

The Reality and Prospects of Economic Development of the South Caucasus Region: New Approaches to the Influence of Internal and External Economic Factors

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Abstract: - In general, the most favorable position in the Caucasus in terms of territory belongs to the South Caucasus. It is necessary not only to analyze but also to generalize the geoeconomic realities of the South Caucasus region, which increase its importance and affect the system of international economic relations. First of all, it should be noted that the location of water bodies such as the Caspian and Black Seas, surrounded by countries such as Russia, Iran, and Turkey, has turned the South Caucasus region into an East-West and North-South corridor. These factors show that the Caucasus, especially the South Caucasus, occupies an important position in the geo-economic region of the world. In recent years, it is clear that international organizations and the world's economic powers attach great importance to the region. It is no coincidence that the South Caucasus and Central Asia have led to sustainable development and security from the Mediterranean to China, as well as sustainable development and the export of Caspian oil and gas with the participation of world-renowned companies to the European market.

Key-Words: - South Caucasus, geoeconomic, Trans-Caspian route, Zangezur corridor, European market, Asian market, internal and external economic factors.

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1 Introduction

Currently, the development model of our country is adapting to the development trends of advanced countries. At the same time, the development of science and technology, the formation of an advanced innovation system on theoretical, methodological and applied scientific bases is included in the strategic goals of state policy, [1].

The main task facing Azerbaijan today is not to lag behind the development process of the world, to increase the efficiency and competitiveness of the economy and to ensure its innovation-based progress.

This means the formation of a new economic model, changes in the education system, the development of science, [2].

There are real opportunities for Azerbaijan to make such high claims and take confident steps towards the strategic goal. In order to achieve the

important goals ahead, first of all, along with reducing dependence on natural resources and developing the non-oil sector, it is planned to increase the focus on science-intensive production and innovation. There are many power centers with a direct interest in the South Caucasus region. Not only Russia, Turkey, and Iran, but also the United States and France are showing great interest. Official Moscow and Ankara are trying to implement a strategy of a special approach to the countries of the region in preparing the contours of regional policy. Such a special approach strategy ultimately determines the behavior of Azerbaijan, Georgia, and Armenia with Russia, Turkey, Iran, and the United States at different levels and statuses.

There are many power centers with a direct interest in the South Caucasus region.

Recent realities are such that the share of those in Armenia demanding the abandonment of a foreign

policy course that favors strategic relations with Russia is growing. According to many experts, the growing development of Russian-Azerbaijani relations in recent years, especially the rapid expansion of military cooperation, has caused serious concern in Armenia, [3].

Along with many countries close to the South Caucasus, authoritative research centers far abroad have more or less clarified the potential strategic line of each of the powerful neighboring countries interested in using the nature and economic potential of the South Caucasus.

Thus, according to the program of economic research of the Caspian and Caspian countries at Harvard University, each of the three countries in the South Caucasus has an incomprehensible relationship with its "foreign" neighbor. For both Russia and Turkey, as well as the United States, Georgia, and Azerbaijan are countries that attract attention in terms of geostrategic coordinates.

If we take into account that Azerbaijan, as an oil and gas producer, is valuable for the Western region from a geostrategic point of view, then Georgia is very valuable for the transit country and territory in terms of oil and gas transportation.

The strange reality is that in the South Caucasus, as in the rest of the world, in very valuable and strategically important areas, the waves of separatism are often intensified by internal and external factors, with unexpected bitter consequences.

It is no coincidence that the territory of Georgia, like the territory of Azerbaijan, suffers from these bitter consequences.

The analysis allows us to conclude that only two of the three countries of the South Caucasus, Azerbaijan and Georgia, are affected by both domestic and foreign economic factors due to their very valuable territory - a region of geostrategic importance. The study of internal and external economic factors in the economy of the South Caucasus region and its economic development plays a key role in identifying the factors that shape them, distinguishing the most decisive factors, and studying them.

In any case, since there are many factors of economic development in the region, it is necessary to study the factors that directly affect economic development, especially those that affect the growth of real production in the region, improving its structure, efficiency, and profitability.

