

THE CONDITIONS FOR ECONOMIC DEVELOPMENT FORMATION PROBLEMS

Jahan Guliyeva*, Teacher
Rumell Jafarova **, PhD in Economics
Yusif Binnatov***, Senior Lecturer
Azerbaijan University of Architecture and Construction

*ORCID 0000-0002-3568-1788

**ORCID 0000-0002-5862-5770

***ORCID 0000-0002-6586-3558

© Guliyeva J., 2025

© Jafarova R., 2025

© Binnatov Yu., 2025

Стаття отримана редакцією 02.03.2025 р.

The article was received by editorial board on 02.03.2025

Introduction. Economic development refers to the growth of the economic power of the individuals who form the nation. The increase in the economic power of those individuals is determined by economic development. This is a common side. But some individuals can be very weak, their strength can be very low. The economic power of individuals refers to aggregate and average power. Of course, the power of individuals does not mean everything. A country may have the power of individuals, but it cannot be considered as power because it is not realized. If we compare the economic power of an Azerbaijani and a Japanese, we can see that a Japanese is about 80 times stronger than an Azerbaijani. That is, so much production has the power to work or earn. This is a job that everyone can do individually in their own country. But today, let's say that a Japanese in Russia can produce the same amount as an Azerbaijani, and sometimes an individual Azerbaijani can be stronger than a Japanese. Here we can draw the following conclusion: Firstly, the fact that there is an economic power does not mean its realization, for this it is necessary to have conditions and environment. In the absence of the environment, power remains only potential and has no effect on economic development. And such an environment is created not by individual individuals, but by their communities, groups (States). The power of individuals and the total power that the environment is able to create determine the strength of their communities, states. Secondly, the economic power of Azerbaijan is very large, but due to the lack of environment, this power continues to persist. Despite the great power of the people, the state must have the ability to create such an environment. Currently, the state contributes to the growth of the power of individuals and does not prevent the realization of this power, and thus, in the end, conditions are created for the growth of general power. And when it is not used, the power weakens and narrows. The economic strength of people is not determined only by their physical strength. Physical strength is a factor that positively affects economic strength. But the main strength is determined by mental and organizational strength. If the physical powers of individual individuals can differ at most in a ratio of one to five, then their mental or organizational powers can differ to an infinite extent [1, p. 52].

Research methods. The most important goal of economic development is to realize the potential power of the nation and increase it day by day. Why is this power not realized and not increased? To answer the question, it is important to analyze a number of signs and characteristics. Here it is necessary to indicate two laws that underlie the performance of work: 1. In addition to the power of individuals, there are also the blessings that nature has bestowed on every country. These blessings are completely unevenly divided between individual towns. Practice shows that natural power, in places where there are a lot of these natures, the cumulative power of people becomes less, because the needs are satisfied with more natural power. But where there are no natural

