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THEORETICAL PRINCIPLES OF MARKET RELATIONS IN THE AGRICULTURAL SECTOR

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Introduction. Agrarian market relations are a part of the system of market relations as a whole. Among people, "market" was understood as a place (square, area), for trade but as the natural economy changed to a commodity economy and the social division of labor expanded, the concept of "market" acquired a more complex meaning in terms of economic content. The exchange of goods carried out through money has led to market illusion. So, at first one type of commodity was exchanged for another type of commodity, and after the advent of money, people exchanged through money. In this regard, the market should be understood as a set of economic relations arising in the environment of exchange for the sale of goods. In the economic literature, the market is usually explained as a set of production relations in which the labor results of consumers are realized through money to producers. It is shown that the market performs the functions of delivering goods to consumers, connecting producers and consumers, and stimulating production. The exchange process is a decisive factor in the development of market relations. Exchange performs the function of production and distribution on the one hand, and between the producer and the consumer on the other hand. In terms of the first function mentioned above, exchange takes the form of commodity circulation. The second function is due to the fact that the market is a boundless space where economic relations between people are realized in the process of product movement. In the conditions of market relations, an opportunity for economic competition arises, which prompts production to meet demand with minimum costs. These ultimately have a decisive effect on the stimulation of production [1, p. 42].

The main material of the study. The concepts of "market" and "market relations" are not accepted unambiguously by all economists of the world. As a result of our research, we have come to the conclusion that the market is, first of all, an economic category specific to commodity production. Market is also a historical category. The components of the market are demand, supply and price. These elements characterize the features and forms of specific relations between production and consumption, reflect the economic relations between the fields. The market develops and is formed in the conditions of commodity-money relations. However, in connection with the transition of our country to the conditions of market relations, the development of various forms of ownership, the formation of new production relations in rural areas, the expansion of the scope of commodity-money relations, the need arose for widespread consumer value, price, money and other economic categories to become a legal process. The world economic literature shows that the market and the administrative emirate are incompatible. In these circumstances, central planning does not apply. Market relations are formed on the basis of the principles of objective economic laws and categories. In such

a case, the production is regulated by the market, the market is abundant with products, mutual economic relations are formed between producers and consumers, the population as a whole is satisfied with the consumer market, the owner of the market is not the producer, but the consumer. In general, it is very difficult to build an economy without a deep understanding of the concepts of "market" and "market relations". There are following types of market: regional market, domestic market. The domestic market differs from each other according to the territorial characteristics. For example, local markets. This includes markets of a specific city, district, village, town, etc. There are also markets for individual products and groups of products. World markets are understood as a set of national markets of states that communicate with each other through international trade, exchange of scientific and technical knowledge, services, etc. A regional market is understood as a market created by a group of states connected to each other by special forms and conditions of economic exchange and a deep division of labor. In market conditions, the price of products changes depending on supply and demand. Market and market relations can be evaluated as a model of economic development of society [2, p. 51].

Depending on the formation of the mechanism of this economic model, there is a favorable ratio between demand, supply and price in the consumer market. Demand means the volume of a product in natural and value terms that the population will consume over a certain period. Supply means the volume of a product, in terms of nature and value that can be supplied to the consumer market. The market is regulated by the price of products depending on supply and demand. There is no alternative to entering the market. World experience has proven the viability and efficiency of the market economy. In our society, the transition to a market economy is required by human interests, and the goal of this transition is to create a socially oriented economy, subordinate all production to the needs of the consumer, eliminate shortages and shameful queues, ensure economic freedom for citizens at work, and open a wide field for diligence, creativity and initiative. Thus, the transition of our country to a market economy was an objective necessity, and this follows from the following patterns: First of all, in the conditions of administrative management, in certain periods there was a certain increase in socio-economic development, although there were successes, as a result of a number of objective and subjective factors, the country's economy was deformed, food shortages appeared everywhere. The process of decreasing production volumes, increasing costs, violating the principles of purchase and sale between enterprises, and deteriorating living conditions of the population in all fields of the national economy has accelerated. Secondly, although a number of very important laws and regulations were adopted to improve the economy in the former union space, no positive trends in increasing production were observed. For example, about enterprises, about lease relations, about peasant farms, about the basics of land legislation, about property relations, etc. Despite all this, the country not only ensured production growth and efficiency, but, on the contrary, previous production volumes decreased, and the tendency of the economy to fall into a crisis state became stronger. Therefore, the country's economy has weakened due to the lack of creation of an appropriate economic mechanism for the implementation of very important decisions. Third. It is a fact that value, price, commodity-money relations have always existed in our society. However, when using these economic categories, their objective requirements were not properly taken into account. It should be noted that regardless of the form of society, the market structurally consists of three main elements: demand, supply and price [3, p. 21].