These factors determine the dynamics and level of regional economic development, have a direct impact on the growth of real production on a large

scale, and play an important role in increasing its profitability.

Although modern economists use the methods of methodological approaches to the study of economic development in the regions of the world at almost similar levels, in any case, their final scientific and practical results differ from each other.

The different conclusion is that regional economic development factors need to be considered as components of a single system, as they are studied separately as economic and non-economic, direct and indirect, intensive and extensively managed and unmanaged processes (Table 1).

Table 1. Grouping of economic development factors of the South Caucasus region

№	Major groups of factors	Half factors of each major group
1.	Natural objective factors	a) Geological resources: all types of natural resources in the region and forecasted b) Industrial resources: natural resources known to be extracted in the region c) Geographical location: the region's access to the ocean, proximity to shopping centers
2.	Economic factors	a) Investment opportunities: Location of capital in the countries of the region b) Investment attractiveness c) Human capital d) Innovation potential: the number of scientific centers and scientists in the countries of the region, commissioned scientific discoveries,
3.	Institutional factors	a) the pace of economic reforms in individual countries in the region and the frequency of changes in laws b) the existence of democratic institutions in the countries of the region, the formation of civil society, the level of protection of property

Note: The table was compiled by the author based on available statistical materials.

Source: author's work.

There are studies by economists on the economic development of individual regions of the world and their impact on international economic development as a whole, [4].

They focused not only on the principles of structuring individual countries, but also on the

regional economy, the openness of the economy, and the grouping of demographic and environmental factors.

Being a region that attracts the world's attention, the South Caucasus region needs to be studied by grouping the internal and external factors that affect its economic development not only by functional features but also by sectoral and sectoral features, [4].

In recent years, researchers not only from Western and Asian countries but also from many Arab countries have written works devoted to the study of the economic potential of the South Caucasus, assessing the current state of foreign economic relations of individual countries in the region.

They focused on the importance of attracting the natural resources of the South Caucasus to international economic circulation and the role of international transport corridors in this direction, and more on the causes and consequences of the growing interest of foreign investors in the region. In terms of specificity, it should be taken into account that more attention should be paid to the grouping of natural and economic factors under the influence of a group of factors in the economic development of the South Caucasus region, [4].

This is because the connection of these factors with other regions in the South Caucasus is noteworthy not only by field features but also by functional features (Table 1). is of particular importance. In this sense, by specifying the factors of economic development of the South Caucasus region, they can be grouped as shown in Table 1.

Although the grouping of the main factors of economic development of the South Caucasus region according to the features shown in Table 1 may seem like a conceptual approach, it can still reflect the economic reality.

These factors, which play a decisive role in the economic development of the region and the impact of this development on international economic development as a whole, are grouped according to their specific features.

Structural and diversification processes come to the fore in this direction, and it is necessary to assess how these processes work in the region as a whole and in the individual countries of the region.

2 Methodology

The rapidity or slowness of structural change and diversification in the economy of the South Caucasus can be seen in the dynamics of specialization of production in the region in general,

and in particular in individual countries in the region.

In any case, they have a direct impact on the growth of real gross domestic product (GDP) in the region, and play an important role in improving the efficiency of specific specialized industries.

In the assessment process, production, market, distribution, demographics, etc., which are more characteristic of regional development in the economy of the South Caucasus, are considered.

It would be correct to draw conclusions by calculating the economic indicators formed under the influence of such factors.

Although the factors of economic development of the region related to production are mainly related to the physical volume of production, and its current state, the factors related to the market of the region are mostly related to factors such as supply, demand, competition, price, quality.

We must take into account that the group of factors related to production in the South Caucasus region may include factors such as the degree of monopoly in the economy, the provision of production resources, taxation, and lending.

Although the first group of factors constitutes the expansion and material basis of production in the region, the second group of factors shows how production results, its ultimate goal, and efficiency.

In this sense, while the first group of factors shows the prospects for economic growth in the region, the second group of factors shows the short-term dynamics of real GDP in the region and at the same time is affected by the market.

