Including increased building of new educational, health, and sports institutions. The foundations of our country's dynamic and sustainable progress as a whole were*

*achieved during this period. It should be noted in particular that great progress has been made in solving social problems effectively over these years. For example, in accordance with advanced international standards, the population social protection system has been rebuilt. A new pension system began to operate and systems were developed and developed for targeted state social assistance and the provision of social benefits. The poverty rate dropped from 49.7% in 2000 to 5.2% in 2018 thanks to a successful social policy.*

**Keywords:** *hydrocarbon resources, "Contract of the Century", economic reforms, fundamental institutional changes, competition relationships, economic system*

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## **APPLICATION OF INNOVATIVE KNOWLEDGE AND SCIENTIFIC IDEAS TO TEACHING FOREIGN LANGUAGES**

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### **ABSTRACT**

*Currently, one of the most relevant issues in Azerbaijan is the development of innovations. The knowledge – based innovation is even more important. The role of innovative methods in learning a foreign language is great. The rapid development of the world requires knowledge of more than one language. It plays an important role in bringing people closer together and communicating with each other. Originating in America for the first time, the term "innovation" has been widely used in all fields of developing science and technology. The innovation system is primarily based on scientific knowledge. It comes to life thanks to computers and the Internet. Innovative scientific knowledge is*

*applied in learning foreign language. This article explores how and in what ways scientific ideas based on innovative knowledge are applied in foreign language teaching and attempts to describe the current scene.*

**Keywords:** *science, knowledge, innovation, computer, foreign language*

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## **FINANCIAL PERFORMANCE EVALUATION AND BANKRUPTCY PREDICTION**

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### **ABSTRACT**

*Research into financial failure and bankruptcy has been continuing by deepening for more than fifty years. The basis of this researches stands on the calculation of the bankruptcy rates, more precisely the bankruptcy risks, by examining the financial indicators of the companies. Calculating the bankruptcy risk of businesses as a result of models is extremely important in both micro and macro terms. Although the actuality of these issues increases even more after each crisis, so far it has not come to a single conclusion. There are multiple reasons why it cannot become a single result. Because bankruptcy can occur for many reasons. These reasons vary due to the place, time, and other factors. The main purpose of the subject is to investigate the causes of bankruptcy, to measure the applicability and linearity of the models as well as to test the predictability of bankruptcy in Azerbaijan banking with Altman Z-score and Springate models. As a result of the tests, the following findings have been reached. Z-score results can reflect real financial performance. So, the scores of the banks that have protected their sustainability are*



*generally distributed between 1.8-3.0 at various times. For z-score, these scores are scores that can be considered normal. In addition, scores of less than 1.8 and above 3.0 are also observed. Unlike the Altman Z-score model of the Springate model, it has been revealed that the scores obtained as a result of applying it to Azerbaijan banking do not reflect the real financial performance. The main one of our scientific and practical conclusions is that bankruptcy models are not always the same in terms of linearity. In our research, we encountered banks that did not go bankrupt even though their z-score was below 1.8. The reason for this is the reasons we have just mentioned. They vary due to local and time factors. For this, before applying the model, the characteristics of the model in terms of the sector, the state of the economy and the region to be applied should be considered.*

**Keywords:** *Bankruptcy prediction, Sustainability, Azerbaijan banking sector, Altman Z-score model, Springate model*

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# **DOMINANT CHARACTERISTICS AND TRANSFORMATION FACTORS OF THE HUMAN CAPITAL EVOLUTION IN THE DIGITAL TRANSFORMATION OF THE REGION**

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## **ABSTRACT**

*At the present Russian economy goes through the stage of transformation and global changes in economic and technological patterns. The situation in the labor market causes the need to change the content of education as it applies to modern requirements. The role of man has changed, because he has become the main resource of modernization. The sector of digital transformation is clearing up: the balance of the strategy and tactics of business and society development, the issues of involving human capital and society in managing the modernization of the economy in the context of globalization are becoming important. The necessity of forming a multi-component information and educational environment based on the unity of education and human resources policy, which can be considered part of the digital economy, is shown. Human capital is one of the key factors in the development of regions and countries digital transformation situation. Man as the main productive force of*

*economic growth and the main consumer of the results of this growth becomes the highest goal and the main criterion of the quality of economic growth in modern conditions. However, the distribution of population, and, as a consequence, human capital, across territories, on the one hand, is extremely heterogeneous and, on the other hand, is subject to constant change. Studies by various authors have shown that it is possible to make plans for the preservation and development of human capital, to restore state control over this process by using digital transformation technologies for the development of the labor market and education management system, having forecast results of the development of enterprises, regions and the country, as well as to evaluate the performance of the human training system. A person should freely dispose of his main capital - qualification. And for this purpose it is necessary to give him such professional training which will allow to easily master professions in the future, to realize possibility of own development on the basis of digital technologies. The aim of the study is to generalize and develop theoretical provisions in the development of methodological recommendations for managing the development of human capital in the regions under the conditions of digitalization of the economy. The first part of the study presents the dominant characteristics and transformation factors of human capital evolution under conditions of digital transformation; the second part of the article describes the methods for assessing the level of human capital development in the regions in Russia and other developed countries.*

**Keywords:** *human capital, human resources, human capital assessment methodology, digital transformation, digital competences, digital technologies, digital economy*

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## **EVALUATION OF THE STATE AND PRIVATE SECTOR INVESTMENT PERSPECTIVES IN THE KARABAKH REGION**

