

REPUBLIC OF AZERBAIJAN

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**WAYS ON INCREASING OF ECONOMIC EFFICIENCY ON
USE OF LABOR RESOURCES IN AGRICULTURE**

Speciality: **5312.01 Field economy**
Field of science: **Economic sciences**
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ABSTRACT

of the submitted dissertation for obtaining the Decree of Philosophy

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The dissertation was completed at the Center for Agricultural Research of the Ministry of Agriculture of the Republic of Azerbaijan.

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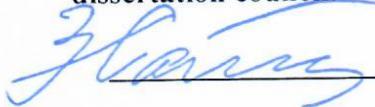
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GENERAL CHARACTERISTICS OF WORK

The relevance of the research topic. In modern times, ensuring efficiency of the employment, increasing incomes and improving the material well-being of the population are important conditions for sustainable and dynamic socio-economic development. The 47.0% of the population in the Republic of Azerbaijan lives in rural areas. In this regard, it appears the necessity on determination of the scientific basis for the creation of new jobs, efficient use of labor resources and the regulation of socio-economic processes, as well as to solve problems for achievement of the regional development, restore the activities of agro-industrial enterprises, whereas are the main source of employment and income in the village and increase production capacity, improve working conditions, relevant education and vocational training, development of micro, small and medium enterprises in the regions.

The implemented research works show that there are disproportions in the level of meeting the material and spiritual needs of different segments of the population in rural areas. This situation is also significantly related to the problems of income distribution. It requires improving the structure of income and their distribution and setting priorities. Especially in recent years, the decline in oil revenues in the republic will have a certain impact on the socio-economic life of the population. In order to neutralize these effects and eliminate the current socio-economic problems, it has begun the process of deepening socio-economic and agrarian reforms as well as in the republic.

It should be noted that, in recent years in the context of the happening and ongoing financial crisis in the world economy, the republic has achieved socio-economic development trends, macroeconomic stability, GDP growth and income per capita, expanding the non-oil sector and infrastructural improvement. However, in a globalizing world economy, the observed negative trends (serious fluctuations in foreign exchange markets and energy markets, completely unexpected changes in oil prices, "trade wars" initiated by the United States, instability in many oil-producing countries, etc.) has had a certain impact on the reduction of oil revenues of the republic and to the financial situation of the population. Based on it, in the current situation, among the main tasks of the republican socio-economic policy is to reduce

dependence on oil, increase employment and achieve sustainable development on this basis, to continue the new quality of measures in order to improve the welfare of the population.

The rational use of labor resources in agriculture, which is the leading sector of the non-oil sector, plays an important role in solving socio-economic problems, especially in rural areas, as well as in the development of food security and services. At the same time, it should be noted that the living standards of the population in rural areas still lag behind the national average. On the other hand, there is a differentiation in the socio-economic development of the economic regions of the republic. Among the factors influencing to this, the lack of jobs are playing a key role in rural areas. These factors lead to an influx of able-bodied people from rural areas to the city.

The steps taken on increasing of the the economic efficiency of labor resources in agriculture, of course, serve to eliminate uncertainty in socio-economic processes. The uncertainties are due to the following factors: sharp fluctuations in oil market prices and the need to develop the non-oil sector in the republic; devaluation of the Manat (local currency); serious fluctuations in supply and demand in the labor market; increasing uncertainty due to the lack of information; underdevelopment of the entrepreneurial ability at any level and the impact of this factor to the level of the employment and the profitability of the population; the differentiation of the competitiveness of the able-bodied population in the regions. All of it, has a serious impact on the level of the employment in various sectors of the economy, production processes and income generated from production.

An unequal development of the industry and the agriculture in the regions of Azerbaijan, in some cases inefficient use of domestic resources, affects the use of labor resources, the level and the structure of employment in rural areas.

There are problems with the improvement of the economic and financial situation in the agricultural sector, the involvement of the rural population in entrepreneurial activities, the regulation of employment, which has a direct impact on the volume of agricultural production. As a result of it, the differentiation does not decrease in the income of the population of the republic. In such a situation, the sustainable

development of the agricultural sector has revealed the need for institutional changes, increasing the effectiveness of production stimulation, increasing employment, comprehensive justification of solutions to the problems of increasing labor productivity.