Both of these groups of factors make it possible to ensure sustainable economic development by stating the main directions of economic policy in the South Caucasus.

In this sense, the efficient use of the region's natural resources to increase production capacity in the region attracts more attention. It should be borne in mind that if the region's natural and economic resources are fully and efficiently used, the real GDP of the region can reach its maximum, which can achieve the potential of the factors necessary for GDP production.

In any case, the grouping of the main factors of economic development of the South Caucasus region by common features is conditional. However, many studies classify the factors of economic development not only of individual countries in the South Caucasus but also of the region as a whole based on internal (endogenous) and external (exogenous) factors.

In general, internal and external factors have a strong influence on economic development in the

South Caucasus region when they interact with each other.

The deepening and expansion of modern globalization processes lay the foundation for the transformation of the region into internal development factors for regional economic development and to increase the impact of this development on international economic development.

It should be taken into account that the existence of foreign economic development factors has been active.

Table 2. Grouping of economic development factors of the South Caucasus region by functional characteristics

Factors Group	Symptoms
Factors of production	<ul style="list-style-type: none"> 1. Volume and composition of natural resources 2. Volume and structure of economic resources 3. Fixed capital: Availability of physical capital consisting of machinery, equipment, buildings and facilities 4. Technology in production, the level of ETT 5. The cost of factors of production 6. Opportunity to get a loan
Market factor	<ul style="list-style-type: none"> 1. Expansion of exports, demand, supply, investment, price, and competition
Distribution factor	<ul style="list-style-type: none"> 1. Distribution of production resources between the countries of the region
Other factors	<ul style="list-style-type: none"> 1. National ethnic, moral environment, and political situation in the region

Note: The grouping here is made by the authors based on available data.

Source: author's work.

For a more detailed analysis of this situation, the economic development of the South Caucasus can be grouped in the following sequence (Table 2).

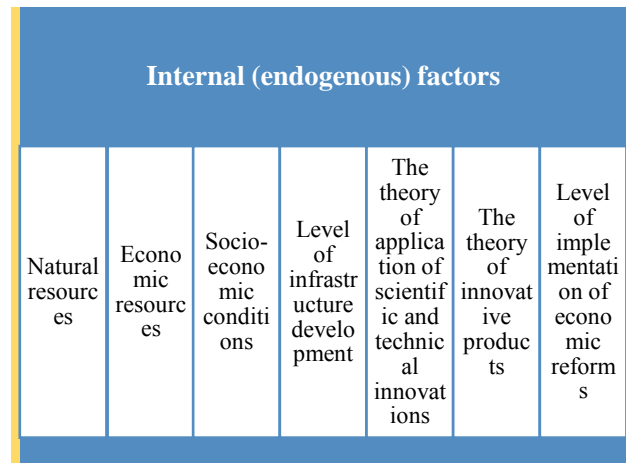


Fig. 1: Economic development factors of the region.
Source: [5]



Fig. 2: Factors of economic development of the region.
Source: [5]

As can be seen from Figure 1 and Figure 2, natural and economic resources, foreign investment and trade have a special place among the main factors influencing the economic development of the South Caucasus region, [5].

Changes and innovations in any region of the world, both in natural and economic resources, as well as in scientific, technical, and socio-economic spheres, are the main providers of economic development of areas and infrastructures that are important for the region, [5].

At the same time, internal factors of economic development play a special role in increasing the efficiency of the economy of the region and the countries representing the region, infrastructure development, liberalization of economic activity, the level of economic reforms, use of digital technologies and so on.

A comparative analysis of the indicators in Figure 2 shows that the availability of natural resources has a special role and importance among

the internal factors of economic development of the South Caucasus.

First of all, the region's natural resources make the world's weakest economy attractive for investment, regardless of the region and the level of economic development of the countries located in it. Second, natural resources are a major source of funding for the region's economic development.

Due to this source, the increase of economic resources, which is a crucial direction for modern international development, is enriching the economic potential of the region, especially through the creation of human capital, [5].

Because human capital can influence international economic development as a whole, forming the basis not only for the creation of economic wealth of individual countries in the region but also for the region as a whole.

