

SECURITY IN THE AZERBAIJANI ECONOMY

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Formulation of the problem. Economic safety is a conception which estimates the modern state of national economy. Therefore, economic safety depends on the level of economic development. *The purpose of the research* analyze economic security, which protects national interests, implements the development of the national economy and supports its adaptation to the economic interests of state bodies. *The object of the research* is the process of modeling of economic security is a concept that assesses the current state of the national economy. *The hypothesis of the research* is the dynamics of the socio-economic development of the state is one of the conditions ensuring its economic security. *The methods of the research* – analysis, synthesis, scientific generalization, systems approach. *The statement of basic materials.* Along with the protection of the country's national interests, economic security is the readiness of state bodies to ensure the real development of the country's economy in accordance with national interests and the socio-economic stability of society. The dynamism of the country's socio-economic development is a necessary condition for ensuring its economic security. There are a number of tasks that determine economic security, one of them is the assessment of its geopolitical state and the protection of the national interests of the state. All this is analyzed in detail in the article on the example of Azerbaijan. *The originality and practical significance of the research.* In the Azerbaijani context, various issues determined by economic security, assessment of the geopolitical state and national interests are also analyzed. *Conclusions and perspectives of further research.* Consequently, economic security depends on the level of economic development. Economic security protects national interests, realizes the development of the national economy and supports its adaptation to the economic interests of state bodies.

Key words:

economic safety, national interests, national safety, international regional safety, economic strategy, geopolitical strategy.

БЕЗПЕКА ЕКОНОМІКИ АЗЕРБАЙДЖАНУ

Постановка проблеми. Економічна безпека - це концепція, яка оцінює сучасний стан національної економіки. Тому економічна безпека залежить від рівня економічного розвитку. *Метою дослідження* є аналіз економічної безпеки, яка захищає національні інтереси, реалізує розвиток національної економіки та підтримує її адаптацію до економічних інтересів державних органів. *Об'єктом дослідження* є процес моделювання економічної безпеки - це концепція, що оцінює сучасний стан національної економіки. *Гіпотеза дослідження* полягає в тому, що динаміка соціально-економічного розвитку держави є однією з умов забезпечення її економічної безпеки. *Методи дослідження* - аналіз, синтез, наукове узагальнення, системний підхід. *Виклад основного матеріалу.* Поряд із захистом національних інтересів країни економічна безпека – це готовність державних органів забезпечити реальний розвиток економіки країни відповідно до національних інтересів та соціально-економічної стабільності суспільства. Динамізм соціально-економічного розвитку країни є необхідною умовою забезпечення її економічної безпеки. Існує ряд завдань, що визначають економічну безпеку, одним із них є оцінка її геополітичного стану та захист національних інтересів держави. Все це детально проаналізовано в статті на прикладі Азербайджану. *Оригінальність та практичне значення дослідження.* В азербай-

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джанському контексті також аналізуються різні питання, що визначаються економічною безпекою, оцінкою геополітичного стану та національних інтересів. *Висновки та перспективи подальших досліджень.* Отже, економічна безпека залежить від рівня економічного розвитку. Економічна безпека захищає національні інтереси, реалізує розвиток національної економіки та підтримує її адаптацію до економічних інтересів державних органів.

Ключові слова:

економічна безпека, національні інтереси, національна безпека, міжнародна регіональна безпека, економічна стратегія, геополітична стратегія.