Demand characterizes consumption, and supply characterizes production. However, since the administrative requirements of the market in our country are not taken into account, its true nature is underestimated. It has been completely forgotten that the market influences production, improves the structure of production, and regulates it. Thus, the economy of our country was created not on the basis of market supply and demand, but under conditions of forced planning. Fourth, pricing principles are almost not followed, reliable pricing mechanism has not been formed. So far there is no country in the world that has built its economy according to a pure "market economy" model. "Regulated market economy" means creating conditions for the development of various forms of ownership, independent preparation of a production program taking into account the state order, providing enterprises with freedom in pricing, income distribution and methods of use, and at the same time providing guarantees from the state to prevent the deterioration of living conditions of low-income categories of the population. Thus, from the above, it is clear that there are big differences between a "market economy" and a "regulated market economy" in terms of political and economic content. However, as many people think, the regulated market economy as an economic model cannot be a continuation of the old administrative-emirate method, its repeated replacement. Since, in a regulated market economy, the exchange of products between the village and the city is based on the principle of fair purchase and sale, real conditions are created for the use of economic accounting, and mutual economic relations between enterprises are carried out based on pre-agreed contractual terms. The specific functions of the household head are defined. The level

of income of workers varies depending on the final product, not on the amount of work performed. All these, ultimately, are real and objective factors in creating a reliable market economy. World experience confirms that the transition from any specific system of the economy to the market system is not easy, but the transition of the economy to the conditions of market relations is a necessary and possible way. The transfer of agriculture to market relations has its own characteristics. This is primarily related to the soil-climate issues. However, some types of agricultural products, including grapes, fruits, potatoes, vegetables, etc., are sold and consumed without going through a processing process. Another specific feature of the transition of agriculture to market relations is that processing of agricultural products are the raw material base for industrial enterprises. Vegetable growing, fruit growing, viticulture, tobacco growing, tea growing, meat farming, dairy farming, etc. semi-complexes have received significant development under republican conditions. Although some of the products produced in these areas are consumed directly by the population, 30–35 percent of the remaining products are sold to processing enterprises. Another distinctive feature is the development of many areas of agriculture. The diversification of agriculture greatly facilitates the translation of this sector into market relations. For example, cotton, cocoon, etc. The development of field allows the republic to enter not only regional markets, but also markets at a number of levels, including global ones [4, p. 73].

The presence of favorable soil and climatic conditions for the further development of agriculture in the Republic of Azerbaijan is one of the aspects that distinguishes the transfer of this sphere to market relations. The existing favorable climatic zone in the country leads to an increase in the production of main types of agricultural products and an increase in its efficiency. All this ultimately ensures the creation and development of the agricultural market. It is clear from the research that the transfer of all areas of the economy, including the agricultural sector, to market relations is an objectively legal process. The objective legality of the transition to market relations comes primarily from property relations. Economic reforms are being carried out in our country, state property is being privatized, and new property relations are emerging. Privatization of land and property, transferring them to citizens, creating conditions for entrepreneurial activity are becoming the main factor in the transition of the agricultural economy to market relations [5, p. 86].