Recent research by the World Bank has shown that in industrialized countries, human capital is the main source of not only the creation of economic wealth but also its increase.

According to their calculations, in the industrialized countries of Western Europe, fixed assets account for 23% of economic wealth, natural resources for 2%, and human capital for 74%.

These figures are stronger in the US economy, at 19.0%, 5.0% and 76.0% respectively. It is also a fact that human capital can be formed only in connection with education, the cost of education, [6].

It is no coincidence that the reality of development in industrialized countries confirms that \$ 1 spent on education will bring about \$ 6 in the coming years, and even 1 year of additional education can increase production by 5-6%, [6].

Although this development trend is not typical for the countries of the South Caucasus, in any case, for the rapid development of the region in the future, the amount of funds allocated by the public and private sectors for the formation of human capital should be increased.

This direction can lead to a gradual increase in labor productivity in the region, thereby increasing the quantity and quality of gross domestic product (GDP), as well as GDP per capita.

Modern times, as in the world as a whole, as a result of the expansion of globalization processes in every region of the world, the strengthening of interregional production and economic relations, bring to the fore exogenous (external) factors of economic development in the world and intensify these factors.

In this sense, it is necessary to pay more attention to the role and importance of external economic factors in assessing the economic development of

the South Caucasus and the impact of this development on international economic development as a whole. For the reality of such an assessment, there is a need to group external economic factors in more specific directions, which makes it necessary to group in the following sequence how data are shown in Figure 3.

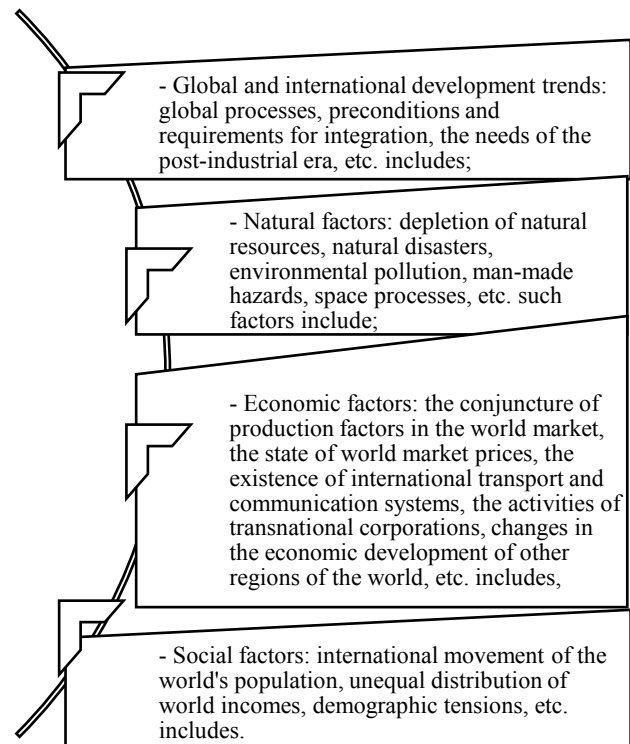


Fig. 3: Grouping of economic development factors of the South Caucasus region.

Source: [5]

As in other regions of the world, economic development in the South Caucasus brings to the fore exogenous (external) factors related to the expansion of production and economic relations between the countries, the acceleration of regional and more international economic integration processes.

Although this is due to the globalization of the world economy, in any case, the acceleration of the liberalization of international trade also has an impact.

We must take into account that the financial and economic crisis in any region of the world can affect the South Caucasus region, as well as other regions. In this sense, in our opinion, the general principles of international economic development should be studied regularly, paying more attention to external factors, and foreign economic factors should be systematically studied. In our opinion, first of all, the South Caucasus countries should pay more

attention to international investment, the process of deepening the international division of labor, world exports, and imports, the problem of international debt, the principles of international competitiveness, and international business.

International economic relations, including in the regions that attach special importance to international trade, often use the terms "export-oriented" and "export-oriented production" in the economic literature of recent years when assessing the economy of the South Caucasus. In this regard, the issues of "national economy", and "national production" processes are repeatedly raised and are waiting to be resolved in terms of modern requirements.