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### **ABSTRACT**

*Karabakh is one of the oldest historical regions and an integral part of Azerbaijan. Every nation keeps a record of the painful and happy years of its history. In 2020, a new phase of our history has begun. This is the victory stage. In the past years, the strengthening of the country's economy, the creation of foreign currency reserves, the provision of the army with modern equipment, the successes in the field of diplomacy have created conditions for the Azerbaijani Army to start its victory march. The counterattack, which started on September 27 in response to the Armenian provocation in 2020, resulted in victory in 44 days. The Azerbaijani Army, which is among the 50 strongest armies in the world, wrote a new page in the world military history with its courage in the Second Karabakh War. As a result of the victory won in the military conflict in autumn 2020, Azerbaijan has started to rebuild infrastructure and develop these regions in Karabakh. Currently, the process of clearing the released areas from mines and other explosive devices has begun. Shusha was once again declared the capital of our culture. President Ilham Aliyev has determined the framework for post-conflict reconstruction. The development of Azerbaijan's liberated territories, reconstruction, construction and humanitarian activities with the participation of international development partners and investors, cooperation between the state and the private sector, the return of internally displaced persons and the development of social capital can be implemented by applying a special state programs approach. The aim of this study is to examine the mining industry, metallurgy, food industry,*

*processing industry, tourism and recreation, creative industry, medicine, grain growing, vegetable growing, viticulture, cotton growing, fruit growing and animal development potentials in the lands liberated from the occupation. In addition, investment in these areas makes it important to work in terms of both the growth of non-oil exports and import substitution and participation in value chains.*

**Keywords:** *Karabakh, Azerbaijan, victory, reconstruction, investment, public, private*

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## **THE EVALUATION OF SCIENTIFIC PRODUCTS IN THE INTELLECTUAL PROPERTY MARKET IN THE CONTEXT OF GLOBALIZATION**

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### **ABSTRACT**

*In modern times the transition of human society from industry to post-industry is evaluated as one of the characteristic features of development trends. This is mainly related with the large-scale*

*nature of the growing impact of science and technology on each aspect of society, as well as scientific and technological development aimed at more comprehensive socio-economic and historical changes. Due to this, the main trends of economic growth and the set of sources are also changing. Among them, natural resources and capital, which have the ability to affect the level of development of the economy, as well as scientific knowledge, which can be turned into an integrated resource, are considered as more important advantages. Experience shows that a new product of knowledge also necessitates an innovation process that ensures the transformation into technological innovations. The innovation process in itself changes the type of reproduction, the quality of socio-economic relations, and begins to play a key role in the functioning of the entire economic system, creating a progressive innovation-oriented economy with its own form of savings, special evaluation criteria for savings efficiency. From a theoretical point of view, the intellectualization of production as economic growth is considered to be the basis, ie GDP growth is achieved mainly through the production and sale of science-based products and services. One of the important rules for Azerbaijan's accession to the global economy is its activity in the field of science, technology and innovation, the restructuring of the economy based on the development of high-tech science-based production, and the transition to a more high-tech stage. As society progressed, science had moved to an independent field of individual activity with its own laws and at the same time growth trends, working methods, technologies and techniques, basic laws and systems of labor organization, and specially trained personnel. This is constantly developing area. At the same time, the labor, financial and material resources allocated to science are limited in a sense. Limited resources lead to the development of strategies and tactics aimed at the targeted involvement of limited resources in certain priorities, scientific and technical activities.*

**Keywords:** *intellectual property, innovation process, innovation market, information economy, scientific products*

## **PROMOTING EXPORTS OF SERVICES IN AZERBAIJAN**

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*It is clear that the export has important effects on country economic development. There are lot of various strategies have used in some countries to increase the export of services. According to the international statistics, we can see that the share of services exports in global trade is increasing, and every country is trying to improve its capacity in the export of services by making some progress in this direction. After the successfully implementing oil strategy in the Republic of Azerbaijan, the volume of country exports has increased. At the moment, developing non-oil sector and achieving in diversifications of production and exports are main priorities of the country. Many strategies and policies have been pursued in this direction. However, the share of crude oil and oil products in total exports is still high and expanding export diversification is very important. We consider that one of the ways of expanding total exports is to increase exports of services. In this regard, some progress has been made in tourism and transport services in recent years, and according to statistics, the number of tourists visiting to the country is growing every year. Considering to the geographical and climate environment of our country, it is possible to achieve more progress in the export of tourism and*

*the other types of services exports. Considering experiences of the countries that have succeeded in exporting services, it is clear that the main important factors of services exports development are improving the quality of services, creating the necessary infrastructure, having professional staff or increasing their professionalism, developing sectors that interact with exported services. For this regard, with the direct and indirect support of the government, it is possible to achieve the expanding services exports in our country by eliminating those problems.*

**Keywords:** export of services, export diversification, government support

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## **STATISTICAL RESEARCH ON GENDER CHARACTERISTICS OF EMPLOYMENT IN THE REPUBLIC OF AZERBAIJAN**

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### **ABSTRACT**

*As in all other countries gender issue in Azerbaijan still remains actual. Gender equality plays a major role not only in the development of any country's economy and in improving its social welfare. Although the legal equality of population in the country is regulated by relevant laws and other legal acts, the distribution of women and men by occupation and sector, the improper distribution of unpaid domestic work, gender*