benefits, the cumulative power of ISANS is higher. People are forced to look for more effective methods, spend more power, which leads to an increase in their cumulative economic power. From this It Follows to the essence of one of the aforementioned laws of the philosophy of economic development: the law of inverse correlation of aggregate human power with Natural Resources. The level of wealth with natural resources negatively affects the strength of resistance of people and the formation of their aggregate strength as a whole. The more resistance a person sees from nature, the more resistance he forms towards it, thereby manifesting itself in a more pronounced form. But, of course, measures can be taken to reduce and minimize damage from the activities of the law, and all the provisions of its work were formed precisely on the basis of this system of measures. 2. The narrower the framework of people involved in economic management and economic development, the lower the level of economic development should be. It reflects the essence of economic democracy and explains the content of the second law of economic development, which we mentioned above: the law of directly proportional dependence of economic development on the level of participation of individuals in the management of the economy. The more people participate in economic development and management of the economy, or the higher the level of people's ability to join this process, the higher the speed and efficiency of economic development will be. That is why the economy of the administrative command system has perished, in general, in all dictatorial regimes, the economy is weak and does not progress. The management of a group of people cannot be the same as the management in which millions of populations are mixed and involved. 3. Another sign of economic development differs in the distribution of income between people, consists in regulating its level at the level of normal sizes. But this does not mean an equal distribution to everyone, as in previous conditions. On the contrary, such a division can stop the economy. This has a serious impact on economic development. People differ from each other in nature. Mind, intelligence, physical grumbling are all different. Of course, their work will also be different. If, as a result of this work, everyone was given the right, those who worked harder would have been wronged. The one who has more abilities does not use his ability and does not develop it, does not increase his investments, does not do any extra work or takes on great responsibility. Because it will not be paid for. As a result of all this, potential power will not be used and there will be no economic development as a whole. But at the same time, the emergence of excessive stratification in the division can upset the economic balance and result in social outbursts. Here, too, the philosophical foundations of the Islamic economy can come to the rescue. The principle of right and justice in the division and the provision of assistance to the needy form an important basis of economic development. 4. One of the important elements of the theory of Economic Development considered in the work is the savings system. The economy regime should be absorbed by the economy in all directions. And for this, the economic system, savings should be stimulating. Here we are talking about the economical use of both labor, material and monetary resources. It is necessary to distinguish between national interests and personal, group or state interests in the country. They are components of personal, group or state interests. Personal interests can also form the interests of a group, party, Union. Therefore, for the protection of national interests, the economy regime should be strengthened everywhere, regardless of whose property it is. But here it is also necessary to avoid narrowing savings, which can harm production and the development of society in general, since savings will be made [2, p. 86].

Discussions. Azerbaijan has experienced a period of decline for a long time, for more than three centuries it was torn and crushed under the bondage of various states, and precisely because of this, it lagged far behind in both economic, cultural and national development. However, at the beginning of the century there was a relative revival in Northern Azerbaijan, where a part of the divided Azerbaijani people lived. With the beginning of the process of democratization in Baku, one of the ancient cultural centers of Azerbaijan at the beginning of this century, rapid economic development took place in the country, the flow of foreign capital increased, which gave impetus to the serious development of Science and culture, press and music.

The construction of an economic system should be carried out on the basis of several basic principles. The most important of these principles are: 1. Relying on the human factor. The point is that several unsolved laws of society operate. The first of them is inversely proportional to the aggregate power of Man and his natural resources. The more favorable conditions a person lives in from the point of view of natural and climatic conditions, the less resistance he sees in nature, the weaker his resistance strength becomes, the more lazy he becomes, and the overall, aggregate strength decreases. On the contrary, as natural climatic conditions Harden, or rather worsen, as natural resources decrease, a person has more resistance strength. This law and the very

favorable nature of natural and climatic conditions had a relatively negative impact on the growth of human potential and its aggregate potential, and this will be more serious in the future. To prevent this, all reforms must be built on the basis of human potential and human strength. Each natural or other resource can be exhausted. Another unsolved law of society is that if natural resources decrease as they are used, then human resources increase as they are used. That is, the more a person works, the more his cumulative power increases. On the other hand, revenues from natural resources are not stable, they can change all the time and become irresistible obstacles to the development of the country. But manpower and its influence on economic development are stable, and this power can only grow more and more. For these listed reasons, the construction of all elements of the economic mechanism and the implementation of reforms were carried out, first of all, relying on the human factor.

2. To be based on science and technology in economic development. The XXI century is the century of Science and technology. Especially for the Islamic world, as well as for Azerbaijan, it is a stage of rapid development of science. At the same time, natural resources tend to decline, and some are even on the verge of extinction. In order to replace and replace them, science must develop rapidly. At such a stage, without relying on science and technology, it is possible to rapidly develop it, ensure the normal development of the country and win the fierce competition Dale. In order to develop the economy of Azerbaijan more rapidly, it is necessary to develop science and technology more rapidly than in other countries. The importance of scientific and technical development in economic development is very high. Science and technology are the engines of developed economic systems, and this contributes to the development of talent and innovative ideas and the rapid expansion of the economy. Innovation and technological improvement allow to improve quality and efficiency in industry, service and other areas. It also creates jobs, increases the budget and improves social well-being. For this reason, investing in the development of scientific and technical potential is a constant guarantee of economic development. The basing of scientific and technical development on economic development is an important issue for all countries. But each country has its own cultural, economic and political conditions, so each country must determine its own economic strategy. It is important to take into account that scientific and technical development affects not only economic development, but also social and Environmental Protection.