The learning situation of the problem. The following agro-economic scientists of Azerbaijan, such as S.V.Salahov, B.X.Atashov, R.A. Balayev, S.M.Muradov, A.T.Ahmadov, I.H. Ibrahimov, I.H. Aliyev, R.K. Isgandarov, M.C. Huseynov, M.G. Musayev, Ramil Huseyn, E.A.Guliyev , V.H. Abbasov, A.F.Abbasov and others conducted research works on these problems. Among the foreign scientists who studied the problems of increasing the economic efficiency of labor resources in agriculture, first of all should be noted Afonina V.E, Barlibaev A.A , Bondarenko L.V, Gizzatova A.I, Zaslavskaya T.I, Kovalev E.E, Konshina O.A, Krylatykh E.N, Ksenofontov MY, Kusakina ON , Krivokora YN, Martinov KP, Paptsov AQ, Petrikov A.V, Popov N.A, Serova E.V, Cranfiel J.T, Falcon W.P, Naylor R.L, Gale F., Peter Wehrheim , Rosegrant M., Steven Wolf, Alessandro Bonanno, Van Ham H., Koppenjan J., William Liefert, John Swinnen.

However, within modern conditions in a globalizing world, it is necessary to reduce the dependence of the republic and its agrarian regions from oil income and to develop local production, social development of the village, assess to the efficiency of labor resources, identify the employment and improve the scientific basis. There is a serious need for systematic, complex research in these areas in modern times.

The aims and objectives of the study. The main purpose of the study is to identify ways on creation of effective employment in rural areas and increase the economic efficiency of labor resources in the agriculture, as well as, to reduce the dependence of oil income, improve the use of labor resources, identify priorities for local production and employment, to prepare of substantiated proposals on ensuring of the level of profitability.

In order to achieve this goal the following tasks have been identified:

- the characterization of the factors determining the specifics of the formation of labor resources in modern socio-economic conditions ;

- the study of methodological aspects of the formation of labor resources in rural areas ;
- the study of theoretical and practical issues of organizing the use of labor resources in agriculture and increasing its efficiency;
- the assessment of the current level and efficiency of employment in the republic, a brief description of the environment for the development of the labor market;
- the analysis of the effectiveness of the actual use of labor resources in agriculture, the study of the situation with the creation of decent working conditions and income generation in the field;
- the identification of opportunities for the development of self-employment in rural areas and agriculture in the context of balanced regional development and ways to implement them;
- to prepare proposals on the development of the labor market in rural areas and increase the level of employment and economic efficiency in agriculture.

The object of research is the current situation of employment in agriculture of the Republic of Azerbaijan, in general in rural areas, labor resources mobilized by the network of production and service entities operating in the field.

The subject of the study is the factors, main trends and relevant patterns that determine the economic efficiency of labor resources involved in agriculture.

The Research methods.

1. The theoretical and methodological basis of the research are the laws adopted by the Milli Majlis, decrees and orders of the President aimed at improving the social development of the village, increasing employment and income, state programs on socio-economic development of agrarian regions, as well as research works made by agrarian economists. The provisions reflecting the efficiency of the system of labor resources use in agriculture are important in the methodological basis of the research.

2. The research database including rural areas' of the republic obtained through economic activity, including legislation and regulations involved in the regulation of labor relations in agriculture, information from the State Statistics Committee, the Ministries of Agriculture,

Finance and Economy, scientific-theoretical and practical, conference materials of various levels, Internet resources, as well as materials gained by personal observation.

3. It has been used the statistical analysis, monographic, grouping, generalization and other statistical-economic methods in the research process.

The main scientific provisions submitted for defense:

- Factors determining the formation of labor resources in rural areas and the effectiveness of their use in the agricultural sector;
- Conceptual provisions for increasing the efficiency of labor resources in agriculture;
- opportunities for the formation of decent working conditions and decent incomes in the field;
- the estimated economic aspects of the impact of the development of the sector on the increasing of employment;
- proposals and recommendations on the development of self-employment in agriculture;
- ways for increasing the level of employment and economic efficiency in agriculture.