*discrimination in the workplace and other obstacles equality still exist. In the labour market, the employment rate of men is higher than that of women, which leads to social inequality. The article analyzes the level of employment of men and women in Azerbaijan, as well as the gender characteristics of the age and level of citizens' education, the unemployment rate and the short-term employment rate and the existing gender pay gap were also statistically assessed. The aim of the research is to estimate statistics of gender characteristics of employment in Azerbaijan, as well as to identify reasons of gender inequality based on the data provided by State Statistical Committee of the Republic of Azerbaijan, World Bank and World Economic Forum. The methodological basis of the research consists of analyzing statistical data of gender characteristics of employment in the Republic of Azerbaijan with the help of special graphs, tables, time series analysis, forecast and others. The results of the research take into consideration the levels of employment in Azerbaijan. The results can be used as an analytical and statistical data while making decisions to overcome the existing gender issue in the job market.*

**Keywords:** *employment, gender inequality, labor market, statistics, unemployment*

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## **IMPACT OF COVID-19 ON THE TOURISM SECTOR IN AZERBAIJAN: PROBLEMS AND DEVELOPMENT PROSPECTS IN THE POST- COVID PERIOD**

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### **ABSTRACT**

*The pandemic of the new coronavirus and the strict anti-epidemic measures imposed by various countries have accelerated the*

*transformation of world tourism. The industry is losing hundreds of billions of dollars and millions of jobs. However, at the same time, the digital travel tech startups are entering the market, the new opportunities for individual tours and the international cooperation formats are emerging. The article investigates the impact of the pandemic on the economy and the tourism sector of Azerbaijan, discusses the problems that have arisen in the field of tourism. It is noted that the current crisis has revealed the existing structural weaknesses in the tourism economy (this is a fragmented sector, represented mainly by small and medium-sized businesses, overly dependent on seasonality), as well as gaps in the readiness of governments and businesses to respond quickly to the new challenges and changes. The socio-economic consequences of the pandemic and the possibilities transformation of tourism are analyzed. By conducting a comparative analysis of statistical data, the main changes in inbound and outbound tourism are identified, an analysis of various scenarios for the development of tourism in the post-covid period is carried out. The results of the study make it possible to put forward a number of proposals for the restructuring of the industry and the further development of tourism in Azerbaijan.*

**Keywords:** COVID-19, pandemic, tourism restructuring, tourism sector

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## **THE PROBLEMS OF INTERNATIONAL TOURISM DEVELOPMENT DURING COVID 19 PANDEMIC**

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### **ABSTRACT**

*In recent decades, international tourism has become one of the fastest growing industries. This is due to the fact, that*

*international tourism is an important source of foreign exchange earnings in the economy, affects GDP increase, provides an increase of employment in service sector and development of industries related to serving foreign tourists. Azerbaijan, regained its independence in 1991 and since then tourism has become one of the promising industries with wide range of opportunities and untapped potential. International tourism development will contribute to overall economic growth, increase employment opportunities and growth rate of foreign exchange earnings. Considering this, Azerbaijan government declared tourism one of the priority areas of the non-oil sector. As a result, the development of tourism in Azerbaijan has become one of the fastest growing sector of the economy. This article examines trends of tourism development in the Republic of Azerbaijan for 2013-2019. In 2020 COVID-19 pandemic caused significant damage to almost all sectors and especially tourism. Being still emerging industry in Azerbaijan, tourism faces a number of challenges due to the pandemic. The article considers the ways of mitigating impacts of lockdowns on tourism, alternative ways of tourism development, the opportunities of digitalization in tourism sector as well as the issues of the development of this industry in the period after the pandemic.*

**Keywords:** *tourism, international tourism*

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## **NATIVE AMERICAN INDIAN LANGUAGES AND THEIR ROLE IN ENRICHING THE VOCABULARY OF ENGLISH**

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### **ABSTRACT**

*It is known that the first immigrants came from the western part of the present-day United States. Probably many of them settled in the area before moving. More than half of the North American language families spoke English on the Pacific coast, especially in California. People later settled in the northern and eastern regions of the United States, where very few families lived. Thus, the spread of the true Native American population throughout the region was a reflection of the spread of the Europeans a few hundred years later. Most of the native languages were spoken in the southern United States: Quechua - 7 million, Maya - over 1 million, Aztec - over 1 million. Today, one in 250 Americans speaks Indian. In 1962, the last reliable number of American speakers was announced. The influence of Native American Indian words on the English language has a deeper meaning than the derivations that are included in the vocabulary of the language individually. With this technique, the English language enriched its vocabulary. European languages are rich in nouns, but weak in verbs. Therefore, they received many names from the Native American Indian languages. However, Native American nouns are also used as verbs and do not differ in sentence. Therefore, English speakers began to use compound nouns to form verbs from nouns or to combine them to capture the essence of Native American Indian terms. Phrases and regular expressions used by many Native American Indians are included*

*in the English dictionary, for example: going on the warpath, scalp hunting, paleface man, burying the hatchet, smoking the peace pipe.*

**Keywords:** immigrants, Linguistic and archaeological information, Vikings

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## **REGIONAL DEVELOPMENT MANAGEMENT IN THE DIGITAL ECONOMY**

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### **ABSTRACT**

*To ensure socio-economic development in the world, it is necessary to achieve positive changes in certain territories. Regional development is a complex process and should be considered using a multidimensional approach and assessing the impact of factors on the level and quality of life of the population, the dynamics of economic growth. The digitalization of the economic sphere currently has a significant impact on the development of territories. Digital transformations form new*