3. Disregard. This principle consists in minimizing the role of the state in the development and management of the economy, expanding the possibilities of private property. The topic of de-stateization has always been relevant and caused controversy. Proponents of this argue that by reducing the role of the state, it will increase efficiency and allow the development of the economy. Others claim an increase in social risks. Each country has its own characteristics and issues. Therefore, there are constant discussions on the topic of the practice of de-stateization. The purpose of the de-stateization is to create more competition in the business areas, increase efficiency and ensure that investment is used more effectively. This process has been practiced to varying degrees in different countries. In some countries, De-government has allowed for greater investment and innovation in industry. In other countries, it has not yielded positive results, reducing social welfare and increasing the unemployment rate. This process requires serious responsibility and determination. A well-managed De-stateization process can contribute to the development of the economy and increase social welfare. However, improperly planned de-stateization can create serious social and economic problems in society.

4. Customization. The mentioned principle is a process that supports people to independently develop their positions and opportunities. This requires an approach to social, economic and political issues from a modern perspective. Individualization seeks to ensure that human resources and opportunities are used as widely as possible and that all members of society can explore their potential. At the same time, appropriate measures should be supported in accordance with the dynamics of society and the requirements of changing economic and political conditions. Individualization is also related to the human factor and uses the provision of individuality and addressability in each area, both in the management of production, in the management of the social sphere, and in the system of Social Security and distribution. Preventing this injustice will ensure more efficient use of national financial resources and, ultimately, increase the quantity and quality of economic growth.

5. The principle of globalization requires the emergence of an open economy on a global scale and the elimination of economic boundaries. The combination of national financial resources and international financial resources, the globalization of the financial market and the elimination of economic borders will contribute to the inflow of investment in Azerbaijan, as well as the possibility of profit-making of Azerbaijani investments outside the country's borders. The development of Science and technology, the development of computer and communication technologies will create favorable conditions for this. Globalization means an increase in initiatives over the world to consider and address economic, political and cultural issues in a broader

perspective. It is associated with an increase in relations between different countries and regions, intensification of cultural exchange, economic integration and observation of world problems. The subject plays an important role when responding to the various challenges faced by human society. It is considered necessary for a broader partnership and progress in areas such as trade, communication, Economic Cooperation and world peace. These principles are the main and fundamental principles and will be at the heart of the country's economic mechanism for all centuries [3, p. 76].

The formation of conditions for economic development involves many issues. It includes a number of important issues, such as changing the structures of the economy, developing infrastructure, stabilizing the financial system, effecting the labor market and adjusting the legislative regime. Each of these shows differences according to the cultural, economic and political conditions and potential of the individual countries. One of the most important issues is ensuring protected investment and investment climate. To do this, countries must set a stable policy and take additional initiatives to attract foreign investment. One of the key issues for economic development is the development of human capital. Greater investment in education and health increases labor efficiency and creativity, each of which is essential for development. There are a number of problems associated with the formation of conditions for economic development, the first of which is corruption. Corruption constitutes a major problem for economic development. A functioning corruption system prevents the economy in a country from accelerating, effective financial management and generally the establishment of a fair field of business. The problem of corruption can generate these effects so that the reduction of investment, the Prevention of effectively functioning markets can work against competition, injustice and impede rapid development. Corruption weakens economic development by preventing the correct and effective use of these resources with a decrease in financial resources. Prevention of the problem of corruption is possible through the establishment of effective legal frameworks, a secure financial system and the introduction of mutually transparent and calculating processes [4, p. 93].

Another problem is related to the commodity situation. The commodity situation is related to the state of the labor market and labor power in a country. The poor commodity situation is able to limit economic development, increasing the problems of unemployment and underemployment. The main points that describe this situation may be that the growth of outdated backlogs weakens the industry by limiting the economic speed to compliance with advanced technologies. The instability of the labor market, weak job offers, can deprive the dynamics of rapid development by limiting it, demonstrating unchanged and old structures of the labor market. To meet these issues, it is critical to increase the security of the labor market, provide the workforce of the education system with modern skills, and ensure the effective functioning of the labor market.

Problems with infrastructure are one of those situations that can limit economic development. An unrelated transport network, insufficient highways, rail and air transport infrastructure impede the expansion of trade and industry by limiting the effective and fast transportation of products and services. Ancient and old infrastructure facilities prevent the financial and resources needed for repair and renewal from building effectively functioning systems. Unstable supply of electricity worsens the condition of industries, limiting effective consumption and development. Slow and insufficient internet and communication services make it difficult to share information fast, which impairs efficiency in business areas. The development of infrastructure in these areas contributes to the expansion of the economy and the growth of prosperity, allowing the rapid growth of industrial and commercial activities. In order to cope with these problems, countries must develop and implement infrastructure projects in a wide range of situations, cooperate with stakeholders (government, private sector, international organizations) and strive to achieve efficient and effective infrastructure development for relevant areas. Economic management has a law. The level of participation (scope) of subjects in economic management is in a directly proportional dependence on the efficiency of the economy. As the scope of economic management of people increases, the overall efficiency of production increases. Otherwise it decreases. [5.102]

The liberalization of the economy will be carried out in all economic directions and areas. But liberation will be carried out not only for the purpose of recognizing people's right to economic freedom, but at the same time for the purpose of using their physical and spiritual capabilities as effectively as possible, and the whole system will be built in this direction. The main directions of economic liberalization include:

I. Prevention of state interference in the economy and recognition of the state only as a regulatory element of economic development. Through its cabinet, the government will participate in the creation of regulatory instruments and control over their activities, as well as provide material and moral support for the development

of the economy. The same process will include the social sphere, education, health care, Social Security and culture. But this process will be completed in a few years by evolution.

II. Privatization of all elements of the economic and social sphere, the formation of a solid right of ownership of people. Creation of a system of full guarantees of ownership. To implement them, it is necessary to adopt new laws and make significant changes to the laws in operation.

III. Creation of the same economic and legal conditions for all owners (including foreigners), elimination of discrimination, provision of all types of state support to all owners for increasing and developing property [6, p. 49].

The complete liberalization of the economy is quite complex and touches on the interests of all population groups. The implementation of all these measures will take place evolutionarily, in parts, in the era of reforms and will cover a long period. The policy of maximum privatization and de-stateization in the management of the economy requires the development of the reverse side, that is, the private sector, at a much greater pace than even planned, for balance and balance in the economy. At the beginning of the XX century and excluding the period of national government, conditions were never created for National Business, on the contrary, national business was subjected to great exploitation and economic repression. Therefore, the initial capital accumulation and start-up capital for reviving the development of national business are at an absent rate. After Azerbaijan gained its independence, the attempts of the second national government did not yield any results, and after the overthrow of the national government, national businessmen were put into a situation as a result of a more vile monopoly than before. Capital acquired Little, concentrated and, as a rule, withdrawn from the country [7, p. 84].