The scientific novelty of the work consists of the followings:

- have been characterized factors determining the formation of labor resources in modern villages and the effectiveness of their use in agriculture ;
- have been substantiated conceptual provisions on the use of labor resources in agriculture and increasing its efficiency;
- have been studied the level of employment and the efficiency of the use of labor resources in agriculture in a single level, and opportunities for the formation of decent working conditions and have been identified decent incomes in the field of the rural areas;
- the impact of agricultural development on increasing employment was assessed in economic terms;
- opportunities for the development of self-employment in rural areas and agriculture in the conditions of balanced regional development were identified, proposals and recommendations for their implementation were substantiated;

- have been identified the ways of development of the labor market in rural areas and increase of the level of employment and economic efficiency in the agriculture.

Theoretical and practical significance of the research. The obtained results, proposals and recommendations serve to develop and implement comprehensive measures on increasing of the economic efficiency of labor resources in agriculture and innovative employment development programs, as well as to improve the system of regulation of labor relations in crop production and animal husbandry.

The main provisions, recommendations and proposals substantiated as a result of the research can be used in the development and implementation of programs for the development of agriculture and closely related economic and technological areas in Azerbaijan, as well as the development and implementation of appropriate measures for efficient use of labor resources in rural areas.

Approbation and application. The main provisions of the dissertation whereas “Development of cotton growing as one of the main directions in increasing rural employment” was organized by the the Azerbaijan Academy of Labor and Social Relations jointly with the Azerbaijan Trade Union Confederation on “Sustainable development goals: current situation and prospects”- practical conference, devoted to the 96-th birthday anniversary of the Overall National Leader Heydar Aliyev. Besides, an international conference on ”Agricultural development as a factor in increasing employment” organized by the Azerbaijan Academy of Labor and Social Relations on “Problems of the impact of the pandemic on the socio -economic development of the world”. It was discussed and approved at the international scientific-practical conferences organized by them, as well as at the IX International Multidisciplinary Conference (Rotterdam, Netherlands) on “Directions for increasing the income of the rural population.”

Reference No. 105 dated February 4, 2022 states that the results of the dissertation work should be used to improve the legal framework for the use of labor resources, increase employment and implement a balanced regional policy.

Name of the organization where the dissertation is performed.

The dissertation was completed at the Agrarian Research Center of the Ministry of Agriculture of the Republic of Azerbaijan.

The total volume of the work with a sign, indicating the volume of individual structural units of the dissertation . Cover and contents (2507 characters), introduction (15220 characters), Chapter I (71304 characters), Chapter II (55875 characters), Chapter III (49039 characters), result (13383 characters) and list of used literature (19231 characters) The total volume is 226,579 characters. The number of characters in the dissertation is 206,065 characters without a list of tables, figures and literature. Research case **consists of** introduction, three chapters, a conclusion and a list of 177 references. The total volume of the page is 16 pages, 5 diagrams and 4 figures.

MAIN CONTENT OF THE STUDY

The introductory part of the dissertation have been reflected the relevance and development of the research topic, goals and objectives, object and subject, methods, main provisions, scientific innovation, theoretical and practical significance of the research, approbation and application, etc.

In the first chapter of the dissertation "Theoretical and methodological aspects of the formation of labor resources in modern agriculture and their efficient use in agriculture" , first of all, the features of the formation of labor resources in modern socio-economic conditions have been described and the factors affecting the efficiency of these resources have been charecterised. It has been studied theoretical and practical issues of organizing the use of labor resources in the agriculture and increasing its efficiency in the methodological aspects of the formation of labor resources in rural areas.

The formation of labor resources and the efficiency of their use occur under the direct influence of the labor market. The relations in the modern labor market determine the specificity of employment by intersecting in all aspects. The legal and economic relations formed in the labor market, which is an important segment of the market system, determine the main characteristics of the business environment. The supply of hired labor in the labor market has great potential in terms of

creating a synergistic effect on economic, social and institutional relations. The realization of this potential, in the true sense of the word, is directly related to the level of formation of a healthy labor relations environment.

The major trends in modern reproduction, supported by many researchers, have not always led to radical changes in terms of the formation of digital economic relations, the formation of labor resources and the efficiency of their use.