*conditions for the functioning of regional socio-economic systems, the unique features of which in different territories require study. The digital economy is based on the deep penetration of digital technologies, that is, the use of hardware and software for collecting, processing and transmitting digital information, in all spheres of economic activity and social relations. The digitalization of society creates new opportunities for business entities, which can be realized through the creation and implementation of innovations in the business sector and public administration. Innovations in management, production or in the goods and services themselves are the main conductors of digital achievements in the activities of business entities and the mechanism for their transition to the digital economy. Innovation, like other types of economic activity, undergoes significant transformations in the context of digitalization, consisting in the expansion of the types of innovative resources and subjects. The digital economy expands the development potential of the region, makes it possible to overcome resource constraints. It is advisable to explore aspects of regional development through the functioning of digital platforms that integrate economic, social and technological processes that form digital service ecosystems. The phenomenon of the digital economy requires scientific understanding and assessment to be used as a factor in the development of the economy of the territories.*

**Keywords:** *Regional development, Digital economy, Regional development management, Digital transformation, Digital platform*

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## **PRIORITY DIRECTIONS OF PUBLIC SECTOR DEVELOPMENT AT THE POSTNEFT STAGE**

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### **ABSTRACT**

*All the successes achieved in the field of socio-economic development in our country during the years of independence, the created economic, social, scientific-technical, financial potential, human capital, infrastructure, improvement of social welfare of the population are connected with the personality of National Leader Heydar Aliyev. From this point of view, the general and characteristic features of the economic development strategy of Azerbaijan, the stages of its formation, the main factors, conditions and means ensuring its success, systematically analyzed and evaluated by President Ilham Aliyev, defined by the Great Leader, are being systematically analyzed and evaluated. It is of exceptional importance in the study of the economic heritage of the great leader and in the selection and realization of the priorities, main goals and objectives of the future development of our country. The main features of the economic policy pursued in the Republic in recent years are its high level of implementation of state programs, decrees and orders for these periods, successfully ensuring the acceleration of economic development in the country, leading to non-oil sustainable development of all processes. After the economic independence of the Republic of Azerbaijan, significant changes took place in the political and economic life of the country. Thus, the choice of the path to a market economy, in turn, has created the basis for the privatization of property, the development of new organizational and legal forms of entrepreneurship based on individual and joint private property, including commercial. Since then, enterprises have been studying market demand, establishing economic ties, concluding contracts with foreign partners, seeking sources of*

*financing, and producing products in order to achieve full economic independence. Thus, effective independent economic entities also operate in competition with public sector enterprises. Looking at the experience of countries that have undergone significant development in the world practice, the Public-Private Sector Partnership has always been of special importance as a broad parametric topic. Public-private relations are a priority topic and reflect economic, social, legal, cultural, political and other nuances. President Ilham Aliyev is successfully continuing the work on the adoption and implementation of various programs in the field of state structure in our country. Targeted measures will significantly increase the economic power of the state by ensuring the development of all sectors of the economy.*

**Keywords:** *fiscal policy, government, finance, entrepreneurship*

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## THE IMPACT OF R&D INDICATORS ON THE ECONOMIC GROWTH OF AZERBAIJAN

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### ABSTRACT

*The study examines the impact of R&D indicators on economic growth in the case of Azerbaijan. GDP was used as a dependent variable, while as independent variables R&D capital stock, R&D employment, R&D expenditure (% of GDP), scientific papers and patent application indicators were used. The statistical indicators used in the article covering the years 2005-2019. Based on these indicators ARDL and EC models were constructed in both the short-term and long-term. Among the indicators for the R&D sector, five models was established to prevent multicollinearity. According to results, the impact of R&D indicators on economic growth is basically significant in the long run. The impact of R&D employment, R&D expenditure is negative, while the impact of scientific papers, patent applications and R&D capital stock is positive on GDP. In the short run the impact of most indicators on economic growth is*

*insignificant. The effects of the scientific papers, R&D expenditure and R&D employment are negative and significant. As can be seen, there are some inconsistencies between the theory and the results obtained. The reason is that the structure of the R&D sector in Azerbaijan does not meet modern requirements.*  
**Keywords:** *Azerbaijan economy, Economic growth, Paper, Patent applications, R&D sector*

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## **COMPARING THE IMPACT OF SARS, EBOLA AND COVID-19 ON FINANCIAL MARKETS**

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### **ABSTRACT**

*This research was selected to examine the impact of the epidemic crises faced by each country on financial markets at a certain interval. This issue has been chosen to present, interpret and value from a scientific point of view the views put forward on epidemic crises and the precautionary practices for protection. The main purpose of the research is to analyze the impact of epidemic crises in the late 20th century and early 21st century on financial markets and to investigate the measures taken. Analysis of the Problem: Crises defined as unforeseen events cause many financial market participants to face great losses. As in financial and economic crises, there are different reasons for the emergence of the epidemic crisis. One of these reasons is epidemics. In the crisis situation caused by the epidemic, all institutions in the countries where the outbreak occurs have to fight many problems. In this study, the effect of health crises due to epidemics on money and capital markets will be examined.*

*Sars, EBOLA and COVID-19 outbreaks will be discussed in the study. In order to determine the impact of epidemic crises on money and capital markets, an evaluation will be made by analyzing them with econometric modes. In this context, econometric models will be used to reveal the relations between the epidemic crisis periods and indicators determined in accordance with the theoretical infrastructure. Research Method: In this research, it is considered within the framework of scientific studies and writing methods; it will be processed in accordance with principles such as openness, provenance, objectivity, originality, integrity. In this study, it will be searched for which econometric model or which models can be most accurately determined by the effect of epidemic crises on financial markets using the following methods. Econometricly, the effects of epidemic crises on financial markets in the case of Singapore and the United Kingdom will be analyzed with the help of co-integration and causality tests using daily data (number of tests, number of daily transmissions, number of recovering and deaths) in the years when SARS, EBOLA and COVID19 appeared.*

