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## **ASSESSMENT OF SOCIO-ECONOMIC DEVELOPMENT OF AZERBAIJAN IN REPORTS OF INTERNATIONAL ORGANIZATIONS**

***Summary.** The article notes the positive achievements achieved and the impact on the further growth of the Azerbaijani economy, a steady increase in the standard of living of citizens. Opportunities for economic growth, as well as factors influencing it in the global environment, and the expansion of the national economy in recent years were considered as opportunities for economic development. Economic growth was seen as an increase in gross national product. Also, the issues of the qualitative impact of economic growth on the economy of the country are considered.*

*It is noted that today the Republic of Azerbaijan is a country with a dynamically developing economy, integrated into global economic relations. Over the past decade, it has achieved truly impressive economic results, firmly taking its rightful place in the world economy and starting to play one of the key roles in ensuring global energy security.*

*However, the first years of sovereign existence became a serious test for the republic. The foundations of a market economy took place in the conditions of a strong transformational recession, which was the result not only of the destruction of the previous inter-republican (all-Union) division of labor, but also of internal political instability, as well as the military conflict with Armenia around Nagorno-Karabakh.*

*Now it is impossible to surprise anyone with the rating of international organizations. In recent decades, this trend has become so strong that development indicators now seem ordinary. However, there are a few examples that really matter. The Doing Business World Bank report presented in this article is of this type. They consider this the most important and reliable rating indicator in the world for assessing the business environment. At the same time, report swere analyzed international organizations in Azerbaijan, including: international rating agency "Moody's"*

**Key words:** *socio-economic development, non-oil sector, the macroeconomic stability "Doing Business", World Bank, strategic roadmap, economic growth, gross national product.*

**Introduction.** Economic growth and development have been discussed for centuries. Industrialization has led to constant changes in economic and human activities. After the economic crisis, the importance of these processes increases. Overcoming any economic difficulties, we can talk about a decrease in unemployment or about external equilibrium, a connection established with economic growth and development. Any decision made at the state level is aimed at achieving these two goals. Today, more than ever, in the conditions of economic liberalization, which is characterized by strong demographic growth, depletion of natural resources, climate change and the destruction of ecosystems, we are more than ever concerned about the problems of economic development.

**Analysis of recent research and publications** showed that rating studies are widely used for socio-economic analysis. So Dzhankov, La Porta, Lopez de Silanes, (2003) [7] Michaels Ralph. (2009) investigated legal issues [8], Pinheiro-Alves, Ricardo, and João Zambujal-Oliveira. (2012) considered the rating in order to study the investment climate. [9] 4) Botero, Dzhankov, La Porta, Lopez de Silanes and Shleifer (2004) hiring workers, with measures of the ease with which workers can be hired or made redundant and hard-working

hours; oath [6] 5) Dzhankov, Hart, McLish and Shleifer (2008) resolution of insolvency, cost of time, cost and degree of restoration of bankruptcy proceedings. [7] Zeynalov M. (2019) explored the potential for tourism recovery. [3] Alekperoav A. Gulaliev M., et al. (2018) - investigated the financial stability of the banking sector among 29 countries using the BSFSI index [5].

**The goal of research.** We use the Doing Business and Moody's ratings to compare how the government responds to public ranking and makes strategic changes to improve the rankings.

**Statement of the main materials.** As a result of a focused policy pursued over the past 15 years, the country's socio-economic development has been achieved. Only by examining the statistics of the past year can one witness this. So, in 2001, despite the difficult external economic conditions, the Azerbaijani economy showed high stability to global socio-economic appeals, with average annual inflation of 4.9 percent, maintaining a stable manat, and uniquely ensured macroeconomic stability. The ratio of external public debt and GDP, meeting international requirements, was 19 percent. 2019, strategic foreign exchange reserves amounted to 48.4 billion dollars. For the period 2010-2019, the state budget increased by 16.0 times and amounted to 13.6 billion dollars, while expenditures increased by 17.4 times and amounted to 14.8 billion dollars. For the previous year (2019), the state budget increased by 4.6%, and expenditures by 8.8% [2].

With a per capita GDP of \$ 4.7 thousand, the position of our country has further strengthened among countries with high average incomes. Over the past 15 years, the growth of the economy of Azerbaijan has increased 8 times. In terms of the structure of economic growth, 2018 has been marked from previous years.

Thus, the production of the non-oil sector increased from 2005 to 2018. This is the result of diversification of the country's economy, pursuing a policy

in the direction of minimizing its dependence on the oil sector. The accelerated development of the economy has created favorable conditions for increasing the financial capabilities of our country and investing in foreign countries. Azerbaijan has now turned into a country exporting investments. In recent years, investing in foreign countries is more than 15 billion dollars [4].

During 2018-2019, more than 110 enterprises based on modern technology were commissioned in the region. The construction of more than 200 enterprises is ongoing.