Undoubtedly, it has to be mentioned the decisive role of the population statistics in the specifics of the formation of labor resources in the current socio-economic conditions and the factors affecting the efficiency of their use. Although the development criteria of official statistics have undergone significant changes, the continuation of traditional trends in the development of the necessary methodological and information base has been observed until recent decades. The increasing pace of digitalization and the expanding area have brought new qualitative features to the flow of information. The statistical base is no exception in this regard.

The main mechanisms and practical elements of employment policy should promote national mentality, customs and traditions, national economic development priorities, features of economic and social development, strategic goals, generally accepted challenges, social and moral criteria.

The conceptual study of issues related to the provision of employment in rural areas allows for the optimal definition of the main directions of processes in the agricultural sector and other areas in the republic. The economic and financial regulatory mechanisms have a great impact on the state's employment policy. Thus, sufficient financial resources are required to finance the creation of new jobs, the application of stimulating economic instruments, and for this, serious attention should be paid to the development of balanced, proportional and reasonable programs.

The main directions of the methodological approach to the processes of labor resource formation are included methodological, dialectical, comparative, systematic, structural-functional, complex approaches, and the principles are scientific, comprehensive, objective,

pragmatic, etc. Based on these processes and approaches with optimal criteria, the development of more appropriate regulatory mechanisms and practical tools to improve the demographic situation and ensure its long-term stability depends directly on it. On the other hand, the social criteria selected as the main areas of activity should first of all reflect the interaction of society and the national economy, combine elements of development and stability, protect the interests of every citizen and serve to improve the overall welfare of the population.

In the second chapter of the dissertation, "Current state of labor resources formation and analysis of their use in agriculture," clarifies the current level of employment in Azerbaijan and gives a brief description of the labor market development environment. The actual level of efficiency in the use of labor resources in agriculture was studied, the organization of decent and efficient labor in the field, as well as the state of income generation were analyzed.

A brief description of the current level of employment and the development environment of the labor market in Azerbaijan. The analysis of the level of employment in the country and the formation of its existing structure, the distribution of the employed population by type of economic activity allows to clarify a number of points in terms of the labor market situation and the characteristics of the development environment (Table 1). The rapid development of the non-oil sector during 2005-2020, especially in the last few years, was reflected in the distribution of the employed population by type of economic activity. In Azerbaijan, in 2020, 36.3% of the employed population worked in agriculture, forestry and fisheries. The number of employees in agriculture, forestry and fisheries increased by 198.3 thousand people in 2005-2020 and amounted to 1771.9 thousand people in 2020.

The distribution and dynamics of the employed population in the economic regions of Azerbaijan allow us to comment on the processes of labor market formation in the republic and its individual regions (Table 2). The number of employed people in the country increased by 12.6% during 2010-2020. The growth rate of the employed population in the capital Baku, Absheron-Khizi economic region, Ganja-Dashkesan, Karabakh, Central Aran, East-Zangazur economic regions was lower than the national average.

Table 1. Distribution of the employed population in Azerbaijan by type of economic activity, in percentage

	2005	2010	2015	2018	2019	2020
By the economy - total	100.0	100.0	100.0	100.0	100.0	100.0
Non-oil sector of national industry:	6.2	6.1	6.0	6.6	6.5	6.5
- processing industry	4.9	4.8	4.9	5.2	5.3	5.3
- production, distribution and supply of electricity, gas and steam	0.7	0.7	0.6	0.6	0.6	0.6
- water supply, waste treatment and processing	0.6	0.6	0.5	0.8	0.6	0.6
Agriculture, forestry and fishing	38.7	38.2	36.4	36.3	36.0	36.3

Developed by the author. Source: Labor market. Baku, DSK, 2021, p. 26

The highest rates of population growth in economic regions occurred in the Nakhchivan Autonomous Republic and the Mountainous Shirvan economic region. The next places are occupied by Mil-Mugan and Lankaran-Astara economic regions. These processes are a logical consequence of the intersection of trends in the settlement of the population and the demographic behavior of the rural population, as well as the change in the economic regions of the republic after the victory of Azerbaijan in the Patriotic War.