**Keywords:** SARS, EBOLA, COVID-19, Financial Market, Epidemic crisis

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## **FEATURES AND PROSPECTS OF DEVELOPMENT OF TOURISM IN KARABAKH**

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### **ABSTRACT**

*Tourism in the modern world is considered as a socio-economic phenomenon that has a direct and indirect impact on the development of all related infrastructure. Modern tourism is*

*based on a high level of development of transport, social and service sectors, which ultimately turns it into a highly profitable sector of the economy. The main purpose of the study is to analyze the prospects for the development of tourism in Karabakh. The article discusses the main prospects for the development of the tourism industry in the Karabakh region. The main ways of sustainable development of tourism in the region are proposed. The development of tourism in the Karabakh region will be of great interest to foreign tourists. Meanwhile, in Nagorno-Karabakh, the development of tourism is given priority, Karabakh will become an ecotourism center of regional importance, and in the future it can acquire the status of a world-class tourist zone. Nagorno-Karabakh has a huge tourism potential, and with the restoration of lost infrastructure communications in the liberated territories, favorable conditions for business, including for the development of tourism, are expected to be formed.*

**Keywords:** *Tourism, hotel, development, prospects, restoration, Karabakh*

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# **ECONOMETRIC ANALYSIS OF THE POSSIBILITY OF IMPACT OF PANDEMIC PROCESSES ON THE DEMOGRAPHIC SITUATION OF THE POPULATION AND OTHER ECONOMIC PROCESSES ALONG WITH THE LEVEL OF UNEMPLOYMENT**

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## **ABSTRACT**

*As the pandemic process covers all stages of the world economy and social life, there arises a great need to study this process. Taking into consideration that pandemic processes have weakened economic development many times, it is important to focus on investigating and eliminating shortcomings in other areas that have been damaged by this. Statistical study of demographic processes, which is another economic indicator, is one of the priorities of statistics. In addition, we would like to note that as the current problem affects the entire world economy, it will reduce the chances of countries to help each other. For this reason, the problem of unemployment has emerged as a key element in the current situation as a major shortcoming. The pandemic has had a profound effect on the unemployment problem along with the economy, which in itself has led to a greater need for new areas. The great damage caused by the COVID-19 pandemic to employment will, of course, be eliminated in parallel with the recovery of the economy. However, the positive developments created by the pandemic in some areas of employment should also be noted. These developments are expected to continue in the postpandemic period. COVID-19 will make digitalization necessary in many areas of employment. New specialties are expected to emerge, particularly in the IT sector,*

*and the trend of people working remotely online will continue in the post-pandemic period. If we look at what is happening from a more positive angle, it can be noted that the sharp declines usually caused by sudden events such as the coronavirus pandemic are then replaced by rapid recovery and rise. The full transition to digitalization, which has long been delayed under the pretext of lack of funding and time, is already one of the main topics of discussion in the business world. We see that the unexpected COVID-19 pandemic in the world plays a big role in this issue. The current situation will accelerate and make digitalization necessary in many areas of the labor market. At present, we see that countries that are more advanced in terms of digitalization will be able to cope with the losses of this pandemic more easily. Millions of people are working from home as workplaces are temporarily closed and remote working system is switched to prevent the spread of the virus. Joint teleconferences, video meetings are organized. Many companies, which see these new digital rules as saving time and other resources and more convenient, are expected to continue to work in this way in the post-pandemic era. In general, digitalization of work, automation of production technologies, integration of new generation of software and equipment, organization of teleconferences are expected to be at the forefront of the business world in the post-pandemic period. The results of the analysis show the level of unemployment in the pandemic and what methods can be used to make the solution for this process more innovative.*

**Keywords:** *pandemic, human potential, demographic processes, unemployment, correlation-regression, econometric analysis*

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## ABOUT THE STRUCTURE AND VOLUME OF GLOBAL FINANCIAL MARKET

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### **ABSTRACT**

*The financial market is the economic plane in which financial resources are bought and sold. I propose a new structure:*

- 1) Credit market - The credit market is an economic plane that allows money to be transferred from a lender to a borrower. The annual volume of the global credit market is more than 40 trillion US dollars.*
- 2) Currency market is the economic plane in which the purchase and sale of foreign currency takes place. The global currency market is more than \$ 2 quadrillion.*
- 3) Classical securities market - is the economic plane in which the circulation of securities is organized. The global securities market is over \$ 95 trillion (without DFI).*
- 4) Derivative financial instruments - a derivative is a written certificate confirming that the buyer undertakes to buy goods, currency, securities at a pre-agreed price and the seller undertakes to sell. The global derivatives market is said to be worth more than \$ 1 quadrillion.*
- 5) Precious metals market is an economic plane in which the purchase and sale of gold, platinum group metals, silver is organized. According to our calculations based on LBMA data, the annual trade of the London gold market alone is \$ 7 trillion.*
- 6) Precious stones include natural diamonds, emeralds, rubies, sapphires, alexandrites. The volume of only global diamonds markets is \$ 87,31 billion.*
- 7) The insurance market is the economic plane in which the sale of insurance certificates is organized. The global insurance market is worth \$ 6.3 trillion (2019).*

- 8) *Leasing, forfeiting, factoring market-is the economic plane that organizes to conclude leasing, forfeiting, factoring deals. The volume of only global leasing market is \$ 1.2 trillion.*

**Keywords:** *global financial market, structure, volume*

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## **COUNTRY BRAND RANKINGS DURING THE COVID-19 PANDEMIC: "ONE THING IS IMPORTANT: TO BE GOOD NOW"**