*Table 1*

**Self-sufficiency in basic products 2018**

	Product name	%
1	Cereal crops Including wheat	74,1% 64,8%
2	Meat and meat products	82,7%
3	Bird meat	75,9%
4	Milk and dairy products	86,7%
5	Egg	101,5%
6	Fish and fish prod	83,1%

*Source: GSK 2018 data [2]*

Today, the need for fruits and vegetables, gourds, potatoes, sugar and sugar products, fruit juices, etc. is fully provided by local production. Recall that the successes achieved by the country in socio-economic spheres are highly appreciated on an international scale.

The successes achieved in Azerbaijan in 2018 were highly appreciated by authoritative international structures. While the rating of the number of developed countries declined, the rating agency World Economic Forum Davos positively rated the rating of the country. On February 18-20, 2011, in the Mexican city of Los Cabos, Azerbaijan participated for the first time at the summit of the G20 countries (6-20), which can be regarded as another success for our country in the international arena. The invitation of Azerbaijan to participate in this summit is also an indicator of the economic growth of our

country. At an official reception dedicated to the 25th anniversary of the restoration of state independence, President Ilham Aliyev noted that over the past 15 years, the country's economy has grown by 8.8 times and industrial production has grown by 7.7 times. The budget of the Republic over 15 years increased by 16 times. It should be noted that the financial and economic crisis that started around the world in 2008 also tested Azerbaijan. However, as a result of effective anti-crisis measures, it became possible to minimize the negative effects of the crisis [1].

"International rating agency" "Moody's" estimated Azerbaijan's long-term credit rating at "Ba1"; the rating outlook was changed in a "positive" direction. Along with this, on the basis of the Global Competitiveness Index report, Azerbaijan ranks 55th among CIS countries in terms of economic competitiveness among 142 countries in the world [5].

The growth of the welfare of the population of Azerbaijan is one of the main goals of the policy of socio-economic development. Today, the unemployment rate has decreased by 5%, and the poverty rate from 50% to 4.6%. The "Targeted Social Assistance Program" is being implemented in the country, covering more than 500 thousand people, and each family receives an average of about 230 manat per month. Including 2018, salaries and pensions increase annually.

In January 2020, the World Economic Forum held in Davos, President of Azerbaijan Ilham Aliyev, noted that "thanks to the reforms, Azerbaijan's GDP growth from 2007 to 2019 amounted to 80%, the non-oil sector increased 2.1 times during this period, strategic currency reserves increased 13 times, the poverty rate fell by more than 4 times, the unemployment rate fell to 4.9%. "Azerbaijan was twice recognized as the best reformer country in Doing Business reports - in 2009 and 2019. Since 2007, we have attracted foreign investment worth 111 billion, which has contributed to the development of all

sectors of the economy. As a result, Azerbaijan in the ranking of global competitiveness rose to 35th place from 64th in the report for 2006-2007" [1].

Based on its economic opportunities - income per capita - the Republic of Azerbaijan is among the countries with economies in transition taking 26th place. Despite this, in terms of inclusive development, the country occupies the third place among these countries, i.e. 23 points higher than their economic opportunities. This, of course, is the result of the application of innovative state development management technologies. Successful sustainable inclusive development is possible only in a country in which an effective economic and social policy is implemented.

Standart and Poors rating agency raised Azerbaijan's long-term independent credit rating by one notch, bringing it to BBB level, and the rating outlook remained stable.

Fitch Ratings confirmed Azerbaijan's long-term sovereign rating of Azerbaijan in foreign and domestic currencies at the "BBB" level and kept the rating outlook as "positive". The international rating agency Moodys rated Azerbaijan's long-term credit rating at «Ba1» and the rating outlook by a change in the "positive" direction. Along with this, based on the report "Global Competitiveness Index", Azerbaijan's economy is 55th in terms of competitiveness among 142 countries and 10th in the CIS.

Today, Azerbaijan is a country attractive enough for foreign companies in terms of investment. It is no coincidence that in Azerbaijan there are hundreds of companies representing many foreign countries.

At the World Economic Forum in Davos, World Bank CEO Kristalina Georgieva, at a meeting with the head of state, congratulated President Ilham Aliyev on successful reforms being implemented in the country, as well as an increase of 32 positions in Azerbaijan, which ranked 25th in the World Bank's Doing Business report 2019. "A World Bank official said that this is one of the most successful and greatest achievements in the history of the World Bank's

Doing Business ranking. At the same time, it was emphasized that Azerbaijan in a short time has turned from a country receiving assistance from the World Bank to a donor country. This has become possible as a result of reforms carried out in Azerbaijan over the past twenty years in all areas [1].

The achieved successes had a positive impact on the further growth of the Azerbaijani economy, a steady increase in the standard of living of citizens. According to the report of the World Economic Forum, Azerbaijan is among the top ten countries in the world where social equality is at the highest level and is also the 5th largest [4].

**Conclusions.** Globalization is already creating a new environment in the global economy. However, not all countries can equally use this process. For example, globalization creates favorable markets for developed countries that have a large share in the global economy, further enhances their competitiveness, while at the same time it creates some problems for developing countries and countries in transition from the point of view of economic security.

Given this, the development of the national economy in Azerbaijan and the integration of our country into the world economic system should be carried out in compliance with the principles of economic security.

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