The decrease in the number of individual enterprises (those who ended their activities at a loss) had an impact on the reduction in the number of employees. Compared to the average of 2005-2010, the rate of decline in the number of individual entrepreneurship farms and the number of family members involved in production in Azerbaijan in 2020 was quite close (Figure 1).

Profits of agricultural enterprises in 2014-2020 had a continuous positive dynamics, as a result increased by 97.3 percent and amounted to 132.84 million Manat. Revenues from sales at these enterprises increased by 58.4 percent during the analysis period, including 4.27 times in crop production and 5.2 percent in livestock.

During 2014-2020, labor costs for cereals and legumes decreased by 24.8%, and for raw cotton by 46.6%. With the exception of sugar beet

for processing, labor costs per quintal of crop products decreased significantly in 2014-2020 (Figure 2).

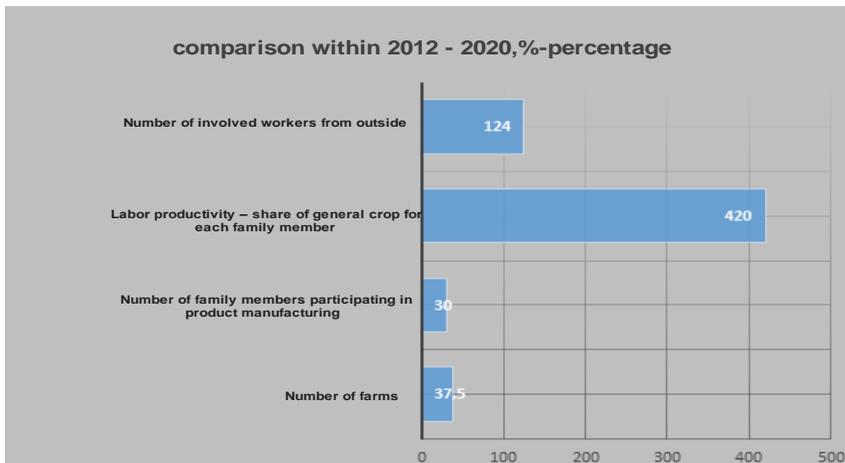


Figure 1. Dynamics of key economic indicators of individual farms in Azerbaijan in 2012-2020. Source: Key economic indicators of agricultural enterprises and individual entrepreneurs. Baku, 2021, p.26

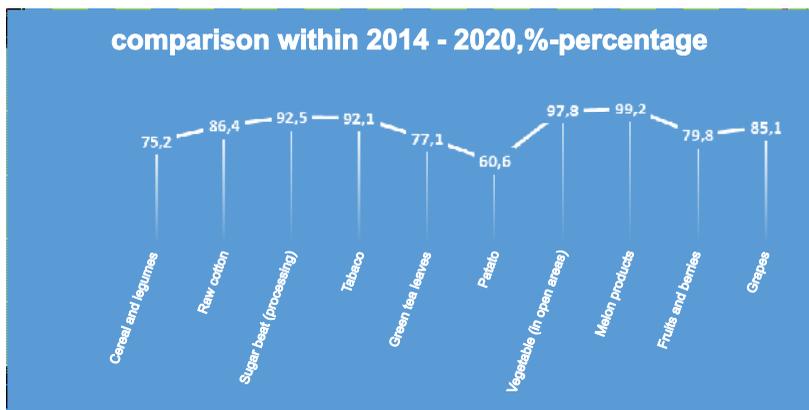


Figure 2. Dynamics of labor costs for crop production in Azerbaijan

Fluctuations in labor costs were also significant in the livestock sector . During 2014-2020, labor costs per 1 quintal of weight gain of

cattle decreased by 23.32%, in other words, 60.2 man-hours. Labor costs per 1 quintal of weight gain in birds decreased by 16.5%, and for eggs (in thousands) by 78.1%. Labor costs for pork production increased during the analyzed period (2.1%) (Figure 3).