The study shows that while our country is preparing for the transition to market relations, the United States of America, Japan, and Western European countries are considering which market model of economic development is beneficial or not, and are trying to choose the most favorable one. The “free market” model is the American model. The dominant role of the state in economic management is the Japanese model. There are four general aspects that characterize the economic development of developed market countries. The first is that the national currencies of developed market countries are stable and can be exchanged with the national currencies of other countries. The historical experience of such countries confirms that it is impossible to create a useful market system if the national currency is not stable and is not exchangeable with the national currencies of other countries. The second, general aspect is that land and real estate are privately owned. In such countries, private property is considered the driving force of economic growth. However, all market countries have both public and private ownership. For example, in Western European countries, railways are owned by the state. In the United States, many energy and communications companies, and sometimes air transport, are state-owned. Third, the existence of private commercial rights that respond to market demands is considered a common feature of market economies. All developed countries have complex and strict laws regarding cooperation, contracts, agreements, and trade and banking operations. In these countries, large private enterprises are organized on a cooperative basis. Fourthly, one of the common features of market countries is the presence of the right to foreign economic activity. Thus, in the market economy system, no country is excluded from the world trading system [6, p. 77].

We believe that it is necessary to form socially oriented market relations in our country. “Free market”, “regulated market” and “socially oriented market” development models have gone through historical processes and have undoubtedly been effective for specific stages of development. However, we prefer socially oriented market relations in the system of economic development models. Because in the conditions of socially oriented market relations, the state takes into account the demand and supply of the market, undertakes a number of functions of regulating the economy, which is ultimately considered profitable for both producers and consumers. The formation and development of market relations in the agro-industrial complex system of the country is highly dependent on the organization of state regulatory work. The functions of state regulation of production in the agro-industrial complex system should include the following:

- in terms of stimulating the development of market relations, ensuring the completeness of the legislation and organizing control over the correct compliance with the requirements of the legislation;

- valuation, taxation, financial-credit relations, insurance, etc. determination and formulation of economic policy in the agrarian section, including issues;
- stabilization of agricultural production, protection of the income of commodity producers, rapid and large-scale application of science and technology, and development of state structural policy;
- reconciliation of international economy and scientific-technical cooperation;
- regulation of social policy in the agrarian industrial complex, participation of the state in social protection of the rural population, provision of pensions, development of residential areas, electrification, telephone and road construction, provision of food products for low-income and disadvantaged population groups, as well as in solving the problem of employment of the population;
- organization and determination of scientific research works, selection and breeding work, application of scientific achievements in production;
- formation of food and agricultural raw materials resources for state needs;
- providing agricultural commodity producers with information about the markets for the production and sale of agricultural products; use of natural resources and organization of control over environmental protection, quality of food products, sanitary rules, land structure, plant protection and veterinary work;
- management of state enterprises not subject to privatization;
- legal service and protection of agribusiness.

By following the mentioned principles, it is possible to form, develop and strengthen socially oriented agrarian market relations in the country. However, the regulation of the agricultural market should be based on international principles and legal basis [7, p. 38].

Conclusion. Our research shows that the formation of market relations in the agricultural sector requires, first of all, a comprehensive solution to these issues. Among them: renewal of property relations, development of diverse forms of economy, improvement of financial and credit relations, creation of a new management system, improvement of the education and personnel training, formation of the organizational and economic mechanism of agricultural science, social development of rural areas and villages, creation of an information system, etc. It should be noted that fundamental qualitative changes are being observed in the country's economy, the property of enterprises in the agro-industrial complex system is being nationalized, land is being privatized and transferred into private ownership, and a multi-species and multiple farming system is being formed. As a result of all this, more than 97% of agricultural products were produced in private collectives. No state order was placed with producers for the supply of agricultural products, prices were liberalized, sales channels were expanded, and comprehensive measures were launched to form socially oriented market relations in the country.

Currently, the previous forms of farming operating in the country's agriculture are being transformed. Citizens who receive land and property shares voluntarily choose economic forms, being the owners of the products they produce, they themselves determine the sales markets, the new owners are completely free to set prices for their products and independently determine prices depending on the supply and demand of the store. All this can be considered as a manifestation of the formation of market relations in the agrarian section of the country. At the state level, a number of measures have been comprehensively implemented to create market relations through economic reforms in the country. In order to develop market relations, the experience of foreign countries was studied, representatives of states operating in conditions of market relations were invited to the republic, and the legal basis for the new statehood was created, primarily taking into account local conditions and national traditions.