Many economists consider the process of formation of the domestic economy (in terms of the national economy), both at the regional level and at the level of any country in the region, as the activity of national economies that produce goods and services with the capital of local (national) entrepreneurs.

Can communicate directly with markets and is mainly engaged in export-oriented production. Enterprises engaged in such production can create assets in foreign countries, where they have the opportunity to set up a business and bring currency to their country.

The long experience of the South Caucasus economy shows that one of the main factors influencing economic development in the system of foreign economic relations of the region and thus international economic development is the export and import of goods and services.

According to recent economic research, the direct link between the South Caucasus region's foreign trade and economic development has been strengthened since the 1990s, when all three South Caucasus countries seceded from the former Soviet Union and embarked on a path of independent economic development. real facts and empirical research have multiplied.

Because, in the world practice, there have been regions of the world that for a certain period of time have taken a leading position in world markets and thus in international trade, making their national production export-oriented.

3 Literature Review

For example, it is necessary to conduct empirical research based on real facts and local features of the South Caucasus by studying the experience of the Southeast Asian region, which includes countries

such as Singapore, South Korea, Malaysia, Hong Kong, and others.

For the assessment, it is necessary to substantiate the idea that there is an empirical link between the exports of the South Caucasus as a whole, and each country in the region, and GDP, and that exports are the main driving force of economic development, [6].

For example, the French economist Michel Michael, based on a comparative analysis of the direct relationship between economic development and exports by region, concluded that although there is a direct link between per capita income and exports in one region or another, the level of that relationship varies from region to region .

Such a result is more concrete, in that is, as the national income per capita increases, the idea of strengthening the link between export growth and economic development is put forward and appreciated.

The research of many foreign economists who have continued such research has yielded interesting results and assessments covering a wider group of countries.

Thus, a joint study by British economists Jang and Marshall concluded that along with the impact of exports on economic development, economic development also has a negative impact on the expansion of exports.

Thus, as a result of economic development, the growing volume of production exceeded domestic demand, so it was necessary to export the goods produced for sale abroad.

In addition to the above results and assessments, the impact of export growth on the economic development of the South Caucasus region, like many other regions of the world, should be assessed in terms of the positive impact of export growth on economic development.

In this sense, the statistical analysis of the economic development of the South Caucasus shows that the main reason for the growth of the region's GDP is international trade in goods and services and international investment.

4 Analysis And Evaluation

The impact of the South Caucasus economy on the development of international trade has accelerated since the beginning of the 21st century and is currently growing steadily.

However, looking at the economies of the three republics in the South Caucasus, it is clear that in the recent past, when those regions and countries were part of the **USSR**, the region as a whole and

individual countries could not enter into independent foreign trade relations. the specific weight of imports and exports could be clarified.

Looking at the Figure 4 of that period, it is clear that among the republics of the South Caucasus, Azerbaijan had a larger share than Georgia and Armenia, not only in terms of its export potential but also in terms of volume and share of exports.

Even according to the allocations to the former union budget, the share of the Azerbaijani economy was very large, [6].

Progressing confidently on the path to economic independence, Azerbaijan is strengthening its position in the South Caucasus in terms of its level of economic development and maintaining its leadership (Table 3).

Table 3. GDP of the countries of the South Caucasus region (in billions of US dollars)

Countries	2005	2010	2015	2016	2017	2018	2019	2020
Azerb.	13,2	52,9	53,0	37,9	40,8	47,1	48,0	49,5
Georgia	5,6	22,6	35,7	20,5	22,7	24,2	25,1	26,0
Armenia	4,9	9,3	10,6	10,6	11,5	12,4	13,6	14,2

Source: author's work

As can be seen from Table 3, Azerbaijan is far ahead of the other three republics of the South Caucasus in terms of GDP growth. Let's look at a clearer picture in the diagram. As can be seen from Figure 4.