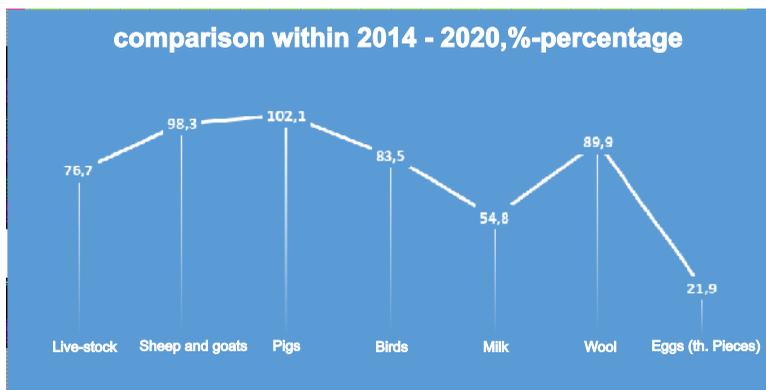


Figure 3. Dynamics of labor costs for livestock products in Azerbaijan

The mechanism of realization of wages and income policy in the agrarian economy includes a set of interrelated administrative and legal , economic and social state and market norms. In modern conditions, the income of the population includes: wages; income from entrepreneurship and property and social transfers. The dynamics of the share of wages in primary incomes decreased until 2015, and increased in subsequent years (Figure 4).

At the present stage, the process of improving the living standards and living conditions of the rural population continues to be low compared to the development of rural areas. The intensity of urbanization processes in Azerbaijan gives grounds to say that there is a need to regulate. The regional development programs implemented in our country have created a sustainable environment for optimizing urbanization processes.

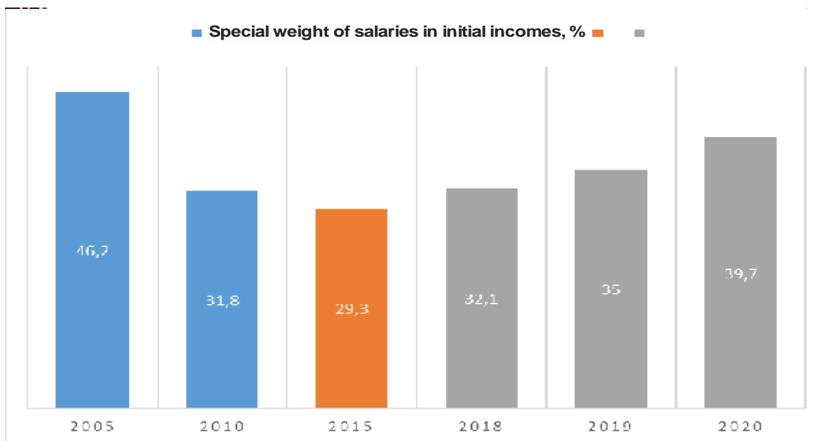


Figure 4. Dynamics of the share of wages in primary income
(https://www.stat.gov.az/menu/6/statistical_yearbooks)

In the third chapter of the dissertation, entitled "Priorities for improving the formation of labor resources in rural areas and their efficiency in agriculture", first of all, were studied the economic aspects of the impact of agricultural development on employment and made a number of generalizations. Opportunities for effective self-employment in rural areas and agriculture in the context of balanced regional development were identified, and ways to implement them were shown. The directions of development of the labor market in rural areas and increase of efficiency and level of employment in agriculture are substantiated.

The measures taken to stimulate agricultural labor, motivate production, as well as agro-industrial integration do not remain unaffected by the structure of the labor market. The attention should be paid to the role of the innovation factor in terms of strengthening the impact in a positive way. The productivity of this approach depends crucially on the organic integration of economic, social and technological innovations. The systemic nature of state support for agriculture is an increasingly effective step in terms of creating agro-parks, significantly improving the provision of agrarian businesses with the necessary means of production, attracting young people of different specialties to work in rural areas, including agriculture. State regulation of income and wages in the conditions of civil market relations can be realized in the following

ways : raising the living standards of the population through the application of the state system of minimum social standards ; the level of income earned by individuals and legal entities through economic activity is affected by the system of taxation ; the adoption of republican , sectoral and regional social programs.

The acceptable effectiveness of systematic steps taken in these areas, as already mentioned, implies that the development of the labor market, especially in rural areas, creates an organic unity of vectors and quantitative characteristics of economic, social, legal and institutional factors. Therefore, these and other regulatory instruments of the population's income should be able to respond sufficiently quickly to the requirements of other processes taking place in rural areas.