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### **ABSTRACT**

*Brand rankings have long been common in the world of products and services: rankings of the top 100 global brands are released by Interbrand and BrandZ-Kantar-WPP among others. For example, the top five brands of the Interbrand 2020 list are Apple, Amazon, Microsoft, Google and Samsung, followed by the first non-technological brand, Coca-Cola. The situation is similar in the case of the BrandZ-Kantar-WPP 2020 ranking, with the order of the top five being Amazon, Apple, Google, Microsoft and Visa. Like classic brand rankings, country brand rankings are also available. Moreover, there is a new one almost every year, such as the Anholt Nation Brands Index, the FutureBrand Country Brand Index, the Anholt Good Country Index, the Bloom Consulting Country Brand Ranking (Tourism Edition and Trade Edition), the Young&Rubicam Best Countries, the Reputation Institute Country RepTrak and the Global Soft Power Index. It is impossible to discuss all of these in a single article, and not all of them have published a fresh country brand ranking that was created during the COVID-19 pandemic, therefore we only*



*scrutinize the first three of them. One of the aims of the publication is to present their methodology, dimensions and attributes, as well as the results of the individual rankings, with special regard to how they changed in 2020. The other purpose of this writing is to highlight that the basis of a good country brand and a good country image is in fact nothing more than the good country itself – similar to a classic brand, where the starting point is a good product and service.*

**Keywords:** *Country branding, Country brand indexes, Country brand rankings, Nation branding, Covid-19*

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## **THE EMERGENCE OF INSURTECH: A BIBLIOMETRIC SURVEY**

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### **ABSTRACT**

*In the last few decades technology has been dramatically reshaping the landscape of age-old financial services, institutions and industries such as payment, money landing, banking, asset management, personal finance, and financial markets. Financial*

*technologies, or FinTech have received an immense attention of both scholars and practitioners worldwide. Contrary to the financial, insurance services have not been changing at the same pace in recent years. It seems that two portmanteaus 'fintech' and 'insurtech' have not been equally exploited terms. Hitherto, scholars have not reported on any bibliographic collections on insurance technologies and none of the studies have comprehensively analysed and listed insurtech-related articles throughout the decade-long practical development in the field. Filling the gap in the present body of knowledge, this paper aims to report on an early development of the scholarly works related to insurtech emergence and development. This paper provides the summary statistics on journals covering the topic, authors, year of publication, size, methods, and applications of insurtech elaborated. The study is based on the bibliometric analysis of 561 papers extracted from the Scopus database.*

**Keywords:** *Bibliometric analysis, Financial technologies, Insurance, Insurance technologies, Literature review*

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## **THE EUROPEAN ORDER FOR PAYMENT PROCEDURE**

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### **ABSTRACT**

*The European Order for Payment Procedure (EOP) is based on Regulation (EC) No. 1896/2006 of the European Parliament and of the Council (hereinafter: EPO). It entered into force on 12 December 2008. This paper analyze basic principles of the Regulation. The EOP is not a compulsory proceeding for the plaintiff but an option, he can choose between this proceeding*

*and any other proceeding provided by the law and it applies only to overdue, uncontested monetary cross-border claims. The procedure is not available in all kinds of disputes, but there are no limitations on its application to uncontested, overdue consumer complaints. There are several reasons for the regulation of the EOP on an optional basis but the most outstanding one is that in those Member States where an order for payment procedure does not exist, the claimant could be deprived of the possibility to use this kind of proceeding. A EOP is enforceable in all Member States except Denmark, and does not need to be separately declared enforceable. It must be sent to the enforcement authorities in the Member State in which it is to be enforced. The main purpose of the Regulation is to make the order for payment procedure in a cross-border context simple, effective and swift manner in another Member State through direct contact with judicial authorities of the latter. The procedure simplifies, speeds up and reduces the costs of litigation in cross-border cases concerning uncontested pecuniary claims.*

**Keywords:** *civil and commercial matters, cross border cases, European Union, Member State, order for payment procedure*

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## **THE INFORMATION SOCIETY IN THE COVID-19 ERA**

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### **ABSTRACT**

*The study analyses factors which significantly contribute to the development of the information society in selected EU member states (also added in the analysis: Norway, Iceland, Turkey). It covers the time before and during the COVID-19 pandemic.*

*Its aim is to identify groups of countries bearing similarity in the phenomenon under study by means of a taxonomic method - Czekanowski's diagram. The paper presents an analysis of a particular set of diagnostic features. The variables, whose relevance and statistical accuracy were first verified, formed a basis for the classification of the selected countries. The data comes from the statistical yearbooks published by the Central Statistical Office and from the Eurostat websites ( it covers the years 2020, 2019 and 2012).*

**Keywords:** Czekanowski's diagram, Information Society, Taxonomic analysis, COVID-19

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## **COMPARISON OF FINANCIAL INDICATORS AND THE TREND OF THE NUMBER OF USERS OF THE OLD AND NEW MEDIA INDUSTRY DURING THE COVID 19 PANDEMIC**

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### **ABSTRACT**

*The aim of this paper is to compare the business results of corporations within the media industry. The analysis included two corporations from the "old" and two corporations from the "new" media industry. The corporations in the "old" media industry are Comcast Corporation and the New York Times, and the corporations in the "new" media industry are Netflix and Spotify. We determine the "old" media industry according to the organizational design of vertical integration. The "new" media industry uses a streaming platform model. Financial analysis includes selected items from the corporate income statement to compare the business results of corporations. By analysing the trend in the number of users, a new model of user behaviour was*