Thus, from 2005-2020, Azerbaijan's GDP was twice as high as in Georgia and about 3.5-4.0 times higher than in Armenia's., [7]. We must take into account what part of the GDP produced in all three republics of the South Caucasus enters the sphere of international trade. In this sense, it is necessary to assess what part of the GDP produced by each country in the South Caucasus is exported to which regions of the world, [8].

Azerbaijan is at the forefront of the South Caucasus region, both in terms of its export potential and the total volume and share of its export-oriented part in the GDP produced, [8].

Although oil and gas make up the bulk of Azerbaijan's exports of goods and services (about 90% of total exports), the gradual development of the country's non-oil sector is already predicting a possible change in the structure of Azerbaijani exports. As Azerbaijan's export potential grows, so does its competitiveness, technological

development, resilience to slander, and structural change in the economy in favor of the non-oil sector.

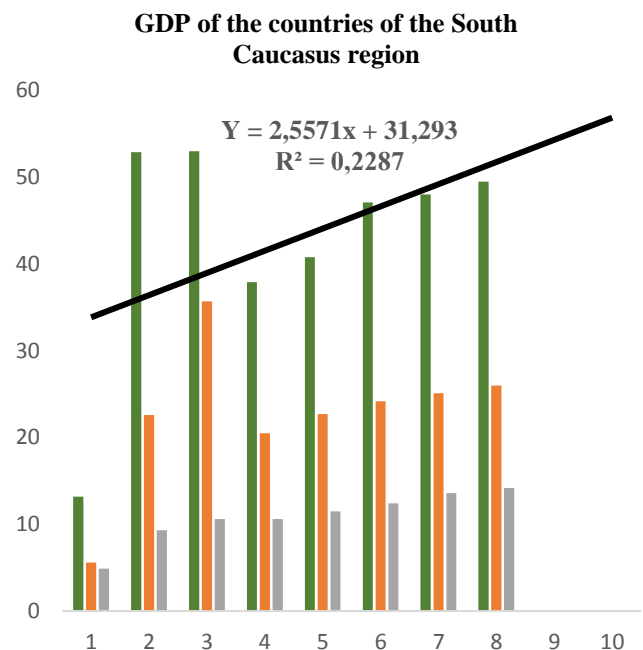


Fig. 4: GDP of the countries of the South Caucasus region.

Source: [5]

This direction is very important for the economy of the South Caucasus, including Azerbaijan, to reveal its export potential.

World experience shows that in regions with weak exports, domestic demand is weak, and economic resources are not used efficiently, which does not create incentives to attract new equipment and technologies for mass production.

In this sense, the rapid development of the non-oil sector along with the oil and gas sector in the region's economy, especially the export potential of the processing industry, agriculture, and tourism is very large. The experience of recent years shows that regions with small territories have more foreign trade turnover than large regions.

At the same time, the balanced ratio in the import and export operations of these regions tends to change regularly in favor of exports.

This can be seen in the statistics of all three republics of the South Caucasus region (Table 4).

As can be seen from the data in Table 4, the foreign trade turnover of the South Caucasus region as a whole and the volume of exports and imports, which are its components, tended to increase over the years.

Table 4. Exports and imports of three republics of the South Caucasus region (billion US dollars)

№	Republics	2005	2010	2015	2016	2017	2018	2019	2020
1.	Azerbaijan's foreign trade turnover, including exports and imports	8558	2796	21945	21946	24103,3	30955,0	33302,8	35207,5
		4347	21360	12729	13457	15320	19489,1	19635,6	19877,5
		4211	6600	9216	8489	8783,3	11465,9	13667,2	15230,5
2.	Georgia's foreign trade turnover, including exports and imports	3.4	6.8	9.9	10.8	12.0	13,9	15,7	16,9
		0.9	1.6	2.2	2.6	2.9	3,1	3,8	4,5
		2.5	5.2	7.7	8.2	9.1	10,8	11,9	12,4
3.	Exports and imports including Armenia's foreign trade turnover	2.8	4.7	4.7	5.1	6.3	7,4	7,2	7,3
		1.0	1.0	1.5	1.8	2.2	2,4	2,4	2,5
		1.8	3.7	3.2	3.3	4.1	5,0	4,8	5,0
4.	Foreign trade turnover in the South Caucasus, including exports and imports	8564.2	27971.5	21954.6	21961.9	22611.1	30976,3	33325,7	35231,7
		4348.9	21362.6	12732.7	13461.4	13816.0	19494,6	19641,8	19884,5
		4215.3	6608.9	9226.9	85.005	8795.1	11481,7	13683,9	15247,9

Source: Azerbaijan State Statistics Committee, [9].