The following results were obtained at the end of the study:

The agrarian regions and individual rural areas requires the creation of a production network in accordance with the resource potential, the implementation of sustainable employment measures, the creation of decent jobs, the identification of practical activities for measures to realize human labor and intellectual potential.

The steps taken to increase employment and increase economic efficiency must be based on world experience and traditions, achievements in this field, methods and tools, as well as adequate to the challenges of the new millennium. At the same time, the main mechanisms and practical elements of employment policy should promote national mentality, customs and traditions, national economic development priorities, features of economic and social development, strategic goals, generally accepted challenges, social and moral criteria.

The study of the peculiarities of the processes of labor force formation in rural areas should not take place in isolation from the processes related to employment in these areas. In this case, the main features of the formation and development of the environment affected by the spatial factor must be taken into account. Of course, in this case, the main issue should not be only the collection and summarization of statistical data on the formation of labor resources and socio-economic processes. A comprehensive methodological approach to ensuring a

balance between the factors influencing the formation of labor resources is required, and the factors that may affect this process should be studied, systematized, and balancing economic mechanisms should not be overlooked.

The systematic and comprehensive study of methodological features of the processes related to the formation of labor resources in agriculture and in rural areas in general, generalization and forecasting of the situation with arguments based on serious evidence, consideration of key socio-economic indicators in the republic, analysis of indicators at this level must be resolved.

The forecasting of the expected characteristics of labor resources in rural areas and, of course, the efficiency criterion requires attention to the following indicators: substantiated real demand for labor in the field, regional indicators of that demand; trends of demographic processes in agrarian regions and features of their occurrence; observed and expected quantitative and qualitative changes in the composition of labor resources in rural areas; regularities and tendencies in the formation of the structure of the categories of workers working in the field.

At present and in the near future, when assessing the effectiveness of the formation and use of labor resources in the agricultural sector, the degree of funding and energy supply should be taken into account as key indicators. Of course, stock-intensive and stock-saving forms of reproduction should be distinguished, which allow to increase labor productivity, as well as reduce unit costs. The stock protection form is considered more efficient. Thus, it is in this case that both living and materialized labor are saved.

The processes of formation of the employment environment in the agrarian labor market are accompanied by the followings: the majority of the rural population works in agriculture and the cost of labor is low; high labor flow rate in rural areas; lack of qualified personnel; opportunity to choose the form of farming and type of activity in the agricultural sector; the existence of a gender problem; changes in the structure of employment by forms of ownership and increasing its role in the welfare of the population.

The measures to increase employment in agricultural enterprises and private farms should include: implementation of measures to reduce

seasonality and increase employment in agriculture, the creation of new jobs through the replacement of agricultural enterprises with enterprises engaged in production, primary processing and sale of products; improving the social conditions of employees; the effective development of labor-intensive areas in agricultural enterprises and private farms, lease of agricultural lands for this purpose.

The efficient use of human labor must meet the requirements of decent work. Decent work in the Republic of Azerbaijan is considered one of the main goals of economic and social development in all areas of the national economy. The Decent Work Country Program for 2016-2020, developed in Azerbaijan, promotes decent employment opportunities and quality work for inclusive growth, improves social protection and working conditions, and strengthens labor management and social dialogue mechanisms.

In recent years, the formation of incomes in rural areas has been accompanied by the following trends: development in rural areas and an increase in incomes, while the total incomes of the rural population are lower than in urban areas; insufficient level of commodity opportunities of individual entrepreneurship farms in agriculture and its impact on the incomes of the rural population; increase in the average monthly nominal wage of agricultural workers, as well as low compared to many sectors of the economy. All these have necessitated changes and improvements in the village's employment and income policies.

The current economic problems of the impact of agricultural development on employment can be presented in the following aspects: efficient deployment of productive forces; effective organization of social protection measures; improving people's housing conditions; ensuring a healthy lifestyle and intellectual development of young people; comprehensive study and objective assessment of socio-economic problems that have a serious impact on the labor market; protection of national interests and values through the regulation of employment processes.

In relation to the level of employment in rural areas, the factors contributing to the diversified production environment in the agricultural sector should include: the level of risks, the effectiveness of the mechanism to support innovation; perfection of the investment protection

mechanism; systematization of measures to support cluster initiatives; optimizing the scope of the accelerated depreciation policy; short-term effectiveness of marketing research; Opportunities for realization of strategic development priorities of rural areas.