*determined. The "old" media industry is undergoing a process of transformation and generating revenues from several different models of commodification. The "new" media industry is taking advantage of the technological advantage of this new user habit. The analysis and comparison of the results of these two models indicates the directions of development of the global media industry.*

**Keywords:** *media industry, platform economy, streaming platform, vertical integration, zero marginal cost*

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## **THE IMPACT OF COVID-19 ON CONSUMER SHOPPING BEHAVIOR: DURING AND AFTER LOCKDOWN IN MOROCCO**

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### **ABSTRACT**

*This study examines the impact of Covid-19 on consumers' buying behaviors during and after lockdown. Consumers' experienced one of the most dangerous pandemics in the 21<sup>st</sup> century. The repercussions of this virus impact the way*

*consumers shop. Being subject to unplanned changes will eventually shake up the lifestyle of individuals. In order to bring an answer to different questioning about the change of consumers' buying behaviors, the paper contains a literature review to explain different variables affecting consumers' behaviors in such epidemic situation, which allows deducting three hypotheses. To check them out, a survey was conducted using a quantitative research methodology. The questionnaire was carried out to answer the research problem sought. The collected data demonstrate that the experience of lockdown and health measures developed an emotion of fear among Moroccan consumers, which influenced buying behaviors and habits. Therefore, the generalization of the vaccination campaign can be an opportunity to return to old shopping habits.*

**Keywords:** *Consumer Behavior, Buying Behavior, Covid-19, Morocco*

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## **CLUSTER ANALYSIS AS A POWER-PLAY POTENTIAL FOR THE FINANCIAL MARKETS**

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### **ABSTRACT**

*Under the broader geographic, economic and social scope, cluster leadership gives the best possible answer to uneven regional growth and development conditions for collaboration among different organisations. In practice, it means that cluster organisations connect multivarious industry stakeholders with different value-added component. They often investigate or replicate the scalable processes while monetising industrial knowledge. Moreover, they are reassessing network opportunities relevant to their daily business activities. Having all mentioned in mind, the authors are explaining the contribution of qualitative research strategies in management science while encouraging financial markets to find value creation initiators in the cluster life cycle. In addition to that, the authors review current cluster knowledge and expand beneficiary outcomes in the existing mixed methodology analysis. For that purpose, the authors screen industrial potentials and the financial impact of the cluster life cycle in the last twelve years from the Mendeley database. In the discussion part of the paper, the authors connect*

*correlation in futures outcomes of mixed methodology in research to several areas of interest. These areas of interest stand for digitalisation of public administration, clean technology and renewables, sustainable transport and charging stations, data cloud capacities, buildings' energy efficiency and training support for digital skills. In the conclusion part, the authors shall summarise all valuable findings related to the potential of cluster organisations on financial markets as a part of interest and studies in science and business.*

**Keywords:** *cluster organisations, cluster life cycle, value creation, leadership, financial markets*

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## **PROMOTING SOCIAL AND TERRITORIAL COHESION THROUGH EDUCATION POLICY: A TOUR OF A FEW EUROPEAN COUNTRIES**

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### **ABSTRACT**

*Although it might be premature to identify a paradigmatic shift from performance and results, recent years highlighted social and territorial concerns associated with Education policies, especially at the local and intermunicipal levels of governance. Monitoring systems and assessment practices (either international or national) became popular during the past decades, but they are now increasingly concerned with socioeconomic variables that influence success at school. Therefore, they currently try to paint a richer picture of each country's educational reality, while seeking to carry a clear identification of weaknesses and challenges that demand tackling. At the same time, principles such as inclusion and*

*fairness steer the formulation of Education Policies, which growingly adopt a territorialized view and recognize that students come from different backgrounds and starting circumstances. Portuguese local planning instruments concerning Education exemplify such matters, relying on proximity and on the local knowledge of the territory to devise efficient and fair policies. These instruments are the target of continuous improvements, but they can be further upgraded, and they can benefit from some policy learning as well. Furthermore, these Portuguese instruments and strategies can be framed within a bigger trend and scheme that favours decentralisation and subsidiarity principles, while promoting a multilevel governance approach. Thus, we intend to look at policies, projects, and practices from different European countries that embody a vision that intends to promote social and territorial cohesion through Education policy and planning. In sum, this exploratory research proposes to shed some light on the role played by Education policy regarding social and territorial cohesion, while trying to discuss these concepts, widely used but often contested or ambiguously understood.*

**Keywords:** *Social cohesion; Territorial cohesion; Education policy; Policy learning*

**ACKNOWLEDGEMENT:** *This work was financially supported by the research unit on Governance, Competitiveness and Public Policy (UIDB/04058/2020) + (UIDP/04058/2020), funded by national funds through FCT - Fundação para a Ciência e a Tecnologia.*



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## **PUBLIC HOUSING POLICIES: ACCESSIBILITY AS A PURPOSE**

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### **ABSTRACT**

*Accessibility to housing, especially by more disadvantaged households, with fewer resources, has been an inherent concern in guaranteeing the universal housing right. It can even be said that the desire for accessibility, whether economic or physical, has guided the definition of public housing policies, including in Portugal, as is evident in the instruments coming from the New Generation of Housing Policies. Starting from the existing theoretical framework, this work aims to describe the forms of public intervention that aim to warranty accessibility to housing. At the same time, and succinctly, it seeks to highlight the contexts of change resulting from governance processes, and the need to measure housing accessibility in public policy contexts. The results, in addition to referring to the multidimensionality of the concept of housing accessibility, point out that the forms of intervention are structured around the direct provision of housing by public bodies (namely the Government) and the indirect provision, very associated with processes of housing regulation, design of financial support and transfer of skills to the social and private sphere. There is also a growing influence of governance processes in the provision of housing policies as shown, the*