However, the slowdown in growth over the first few years, especially in 2015, has shown that the international financial crisis, which intensified in 2014, has affected the economies of both the region as a whole and the individual republics in the region, [8].

At the same time, it led to an unequal increase in the volume and structure of imports and exports, despite a decrease in the total volume of both foreign trades.

Azerbaijan ranks first among the countries of the region in assessing the results obtained by comparing the indicators listed in Table 4. Thus, all aspects of foreign trade turnover in the South Caucasus as a whole and the positive progress in exports and imports, in particular, are related to the Azerbaijani economy and the advantages of its foreign economic relations, [9].

It is no coincidence that Azerbaijan, as a leading country in the South Caucasus, has a large foreign trade turnover and is of exceptional importance in

the impact of the South Caucasus as a whole on international economic development, [10].

This can be seen not only in the growth of the total foreign trade turnover of the three republics of the South Caucasus but also in the growth of the total volume of exports.

Thus, while Azerbaijan's exports increased 3.5 times in the 10 years covering only 2005-2015, this Table 4 increased 2.0 times in Georgia and 1 time in Armenia.

In recent years, the political situation in Georgia is also stable, the elections are held in relatively peaceful conditions. It is true that the deterioration of the political and economic situation in Armenia, another country in the Caucasus at that time, had a clear negative impact on the social situation in the country, [11].

As Georgia is a small open economy, its development depends significantly on foreign investment, trade, tourism, foreign financial inflows,

and aid. Georgia ranks 16th out of 184 countries in the Global Economic Competitiveness Index.

This means that the Georgian economy is very sensitive to the processes that are stoning the economies of other countries.

Though the average annual growth of the Georgian economy slowed down in 2013-2017, in 2016 the Georgian economy grew by 2.2%.

The slowdown in economic growth in 2013 was mainly due to uncertainty about the change of government and the choice of a new government. This can be seen in the graphical representation of the other 3 countries of the South Caucasus, including Russia and Turkey, [12].

Since 2017, when the price of oil fell sharply on the world market and the US Federal Reserve unexpectedly lowered the dollar's interest rate, the value of the national currencies of all three countries in the South Caucasus region fell sharply, imports and remittances fell. National currencies depreciated rapidly.

This situation in the economies of the countries has led to an increase in prices for consumer goods and services by increasing inflation.

The depreciation of the national currencies of the South Caucasus countries in 2013-2017, in itself, reduced the nominal income against the dollar.

This can be seen more or less in the change in the real incomes of the population of all three countries.

If we examine the economic indicators of different countries in the South Caucasus, it becomes clear that not only the financial and economic, but also the socio-economic indicators of each country are reflected in different results. This can be seen in the difference in the amount of annual per capita income in US dollars for all three countries, [13].

In calculating this indicator, the total population of each country and the actual number of people living in the country must be taken into account.

For example, even though the actual population of Georgia is 3.9 million, the 4.5 million population in the general census does not fully reflect the reality of per capita income, [14].

With such a calculation in Armenia, a more significant distortion of the actual number of people living in the country has led to an unrealistic calculation of per capita income [15].

With the current population of Azerbaijan exceeding 10 million, the nominal per capita income is growing, given the country's rapid population growth, which indicates that growth in the South Caucasus is faster than in other countries in the region. This can also be seen from the data shown in Figure 5.

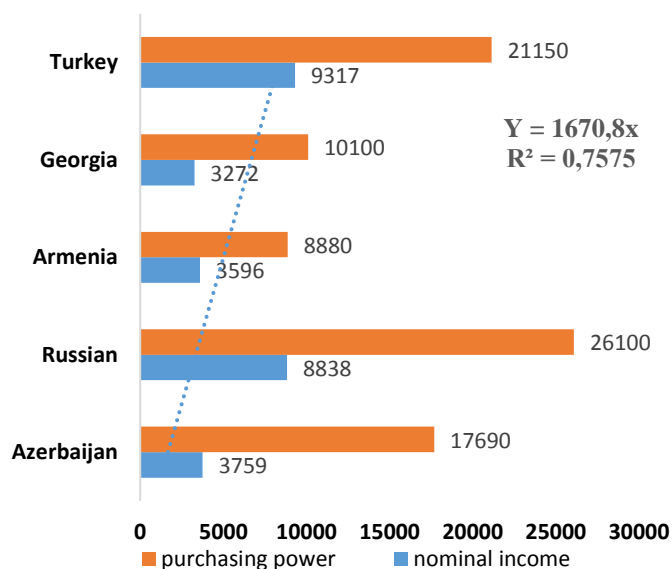


Fig. 5: Average annual per capita income US dollars 2017 year.

Source: [5]

Thus, in Figure 5 the above assessments show that foreign trade, especially the export potential of the region, is of special importance in the economic development of the South Caucasus region and the impact of the region on international economic development as a whole.

In this sense, the processes taking place in the Azerbaijani economy in recent years, first of all, ensure economic and social development in the country, improving the living standards of the population, increasing exports of non-oil products, especially processing industry, agricultural products, and expanding tourism. Gives a boost, [16].

This research realizes that people positive impact on the lives of the inhabitants of the country. At the same time, it will give a push to the rapid development of green economy in Azerbaijan, [17].

5 Result

On the other hand, the impact of modern globalization on all sectors of the South Caucasus economy itself requires improving the structure of trade in goods and services not only with the countries of the region but also with countries near and far abroad.

This ensures the competitiveness of the world's regions in world market prices and sales of goods and services.

As a result, it is necessary to assess the interdependent economic processes between the economic development of the South Caucasus and

international economic development, which are more related to the international economic sphere:

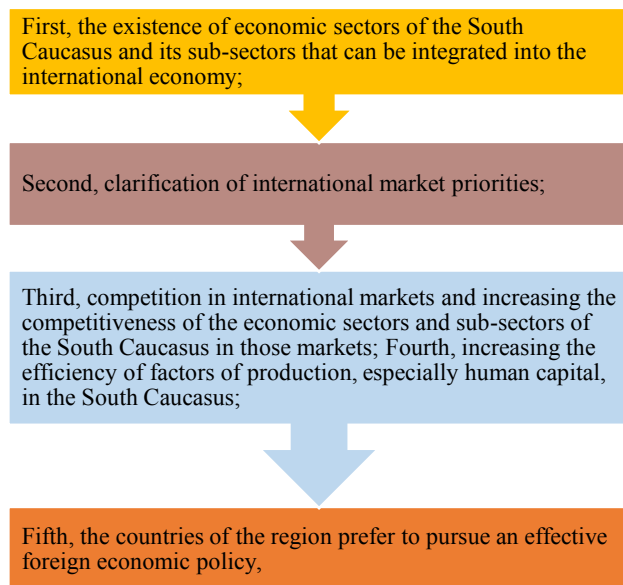


Fig. 6: Dependence between the economic development of the South Caucasus and international economic development.

Source: [5]

As can be seen from Figure 6 the above will allow us to draw the right conclusions in assessing the impact of the South Caucasus economy on international economic development.

In this sense, the main goal of the economic strategy for the South Caucasus region is to solve existing problems in the field of international economic relations, first of all, political and then economic problems, to ensure mutual understanding and effective coexistence within international law.

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- Irshad Karimli, Ramal Karimov carried out the simulation and the optimization.
- Reyhan Azizova has organized and executed the experiments of Section 4.
- Abdulla Jasim Al Shamsi was responsible for the Statistics.

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Conflict of Interest

The authors have no conflict of interest to declare.

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