One of the important factors influencing the development of agriculture and increasing employment is the current level of formation and development of industrial clusters, the characteristics of the environment in which cluster initiatives are supported. Cluster initiatives to increase the level of employment in rural areas and improve the structure of employment can be implemented in the following ways: identification of entities engaged in random earnings and fragmented self-employment in rural areas; involvement of small producers and agribusiness entities in clustering; cluster promotion and financial stimulation; creation of new jobs for economically efficient and innovative activities of all participants of the agrarian value chain.

An important aspect of the impact of agricultural development on employment is the realization of the multifunctionality of the sector. The process of joint implementation of economic, social, ecological and technological aspects of employment in rural areas requires the multifunctional nature of agriculture to be considered as an environmental system. The complex of multifunctional factors also has the potential to play a decisive role in employment priorities as an alternative to the agricultural sector.

As the level of liberalization of the agrarian economy increases, people in rural areas have more opportunities to choose the type of employment. As civil market relations are formed, the necessary institutional security is formed. If the development of self-employment in the agricultural sector, in general in rural areas, and the expansion of its area takes place in the conditions of people's freedom of choice, it can have serious positive results. Of course, this is a gradual process and requires the implementation of complex legal, institutional and economic measures.

The opportunities for the development of self-employment in rural areas, special attention should be paid to the factors that bring the labor market closer to equilibrium. The factors discussed include, above all, are the followings: the program - a purposeful approach and the

expansion of its scope; creation of new jobs by government agencies, including modernization of relevant infrastructure elements supporting employment and self-employment; realization of opportunities for public-private partnership; state of cooperation processes; positive dynamics of the share of co-financing in total financing.

Balancing the labor market in agrarian regions should envisage increasing the productivity of agricultural production in a way that does not reduce the level of employment in the area to the point of crisis.

In order to activate the potential of self-employment in terms of service to balanced regional development - all possible types of employment in rural areas should be characterized, the degree of realization of possible expansion of self-employment in all regions of the republic should be clarified, legal requirements for self-employment priorities for activating the potential of self-employment should be identified.

The growing role of the state in regulating the income of the agricultural population can be ensured in the following areas: increasing the market access of agricultural products, facilitating access to finance for their producers, modernizing the relevant infrastructure and increasing its economic efficiency by supporting creativity; softening the price disparity between agricultural production and processing industry; improving the conditions for the formation of income from self-employment and entrepreneurship in rural areas, the elimination of inappropriate interference, the provision of soft loans, the modernization of the transport system, etc; supporting the growing role of non-agricultural sectors in generating income in rural areas.

Income differentiation should take place in a reasonable range in rural areas. These processes take place under the influence of various factors. These factors include: personal achievements, differences in individual abilities, material well-being and financial opportunities of households, differentiation in the payment of skilled and unskilled labor, demographic characteristics, development of the social protection system, increasing demand for skilled labor.

The main provisions of the dissertation are reflected in the following published scientific articles:

1. Analysis of the current situation with the use of labor resources. Scientific works of Az.KTIETI №3, 2017, 6 pages.

2. The main directions of efficient use of labor resources in agriculture. "Azerbaijan Agrarian Science" magazine №3, 2018, 7 pages.

3. Development of cotton growing as one of the main directions in increasing the employment of the rural population. Proceedings of the International Scientific-Practical Conference on "Sustainable Development Goals: Current Situation and Prospects" dedicated to the 96th anniversary of National Leader Heydar Aliyev, Azerbaijan Academy of Labor and Social Relations. 2019, №4.4 p.

4. Possibility of self-employment in rural areas in the context of balanced regional development and the path of their implementation . International Scientific Magazine (Moscow), №5, 2019, 7 pages.

5. Directions for increasing the income of the rural population . IX International Multidisciplinary Conference (Rotterdam, The Netherlands) .2021, July, 5 pages

6. Formation of incomes of the population in rural areas. Agrarian Research Center of the Ministry of Agriculture- Journal "Economics of Agriculture". №2 (36), 2021, 6 p.

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