*transfer of competences from the central government to the local, the adoption of new forms of intervention to the detriment of direct provision (e.g rehabilitation) and participation in the decision-making processes of actors in the public, private and social spheres. Ultimately, and although it is usual to consider housing whose cost does not exceed 30% of family income to be affordable, a set of metrics / indicators has been developed that highlight the interest in measuring housing accessibility and its usefulness in making informed decision.*

**Keywords:** Accessibility indicators, governance, housing accessibility, public housing policies

**ACKNOWLEDGEMENT:** *This work was financially supported by the research unit on Governance, Competitiveness and Public Policy (UIDB/04058/2020) + (UIDP/04058/2020), funded by national funds through FCT - Fundação para a Ciência e a Tecnologia.*



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## **DIGITAL CAMPAIGN AS AN INFORMATION AND COMMUNICATION TOOL FOR TOURIST PROMOTION DURING THE CORONA CRISIS – THE MEDIA CAMPAIGN „MEĐIMURJE GIVES MORE“ AS AN EXAMPLE**

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*During the crisis caused by the COVID 19 virus, tourism as the fastest growing industry had the biggest losses. With a proactive approach, on the first day of easing measures on June 15<sup>th</sup>, 2020. Međimurje County, a territorial-political regional unit in Croatia, its tourist board, launched a media campaign to reduce losses in tourism. Exploring the example of the promotional campaign of the Tourist Board of Međimurje County “Međimurje gives more”, the paper discusses digital campaign as a tool for promoting destinations in times of crisis caused by the COVID 19 virus. The paper analyses a media campaign that was primarily aimed to potential domestic tourists. The achievements of the digital campaign were also analyzed using the case study method. Hypothesis H1 was set as follows: a well-designed and well-run digital campaign can contribute to an increase in the number of*

*arrivals and overnight stays regardless of the crisis caused by the COVID 19 virus. The primary aim of this paper is to research whether, regardless of the corona crisis, a digital campaign can affect the positive results in tourism.*

**Keywords:** *digital campaign, tourism, Međimurje, COVID 19, information and communication technologies (ICT)*

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## **COVID-19 TAX MEASURES FOR SUPPORTING BUSINESSES AND INDIVIDUALS IN THE EUROPEAN UNION MEMBER STATES**

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### **ABSTRACT**

*Since the beginning of 2020 and the appearance of the coronavirus in the European Union member states, and especially since the spring of 2020, when all countries have in some way locked their economies, when in most activities normal business operations were completely or to a large extent hindered, and when it became obvious that such a so-called lockdown will have unforeseeable negative consequences for the economy, countries around the world and also the European Union member states have begun to introduce various reliefs and incentives within the framework of economic and fiscal policy. Such government interventions in the economy and society are among the most significant in modern history. Intervention measures also included various tax measures mainly in the areas of personal income tax (PIT), corporate income tax (CIT), value added tax (VAT) and social security contributions (SSC). The primary objective of such intervention measures was to assist employers and employees during the Covid - 19 pandemic and to*

*try to minimize the negative impact of the Covid - 19 pandemic on GDP. The aim of this paper is to present, analyze and compare the tax measures that have been implemented and are still in place in the European Union member states in the context of supporting businesses and individuals and minimizing the negative impact of the Covid - 19 pandemic. The results of the research show that all European Union member states have adopted at least one tax measure as a result of the Covid - 19 pandemic.*

**Keywords:** Covid-19, European Union, governmental interventions, tax measures

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## **THEORETICAL AND PRACTICAL ASPECTS OF THE FORMATION OF COMPETITIVE PRICING STRATEGIES IN AZERBAIJANI ENTERPRISES**

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### **ABSTRACT**

*Azerbaijan cannot increase the share of ready products, especially food exports. The country has a raw material-oriented export model. Despite negotiations on the sale of non-renewable resources, the export of hydrocarbons remains the main source of foreign trade and leads to an increase in imports. At the same time, under the conditions of a limited domestic market, more and more enterprises are forced to shift to foreign economic activity. Records show that most Azerbaijani enterprises are not ready to actively compete. As a result, the industry is in such a difficult situation that there have been no serious innovations to strengthen the competitive position of enterprises. However, the way out of the difficult economic situation can only be to create*

*competitive production focused on the needs of consumers. In this sense, competitiveness is an important condition for the well-being of local businesses. The problem of assessing and managing the competitiveness of Azerbaijani enterprises is the general decline in production, the high level of safety of competitive enterprises, the elimination of financial costs, and the problem of bankruptcy proceedings for many enterprises. In this context, it is necessary to increase the ability of the enterprise to analyze all the factors of competitiveness, on the other hand, to increase it to assess the competitiveness of the enterprise at a very high level, without which it is impossible to develop a future development strategy. In this regard, the formation of a competitive management system is the most important condition for the sustainable existence of enterprises. From this point of view, we believe that there is a need to analyze and research these systems and strategies in order to determine the level of implementation of competitive pricing strategies in the food sector of Azerbaijan. The research will reveal the competitive pricing strategies of companies operating in the food sector, the effectiveness of research in these areas, the problems encountered in implementing the strategies, and what is being done to prevent these problems. The current research reveals the behavior of companies operating in the food sector of Azerbaijan in the current competitive environment, the level of operations in practice in connection with new competitive pricing strategies, and what problems they face during research in this field.*

**Keywords:** *enterprise, competition, pricing strategy, food sector*

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