National businessmen and the nation as a whole are bankrupt. That is why in the XXI century, and even in the near future, the state is obliged to carry out revolutionary reforms for the development of national business and create all the conditions for its accelerated development. The maximum involvement of people in the development of national business should be ensured and the same conditions should be created for all participants. For the development of national business, financial intermediation and a financial market should be established, in this way the free funds of the population, company and state should be collected and transferred to the disposal of business participants in the form of investment loans or sale of shares. Every year, the government allocates the necessary amount of funds to banks as government deposits in order to create resource provision of investment loans, which are used only for financing investments. The state creates a system of public guarantees for the protection of the rights of businessmen and a mechanism for its control. The state is directly or indirectly involved in financing National Business. The state provides for the creation of large production facilities and immediately stocks these facilities and puts them up for sale on the financial market. The central government is directly involved in financing the private sector and investments in areas that are lagging behind or liberated from occupation. This is due to the provision of financing for the development of the most important infrastructure projects, education and health systems, economic sectors. Attracting investments in the Regions, funding from the central government also contributes to the revival of the economy of the territories and the growth of the well-being of local residents, the creation of jobs in the regions, the expansion of entrepreneurial opportunities, the quality of life of the population, and the reduction of social needs [8, p. 56].

Conclusions. Economic management is one of the most important factors in economic development. At present, the management apparatus has been improved. Its continuation in such a form can only turn economic development into a shackle. On the one hand, the presence of many governing bodies creates conditions for the embezzlement of large amounts of taxpayers' funds, on the other hand, it leads to the fact that officials with greater influence become obstacles to the development of the economy. In theory, the construction of a public administration system is based on a number of new provisions. That is, it is not the state that has a lot of strong government officials, a wide administrative apparatus, a lot of expenses, and the state is not the father who takes on all obligations. The state is a pillar, a place of trust that stands at the service of the nation with all its organizations and forces. A good state apparatus is a state that is small, has few officials, but is made up of competent, capable and honest people, has few expenses, but the Treasury is always full. But a state whose people are poor, hungry, and whose treasury is full is also not rich, on the contrary, a state whose citizens are rich is considered rich. As a result of the wealth of the state, the nation and the country cannot be rich, but as a result of the wealth of the nation, both the state and the country as a whole can be rich. In order to build such a state and create an economic system of Public Administration, we believe that it is necessary to carry out

reforms in several stages. First of all, it is necessary to minimize state intervention in the economy, increase the number of jobs and reduce unemployment to a minimum. It is also necessary to form the necessary legal framework by adopting laws on the central public administration apparatus and ministries. This stage should be considered as the stage of formation of political and economic conditions for carrying out radical reforms in the management system.

REFERENCES:

1. Kərimov C., Huseynov J. (1998). International economic relationz. Baku.
2. Nuriyev B. (1999). Market economy and Azerbaijan. Baku
3. (August 10, 2000). Law of the Republic of Azerbaijan "On privatization of state property".
4. (2000). Civil Code of the Republic of Azerbaijan. Baku.
5. Qarayev I. (2000). Price formation. Baku.
6. Aliyev A., Shakaraliyev A. (2002). Transition to a market economy: the economic policy of the state. Baku.
7. O. Mammadli. (2004). .Economic theory. Ganja.
8. Valiyev A. (2011). Land as a means of production. Baku.
9. Guliyev E. (2013). Reliable food supply system: problems of cooperation and integration. Baku.

UDC 33.338

JEL E21

Jahan Guliyeva, Teacher, Azerbaijan University of Architecture and Construction. **Jafarova Rumell**, PhD in Economics, Azerbaijan University of Architecture and Construction. **Yusif Binnatov**, Senior Lecturer, Azerbaijan University of Architecture and Construction. **The conditions for economic development formation problems.**