БЕЗОПАСНОСТЬ ЭКОНОМИКИ АЗЕРБАЙДЖАНА

Постановка проблемы. Экономическая безопасность – это концепция, оценивающая современное состояние национальной экономики. Следовательно, экономическая безопасность зависит от уровня экономического развития. *Цель исследования* – проанализировать экономическую безопасность, которая защищает национальные интересы, реализует развитие национальной экономики и поддерживает ее адаптацию к экономическим интересам государственных органов. *Объектом исследования* является процесс моделирования экономической безопасности – концепция, оценивающая текущее состояние национальной экономики. *Гипотеза исследования* – динамика социально-экономического развития государства является одним из условий обеспечения его экономической безопасности. *Методы, использованные в исследовании* – анализ, синтез, научное обобщение, системный подход. *Изложение основного материала.* Наряду с защитой национальных интересов страны под экономической безопасностью понимается готовность государственных органов обеспечить реальное развитие экономики страны в соответствии с национальными интересами и социально-экономической стабильностью общества. Динамичность социально-экономического развития страны – необходимое условие обеспечения ее экономической безопасности. Существует ряд задач, определяющих экономическую безопасность, одна из них – оценка ее геополитического состояния и защита национальных интересов государства. Все это подробно анализируется в статье на примере Азербайджана. *Оригинальность и практическое значение исследования.* В контексте Азербайджана также анализируются различные вопросы, определяемые экономической безопасностью, оценкой геополитического состояния и национальных интересов. *Выводы и перспективы дальнейших исследований.* Следовательно, экономическая безопасность зависит от уровня экономического развития. Экономическая безопасность защищает национальные интересы, реализует развитие национальной экономики и поддерживает ее адаптацию к экономическим интересам государственных органов.

Ключевые слова:

экономическая безопасность, национальные интересы, национальная безопасность, международная региональная безопасность, экономическая стратегия, геополитическая стратегия.

Formulation of the problem. In Azerbaijan, geographical and historical factors play a greater role in the formation of the economic security system than in many countries. Therefore, it is necessary to take these factors into account. Azerbaijan's location in an important geographical area and its beautiful natural and climatic conditions have historically been banned by states claiming to dominate the world. At the present time of the scientific and technological revolution, due to the growing demand for natural raw materials and fuel energy, the interest of large industrialized countries in Azerbaijan has increased. The location of the state in a strategic space and therefore the negative impact of the conflict of interests in this area on economic security must be taken into account in the organization of mutual cooperation, economic threats posed

by historically hostile states and ways and means to prevent them must be identified. It is known that there are many reasons for any economic events and processes. They operate in interaction and unity and condition each other. The concept of factor differs from other quantitative indicators in that it combines them. Economic security criterion is a concept that assesses the state of the economy. Because the economic security of the country depends on the level of economic development.

Analysis of recent research and publications. The essence of economic security is reflected here. Criteria-based assessment of security includes:

- Resource potential and its ability to develop;
- The level of efficient use of labor capital and other resources, its level in comparison





with developed countries, as well as the ability to minimize internal and external threats;

- Competitiveness of the economy;
- Sovereignty, independence and the ability to prevent external threats;
- Social stability and ability to resolve social conflict.

As can be seen, the dynamics of the country's socio-economic development are two necessary conditions to ensure its economic security. Thus, in order to ensure the sustainable and sustainable development of the country's economy, the problems encountered in the development process must be addressed in a timely manner.

The purpose of the research analyze economic security, which protects national interests, implements the development of the national economy and supports its adaptation to the economic interests of state bodies. Otherwise, these problems become a shackle of socio-economic development and a constant source of danger for the country. These problems must be solved step by step, through a constantly updated economic mechanism and through the evolution of development. It is necessary to monitor the level of economic development of the country in order to identify and predict the negative impact on economic security. To do this, it is necessary to take into account the cost of indicators, their importance for ensuring economic security.

Presentation of the main material.

When studying these indicators, it should be approached comprehensively and based on it, a "diagnosis" of economic security should be determined.

Only after this work is completed should the necessary measures be taken to prevent economic security. The source of danger is hostility, disruption, the presence of conditions and factors to achieve a bad goal. In view of all this, the concept of categorical security can be expressed as follows: Security is the result of social activity to ensure the security of the state, society and the individual. It should be understood as a condition of a social explosion as a result of the deterioration of the social situation of the population with a threat of social origin. In view of all this, the concept of categorical security can be expressed as follows:

"Security" is the protection of vital social interests, its structures from internal and external threats. Vital interests are a set of needs of the state that provide a reliable guarantee of the opportunities for the progressive development of citizens in society. National values are a set of material, spiritual and intellectual property necessary for the existence and development of the country. National way of life is a long-standing code of conduct, a moral way of life, adopted by society and individual national groups in the country as a whole. Security is the result of social activity to ensure the security of the state, society and the individual. The activity of ensuring the security of the state, society and the individual is the resolution of conflicts between social individuals and social groups. It is an object of activity to ensure security. In this case, the subject of the activity acts as a specific form of threat. The specific carriers of such a threat are natural and social events. Real and potential threats differ in their potential. It is necessary to differentiate the types of threats according to the nature of the target direction and the role of subjective factors in its occurrence. For example, it is necessary to react to the challenge, even if it is not specifically intimidating. The danger is to realize that harm has been done, to recognize that it is possible to escape danger. Threats are a set of conditions and factors that endanger society and the state, as well as national values and national way of life. According to the scale and level of the consequences of the damage, the threat takes the following forms: international (in the sense of regions of the world, regional and global) national, local (in the sense of country and regions of the country) special (firm and individual) it is possible to classify. This, in turn, affects the definition and understanding of national goals. In this regard, internal and external security are distinguished. The identification of external threats is related to the nation's geographical and geostrategic location and role in the world.

The concept of strategy is a word of Greek origin. It was first used for military purposes in ancient Greece. The strategy was understood as the use of land or naval forces in large-scale operations during the war. However, in modern times, the country's economic

and national security science is used not only as a military art, but also as a concept of economic and national security, and the dictionary strategy of the Azerbaijani language consists of theoretical, scientific concepts and practical activities.

The problem of national security is central to the political strategy. The national security policy consists of protecting the country's territorial integrity, preventing separatism, terrorism and instability. Non-democratic states, on the other hand, prefer to pursue their political strategies with more military force. Economic security strategy plays an important role in the national security strategy. Because they are interconnected and united, they condition each other. The state's economic strategy

envisages directing national interests, security and budget expenditures to more important areas in both domestic and foreign policy. Foreign policy takes into account the economic, military, social, human, ideological and moral resources of society. The problem of corruption, organized crime, ethnic tension and unemployment is being eliminated to create internal stability in the country. Azerbaijan's economic security strategy identifies and monitors factors that threaten the important economic interests of the individual, society and the state, factors that threaten the stability of the country's socio-economic system in the short and medium term, defines criteria and parameters that determine national economic interests contains in its content (Table 1).

Table 1

Key macroeconomic indicators of Azerbaijan

Indicators	2014	2015	2016	2017	2018	2019
Gross domestic product, million manat	59014.1	54380.0	60425.2	70337.8	80092.0	81681.0
Income of the population, million manats	39472.2	41744.8	45395.1	49187.9	53103.7	57035.0
Average monthly nominal salary, manat	444.5	466.9	499.8	528.5	544.6	635.1
State budget revenues:						
million manats	18400.6	17498.0	17505.7	16516.7	22508.9	24398.5
in gross domestic product, as a percentage	31.2	32.2	29.0	23.5	28.1	29.9
Expenditures of the state budget:						
million manats	18709.0	17784.5	17751.3	17594.5	22731.6	24425.6
in gross domestic product, as a percentage	31.7	32.7	29.4	25.0	28.4	29.9
State budget deficit (-), surplus:						
million manats	-308.4	-286.5	-245.6	-1077.8	-222.7	-27.1
in gross domestic product, as a percentage	0.5	0.5	0.4	1.5	0.3	-0.03
Deposits of the population in banks (at the end of the year) mln. manat	7188.4	9473.9	7448.7	7561.2	8375.4	8637.9
Population (end of year), mln. people	9593.0	9705.6	9810.0	9898.1	9981.5	10067.1
Fixed assets (end of year), mln. manat	110678	124008.4	169120.3	182789	198970.4	208940.2
Credit investments (at the end of the year), mln. manat	18542.6	21730.4	16444.6	11757.8	13020.3	15297.2
Investments in the economy, mln. manat	21890.6	20057.4	22706.4	24462.5	25877.0	24986.6
Current account balance, mln. USD	10430.5	-222.5	-1363.4	1684.6	6051.1	4364.9