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Jahan Guliyeva, Teacher. **Yusif Binnatov**, Senior Lecturer, Azerbaijan University of Architecture and Construction. **Theoretical principles of market relations in the agricultural sector.**

Agricultural issues have always been and remain the focus of special attention of the world's agricultural scientists and economists. This is not accidental. The development of the agricultural sector has played and continues to play an important role in ensuring the standard of living of the population as a whole. The role and importance of the agricultural sector is great and irreplaceable in ensuring employment of the rural population, solving demographic problems, developing inter-sectorial production and economic relations, ensuring appropriate dynamism in the development of the national economy, and most importantly, food security. According to them, regardless of the economic development model of any state, the development of the agricultural sector is always in the focus of attention of these states, and special attention is paid to the further development of this section. All over the world, agricultural policy is considered a part of economic policy, and in order to implement this policy, appropriate organizational and economic measures are taken at each specific stage of development. In our country, all areas of the economy, including the agrarian sector, have been in a state of economic crisis several times at different stages of their development. As the agrarian sector fell into a state of economic crisis, the reasons for its fall into this situation were also investigated by agrarian economist scientists, managers and specialists, appropriate measures were determined and implemented, and the field was brought out of a very difficult and complicated situation. Economically comprehensive development of the country is characterized by a number of indicators, one of which is the parallel and sustainable development of all regions. The relevance of market relations in the agricultural sector is related to changing demands and development in technology. In modern times, the market relations of the agricultural sector are of great importance. Reasons such as the increase in demand for agricultural products and the expansion of international trade opportunities, innovations in technology, safety of agricultural work, product management, higher expectations of customers about quality, safety and modern standards make market relations in the agricultural sector more relevant and important. The presented article is relevant, it is an issue that is constantly under the attention of the state and society.

Key words: commodity-money relations, exchange, consumer market, pricing, agriculture, market.

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Джахан Гулієва, викладач. **Юсиф Біннетов**, старший викладач, Азербайджанський університет архітектури та будівництва. **Теоретичні основи ринкових відносин в аграрному секторі.**

Аграрна проблематика завжди була і залишається в центрі особливої уваги вчених-аграрників світу. Важливу роль у забезпеченні життєвого рівня населення в цілому відігравав і відіграє розвиток аграрного поділу. Велика і незамінна роль і значення аграрного відомства у забезпеченні зайнятості сільського населення, вирішенні демографічних проблем, розвитку міжгалузевих виробничо-економічних зв'язків, забезпеченні пов'язаного з цим динамізму розвитку національної економіки, а також продовольчої безпеки. Виходячи з цього, незалежно від моделі економічного розвитку будь-якої країни, розвиток аграрного сектора завжди знаходиться в центрі уваги цих країн, і подальшому розвитку цього сектору приділяється особлива увага. В усьому світі аграрна політика розглядається як частина економічної політики, на кожному конкретному етапі розвитку здійснюються відповідні організаційно-економічні заходи. У нашій державі всі сфери економіки, в тому числі й аграрний, на різних етапах свого розвитку неодноразово перебували в стані економічної кризи. Оскільки аграрний сектор потрапив у стан економічної кризи, причини його потрапляння в цю ситуацію досліджувалися також вченими-аграрниками, керівниками та спеціалістами, визначались та впроваджувались відповідні заходи, галузь виводили зі складного становища. Економічно комплексний розвиток країни характеризується низкою показників, одним із яких є паралельний сталий розвиток усіх регіонів. Актуальність ринкових відносин в аграрному секторі пов'язана зі зміною вимог і розвитком технологій. У сучасний час ринкові відносини аграрного сектора мають велике значення. Такі причини, як збільшення попиту на сільськогосподарську продукцію та розширення можливостей міжнародної торгівлі, інновації в технологіях, безпека сільськогосподарських робіт, управління продуктами, більш високі очікування споживачів щодо якості, безпеки та сучасних стандартів роблять ринкові відносини в аграрному секторі більш актуальними і важливими.

Ключові слова: товарно-грошові відносини, обмін, споживчий ринок, ціноутворення, сільське господарство, ринок.