The basis of economic development is the theory of economic development. During the development of this work, the theory of economic development was first defined, its specific features were investigated for Azerbaijan, and the theory of economic development was adopted as the basis for the economic development of the country. Actuality of economic development means dynamic and stable development of economy in a country. This includes the growth of jobs, the use of new technologies and the achievement of solutions to social issues. Economic development is important for the country's recovery, job creation and rapid development of citizens. It is explained as the growth of production, consumption and trade in the economic system of that country or region. This broad category covers various areas such as the growth of national income, expansion of industry, development in technology, changes in the labor market and rising living standards. During the years of independence, the Republic of Azerbaijan has already made the transition to market economic relations. Thus, macroeconomic stability has been achieved, successful strategies have been developed and implemented, consistent measures are being implemented at the microeconomic level, and entrepreneurial activity is full supported. From this point of view, determining the directions of the economic development of the Republic of Azerbaijan in modern conditions is one of the main problems. The problem of creating conditions for economic development remains very relevant in modern times. Globalization, technological revolution, economic crises and geopolitical changes require new approaches to ensure sustainable and sustainable development of countries. In this regard, the formation of conditions for economic development can be possible with the joint efforts of the public and private sectors. Economic development is an important factor for ensuring sustainable prosperity and social stability of any state. However, it is very important to carry out this process not artificially, but through sustainable and stable economic policies. In this regard, creating optimal conditions for economic development faces many obstacles. The initiative to create optimal conditions for economic development requires a comprehensive approach. Infrastructure, education, political stability, financial resources and international economic relations should be provided with sustainable and long-term economic strategies, not artificial ones. A systematic solution to these problems can accelerate economic development.

Key words: consumption, trade, saving, personalization, come, denationalization.

УДК 33.338

JEL E21

Джахан Гулієва, викладач, Азербайджанський університет архітектури та будівництва. **Джафарова Румелла**, кандидат економічних наук, Азербайджанський університет архітектури та будівництва. **Юсиф Біннетов**, старший викладач, Азербайджанський університет архітектури та будівництва. **Проблеми формування умов економічного розвитку.**

Основою економічного розвитку є теорія економічного розвитку. У ході розробки цієї роботи була вперше визначена теорія економічного розвитку, досліджені її особливості для Азербайджану, і теорія економічного розвитку була прийнята за основу економічного розвитку країни. Актуальність економічного розвитку означає динамічний і стабільний розвиток економіки країни. Це включає зростання робочих місць, використання

нових технологій і вирішення соціальних питань. Економічний розвиток важливий для відновлення країни, створення робочих місць і швидкого розвитку громадян. Це пояснюється зростанням виробництва, споживання та торгівлі в економічній системі цієї країни чи регіону. Ця широка категорія охоплює різні сфери, такі як зростання національного доходу, розширення промисловості, розвиток технологій, зміни на ринку праці та підвищення рівня життя. За роки незалежності Азербайджанська Республіка вже здійснила перехід до ринкових економічних відносин. Таким чином, досягнуто макроекономічної стабільності, розроблено та реалізовано успішні стратегії, впроваджуються послідовні заходи на мікроекономічному рівні, повністю підтримується підприємницька діяльність. З цієї точки зору визначення напрямів економічного розвитку Азербайджанської Республіки в сучасних умовах є однією з головних проблем. Проблема створення умов для розвитку економіки залишається дуже актуальною і в сучасний час. Глобалізація, технічна революція, економічні кризи та геополітичні зміни вимагають нових підходів для забезпечення сталого та сталого розвитку країн. У зв'язку з цим формування умов для економічного розвитку може бути можливим за умови спільних зусиль державного та приватного секторів. Економічний розвиток є важливим фактором забезпечення сталого добробуту та соціальної стабільності будь-якої держави. Однак дуже важливо здійснювати цей процес не штучно, а шляхом сталої та стабільної економічної політики. У зв'язку з цим створення оптимальних умов для економічного розвитку стикається з багатьма перешкодами. Ініціатива створення оптимальних умов для розвитку економіки потребує комплексного підходу. Інфраструктура, освіта, політична стабільність, фінансові ресурси та міжнародні економічні відносини мають бути забезпечені стійкими та довгостроковими економічними стратегіями, а не штучними. Системне вирішення цих проблем може прискорити економічний розвиток.

Ключові слова: споживання, торгівля, заощадження, персоналізація, прихід, роздержавлення.