Source: State Statistics Committee of Azerbaijan, 2020





As can be seen, each of the political, national and economic security strategies reflects the realization of a long-term goal. Each entity changes its strategy once that goal has been achieved. Because economic and international relations are so complex and changeable, it is not possible to reflect all the factors that affect the achievement of a goal in a national and economic security strategy. Natural factors also play an important role. Because it is difficult to say what will happen in nature in a few years. In this regard, each state develops its own national and economic security concepts. In other words, they define their views on the solution of the problem. It specifies the opportunities and means for the realization of the goals set in the national and economic strategies, sets goals that do not correspond to the modern period, and takes into account the realities.

So, just as the concepts of national and economic security interact with each other, so do economic security and the economic concept arise and serve each other. In other words, just as economic security determines the realization of national security, so does the concept serve to ensure economic security. Geographical conditions are taken into account when implementing the state national strategy and national security.

The economic security of a country is defined as the state in which it has the necessary financial, production, labor, intellectual potential, and a system of production organization that ensures its effective functioning. It is connected with the economic and social development of the country. The implementation of the economic security strategy makes it necessary to provide the material conditions to achieve the overall goals of national security. The Republic of Azerbaijan ensures the security of the country by pursuing domestic and foreign economic policies.

Article 17 of the Law of the Republic of Azerbaijan "On National Security" dated June 29, 2004 states that ensuring national security of the Republic of Azerbaijan in the economic sphere is protection from internal and external factors threatening the development of the national economy and economic relations of the Republic of Azerbaijan. The law states the following as the main directions of ensuring

the economic security of the Republic of Azerbaijan:

- 1) Increasing the economic potential of the state;
- 2) Protection of energy bases of natural resources, transit opportunities;
- 3) Directing domestic and foreign financial resources to the country's economy;
- 4) Prevention of inefficient use of budget funds and state reserves;
- 5) Improving the banking system;
- 6) Improving public administration in the economy, etc.

History has shown that in countries with weak economies, there is no such thing as stability. Today, Azerbaijan is an economically strong state in the Caucasus. This is in the national interests of Azerbaijan. In addition, Azerbaijan sees its prospects for economic development in integration into Western economic structures. In recent years, the development of oil and gas and transport infrastructure of international importance has further strengthened Azerbaijan's economic ties with the West, and important results have been achieved in ensuring the economic security of the republic. The European Union already sees Azerbaijan as a reliable ally and a provider of its own energy threat. In the former USSR, the proliferation of environmental problems related to the policy of extensive economic development has seriously damaged the ecology and the environment of the republic. Armenia's military conflict with Azerbaijan also has a negative impact on the environment and ecology of the occupied territories. Armenians ruthlessly exploit the natural resources of the occupied territories without complying with environmental norms, carry out the mass felling of rare, valuable forest trees for use in the production of fuel and furniture, cultivate drugs, and bury hazardous waste in the area.

In addition, the Armenian military is setting large-scale fires on the line of contact, destroying greenery and spreading various pests to crops and settlements.

Conclusions and prospects for further research. Having a favorable strategic position and rich natural resources in the South Caucasus, our state attracts the interests of its neighbors Russia, Iran, Georgia and Turkey, as

well as the United States, Europe and other countries. The geoeconomic security of the Republic of Azerbaijan located in such a region is also of special importance. One of the main successes in ensuring geoeconomic as well as geopolitical security is the establishment of balanced political and economic relations with all power centers. The security environment of the Republic of Azerbaijan is a set of factors affecting its sovereignty, territorial integrity, inviolability of borders, sustainable development of national interests, welfare and protection of the values of the population. Located in a geographical area where the Western and Eastern worlds meet, the Republic of Azerbaijan has the positive aspects of many civilizations. The Republic of Azerbaijan, which shares the progressive values of Europe and is an integral part of the Euro-Atlantic security architecture, aims to contribute to the security of this space.

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