Amirov Alizamin İbrahim oğlu  
Doctorant, Odlar Yurdu University,  
Republic of Azerbaijan

İNCREASEİNG THE COMPETİTİVENESS OF THE FOOD MARKET  
AS AN ELEMENT OF THE ECONOMİC SECURİTY SYSTEM

Abstract. Food security is not only one of the main directions of ensuring national security in the medium term, but also an important factor in protecting statehood and sovereignty, an important part of demographic policy and an important condition for the implementation of strategic national priorities, such as improving the living standards of Azerbaijani citizens.  
Keywords: food security, competitiveness, agrobusiness, national security, food supply, food consumption.

“The Food Security Program of the Republic of Azerbaijan” states that food security is one of the basic human rights, being a key factor in human dignity. Food security means providing everyone with enough food for a healthy and productive lifestyle. The solution to this problem is primarily related to poverty reduction, increasing the efficiency of food supply and food consumption. [9p.1].

According to the study, the state of the food market does not meet the requirements of the country's economic security. Despite the fact that the Republic of Azerbaijan is among the countries provided with agricultural resources, primarily in terms of yield and arable land (in 2020, 470 hectares of usable land and 200 hectares of arable land per 1000 people).

Despite all this, high levels of agricultural production and food consumption have yet to be achieved.

If in the near future immediate and effective measures are not taken to support local producers, this could lead to a complete despecialization of agricultural
production and a loss of competitiveness of the main actors in the agri-food market, which could harm the food security of the country.

The current situation in the field of agricultural production in the country requires the creation of a number of competitive advantages for the agri-food market and agri-food products, which will ensure the level of competitiveness in the medium and long term. It should be noted that the strategic success factor here is not only the creation of competitive advantages that guarantee food security, but also its long-term maintenance. The most important role in this process is played by the integration of the economic system with the mechanism of state support, which is ultimately characterized not only by an increase in development potential, but also by a synergistic effect.

The concepts of competitiveness and competitive potential are at the center of attention of both local and foreign researchers. (R.A. Balaev, G.A.Azoev, B.J. Garmash, R.A.Fatkhutdinov, E. Guliev and others).

In general, competitiveness reflects the ability to outperform competitors using a set of consumer and cost characteristics that determine success in the market in a given environment. Competitiveness is the completeness of satisfying the aggregate market demand for products, ensuring a stable position in the market and a certain rate of return. [34.p.5]

The concept of competitiveness in the economic literature is presented in the very first works, starting with the study by A. Smith in 1768 on the nature and causes of the wealth of nations. Smith identified land, capital, natural resources, and labor as determinants. According to him, these factors determine the unconditional advantages of the state in international trade.

Already in the twentieth century, Heckscher's and Olin's theory of factor supply was completed. The essence of this theory is that a country should export a product, the production of which is widely and intensively used in the country. Considering that, first of all, the Republic of Azerbaijan is among the world's wealthiest countries with agricultural resources, in terms of arable land per 1000 people, then the situation as an importer of agricultural products is unacceptable.

Later M. Porter introduced the concept of countries' competitiveness. According
to him, national competitiveness is a determining factor in success and failure in specific areas of production and, accordingly, the position of the state in the world economic system. Porter also points to two variable determinants of national competitiveness - unpredictable and uncontrollable events and public policy.

At the same time, M. Porter proposed three universal areas of government activity that affect competitiveness:

– Increasing the level of competitiveness by providing access to skilled workers, providing maximum access to information, institutions and public goods, and facilitating additional business activities;

– Increasing innovation potential by maximizing the dissemination of technological knowledge and innovation, as competitive pressure increases the motivation to innovate.

– Stimulating new campaigns and high rates of organization creation through the creation and further unbundling of businesses.

According to Porter, the government plays the role of catalyst and initiator. It encourages and even directs campaigns to move to a higher level of competitiveness and increase expectations. [35,p 75]

In her research, L.N.Chaynikova shows that competition is the opposite of the dictatorship of monopoly in relation to the consumer, against monopoly. But the relationship between monopoly and competition is not a simple contradiction. Their interaction is broader and more complex. Thus, under certain conditions, competition can lead to monopoly or vice versa. The state plays an important role in the dilemma of monopoly and competition (resolving their contradictions). The role of the state and the level of effective influence here are dynamic, ambiguous and determined by various factors and circumstances. [36, p.22]

Considering the importance of ensuring the economic security of the country, instability and unsystematic state support of the agri-food sector, territorial differentiation, natural and climatic features, non-competitiveness of products of the agri-food market, not excluding the importance of the concept of competitiveness in the national and world markets, it is necessary to talk about increasing the competitiveness of agricultural products.
We believe that human resources also play an important role in increasing the competitiveness of the agri-food market and ensuring food security. In this regard, the concept of increasing the competitiveness of the food market in the system of economic security should include a block of economic and social measures.

The block of economic measures includes:

– Indirect subsidies to agricultural enterprises for the creation of infrastructure facilities;
– Improvement of tax legislation in relation to agricultural enterprises;
– Implementation of organizational support measures aimed at improving the qualifications of agro-industrial complex employees, keeping them in the village, educational policy and the formation of special competitive advantages;
– Strengthening standardization measures.

In modern conditions, it is so advisable to focus on maintaining demand for innovative products in the early stages of production, on stimulating local specialized factors and competition. The creation of a competitive advantage, including with the help of the state, is an important criterion for the successful development of the agri-food market and increasing the level of food security.

The block of social measures includes:

1. Increase in the level of employment in the village. Employment in agriculture has its own characteristics. Thus, the seasonality has a serious impact on agriculture, and the labor force is divided into permanent and seasonal. The duty of permanent workers is to carry out the volume of permanent work in agriculture, and the duty of seasonal workers is to carry out seasonal work with a heavy load. The agricultural labor market was formed under the influence of many unfavorable factors, such as lack of financing for agriculture, insufficient support for workers, which led to a decrease in employment in agriculture. In general, today's agricultural labor market is characterized by low wages and low labor costs, making it less attractive.

2. Improving the qualifications of agricultural workers. Insufficient qualifications of personnel negatively affect not only the employees themselves, but also the competitiveness of the industry as a whole. The agro-industrial complex of
our country is characterized by a low level of employment of highly educated specialists, which does not contribute to the strengthening of competitive positions. Development of the agro-food market requires a radical revision of educational policy. The difference between Azerbaijan and the European Union in the field of competitiveness is the lag in the development and commercialization of innovations, as well as the need to train “innovative type” personnel.

3. Raising the level of social responsibility. We are talking about increasing the social responsibility of agri-food enterprises to their employees, as well as to their families, to rural and urban communities in which the enterprise is located.

4. Increasing the level of entrepreneurial activity in the field of agriculture. To solve this problem, the state must support and encourage entrepreneurship in all available ways, as well as take on the risks of private investors. Our country's economy suffers from many different obstacles, such as a general lack of motivation and cooperation, which can slow down the creation of businesses and become a catalyst for a more dynamic and adaptive economic environment. In the system of economic security, it is important to constantly improve products, production and processing methods, transportation schemes for finished products and other conditions that allow maintaining the competitive advantage created to ensure the high competitiveness of the agri-food market. At the same time, it should be noted that this process requires a high level of efficiency of management decisions in order to prevent competing importers from regaining their lost positions.

References: