Socio-economic problems of the development of tourist and recreational complexes in Azerbaijan

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Abstract. The article examines the socio-economic problems of the development of tourist and recreational complexes. Since the role of tourism as a sector of the economy has increased in Azerbaijan in recent years, the determination of the factors for the development of tourist and recreational complexes is of current importance. Based on the importance of tourism development for the economy as a whole, the conditions for the formation of tourist and recreational complexes have been studied. By studying the tourist and recreational potential, the structure and functioning of tourist and recreational complexes were investigated. Economic development of tourist and recreational complexes – external factors such as economic, demographic, social and political factors, characteristics of enterprises of tourist and recreational complexes, production potential, labor productivity and service efficiency, human resources, financial management, marketing organization, innovation and investment management, internal factors have been studied. Analyzing the data of the State Statistical Committee of Azerbaijan, research on the legislative framework of tourism development was carried out. There are 5 parts in the structure of the functioning mechanism of tourist and recreational complexes: legal regulation, source of regulation, internal regulation mechanism, sum of regulation methods, information system. The tasks of tourist and recreational complexes at the macro- and micro levels are outlined, the formation of a regulatory framework determined by the mechanism of functioning of enterprises of tourist and recreational complexes. Taking into account the policy of development of tourist and recreational complexes, aimed at eliminating the socio-economic discrepancy between the directions of production and development of tourism, the indicators of the functioning of tourist and recreational complexes, formed from external and internal sources, have been studied. Taking into account that the functionalization of the tourist and recreational complex creates conditions for the implementation of its socio-economic development, reasonable conclusions are given at the end.

Keywords: tourist and recreational complex, tourist potential, regulatory and legal basis of tourism, tourist infrastructure, economic indicators of tourism.
Introduction

Tourism creates new jobs, serves as an impetus for the development of small and medium-sized cities with a certain tourism potential, stimulates the development of remote, sparsely populated and underdeveloped regions in industrial terms. Thanks to the creation of tourist enterprises in them, such negative consequences of progress as the outflow of the population to large cities, the destruction of the traditional way of life of the population, the problem of providing labor resources for the rural population, and others are partially neutralized (Valkova, et al., 2019).

Among the prerequisites for the formation of a tourist and recreational complex are the high economic and social efficiency of capital investments in the integrated development of the resort economy and the recreation industry, which is several times higher than the efficiency of capital investments in the most profitable industries. The tourist and recreational complex has favorable conditions for the rational placement of recreational, service-related, agricultural and other enterprises, systems of engineering structures, transport and communication networks in the regional context. It provides favorable opportunities for additional information and facilities, for nature protection, etc (Kotlyarov, 1978).

A feature of the structure of the tourist and recreational complex is the high dependence on the effectiveness of the integration of objects of the tourism industry and the resource base, infrastructure of the territory and factors for the development of tourist and recreational activities in this territory. The formation of tourist and recreational complexes at the level of a particular region is an effective and popular tool for solving the problems of tourism development and territorial development. The level of its socio-economic development, the quality of life in the region, and tourist competitiveness, both within the regions and the country as a whole, directly depend on how effectively the development of the tourist and recreational complex of the region is carried out (Polyakova, 2011).

The development of the tourist and recreational complex is a problem that requires careful analysis, definition of a management strategy and development of a set of measures for its implementation. This is explained, first of all, by the fact that the tourist and recreational complex, performing economic and social functions, belongs to the most dynamic sectors of the economy, stimulates the development of key sectors of the economy, contributes to the socio-economic development of society, which leads to an increase in the welfare of its population (Tappaskhanova et al., 2015).

Determining the development factors of tourist and recreational complexes is important for the implementation of current production processes. In the conditions of deployment of current and new productive forces, and in the promotion of the principal conceptual foundations of the development of tourist and recreational complexes, it is important that the factors influencing the development of tourist and recreational complexes interact with the development of promising economic directions for the development of this complex. Thus, the study of socio-economic problems of the development of tourist and recreational complexes is of current importance.

An effective mechanism for the functioning of tourist and recreational complexes makes it possible to achieve the set goals and objectives, and also creates conditions for the implementation of the socio-economic development of tourist and recreational complexes.

Generalization of existing problems and goals

The object of the study is the tourist and recreational complex of Azerbaijan. The purpose of the research is to study internal and external factors influencing the development of the tourism and recreational complex of Azerbaijan.

The general methodological scheme of the study consisted of the following sequential stages: programmatic (analysis of literary sources); informational (collection and processing of statistical data); cartographic (construction of tables and graphs based on the results of processing statistical data).

When analyzing, planning and monitoring the activities of enterprises of the tourist and recreational complex, a system of methods is used, with the help...
of which important results are obtained. The main methods of regulation and management of tourist and recreational complexes include system-analytical, balance, regulatory, software, mathematical, and others. Technical, economic and index reports, grouping, graph-table method, etc. are means of regulating the functioning of tourist and recreational complexes.

The development of tourism infrastructure in Azerbaijan and the formation of tourism services that meet international standards require the improvement of the legislative framework and mechanisms of state regulation of this sphere, expanding the possibilities of using the existing tourism potential, stimulating tourism activities in the regions, creating new tourist routes, as well as providing a competitive price offer. In recent years, the implementation of a number of targeted measures towards the development of the tourism sector has led to the continuous development of this industry (The strategic roadmap….., 2017).

In recent years, the role of tourism as a sector of the economy has been increasing in Azerbaijan (Tourism in Azerbaijan….., 2023). In 2013-2018 the number of people employed in areas characteristic of tourism increased 1.3 times, the amount of created added value – 1.6 times, the share of created added value in the country’s GDP – 1.2 times, the volume of investments made – 6.0 times. In 2018-2022 the number of people employed in areas characteristic of tourism increased 1.2 times, the amount of created added value – 1.2 times, the share of created added value in the country’s GDP decreased 1.5 times, the volume of investments made – 2.3 times (Table 1).

According to V. Nikolaenko, tourism and recreational potential means the presence on the territory of certain unique or, at least, interesting objects not only for local residents. However, this is not a completely obligatory sign, only a desirable option. The tourist and recreational potential of the territory is very variable and depends on the characteristics of the sociocultural formation within which it is located (Nikolaenko, 2001).

The main component of the tourist and recreational potential, as an important prerequisite for the development of tourism, are recreational resources. Despite the difficulty of using the tourist and recreational potential of the regions of Azerbaijan, it is necessary to determine the prospects for its use for tourism purposes. With uneven distribution of tourism and recreational potential in the country and different levels of development of tourism infrastructure, the development of strategic directions for the development of tourism is carried out according to the principle of assessing the territory of Azerbaijan, depending on the degree of formation of the regional tourism offer (Agakishiyeva, 2023).

### Critical review of work

Tourism is one of the few economic sectors relentlessly growing around the world, translating into socioeconomic development, employment, and infrastructure development and export revenues (World Tourism Organization….., 2018). Tourism is a highly significant economic sector globally and locally, and provides real prospects for enduring and inclusive economic growth. The sector generates foreign exchange, drives regional development, directly supports numerous types of jobs and businesses and underpins many local communities (OECD…..,2020). Tourism is considered as one of the options for economic growth in developing countries, and is an important source of income and a source of employment, not only for developing countries, but also for developed countries (Kozhokulov et al., 2019).

The process of socio-economic development is driven by the notion that economic activities always occur within a societal context (Etzioni, 2015). In contrast to neoclassical economic theory, economic development does not mainly constitute economic growth related to increases in GDP but rather considers the social implications of economic activities, in which development is primarily a social matter (Kolos, 2012). Positive GDP growth mainly provides an indication of prosperity for certain sub-groups in the population, mostly those who are already better off financially. Socioeconomic development, however, implies a better life for the majority of the population, as it relates to the issue of good development, regardless of the country or region’s stage of development (Ulrich, 2010). Sometimes, economically advanced

### Table 1. Economic indicators of sector characteristic of tourism in Azerbaijan in 2013-2022

<table>
<thead>
<tr>
<th></th>
<th>YEARS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
</tr>
<tr>
<td>Number of people employed in areas characteristic of tourism, thousand persons</td>
<td>40.9</td>
</tr>
<tr>
<td>The amount of added value created in areas characteristic of tourism, million manats</td>
<td>2080.2</td>
</tr>
<tr>
<td>Share of created added value in areas characteristic of tourism in the country’s GDP, %</td>
<td>3.6</td>
</tr>
<tr>
<td>Volume of investments made in areas characteristic of tourism, million manats</td>
<td>1371.0</td>
</tr>
</tbody>
</table>
countries (as measured by high GDP and per capita income) pay a high social price for their strong economic performance (Wilkinson and Pickett, 2011).

The tourism and recreation industry is one of the most dynamically developing sectors of the world economy, and an important factor in the social and economic development of regions and countries. Annual revenues from international tourism are estimated to be about 1.5 trillion USD. Tourism is as an export category, and it takes the fourth place in the world after the exports of chemicals, fuel and food-stuffs. Therefore, the use of tourism as a tool for socio-economic development is especially important at the regional level. Ensuring the increasing impact of tourism on the socio-economic conditions of the region requires the solution of a number of specific tasks, among which the priorities are: identifying and evaluating the social and economic impact of tourism in the region, developing effective management methods and determining the direction of tourism development to achieve the desired socio-economic result (Nizamiev et al., 2015).

The functionalization of tourist and recreational complexes takes into account the influence of its internal and external environment. The external system of tourist and recreational complexes includes relations with consumers and service providers (businesses), government agencies, financial and credit institutions, and the internal system includes technical and financial capabilities, personnel and production potential, organization and management, and other aspects of concern. The general financial and economic situation of tourist and recreational complexes is created by the influence of the internal and external environment, as well as their mutual influence.

The internal and external factors of economic development of tourist and recreational complexes are singled out. External factors – economic, demographic, social, political factors and internal factors – characteristics of enterprises of the tourist and recreational complex (missions, goals and principles of its development), production and technical capabilities (production potential) of enterprises of the tourist and recreational complex, labor productivity and efficiency of services, personnel potential and personnel management (human resources), organization of financial management (financial management), organization of marketing of enterprises of the tourist and recreational complex (marketing organization), strategy and tactics of innovation and investment activities (innovation and investment management) (Fig. 1).

The trend in the development of the world economy is associated with an increase in the production of services and, accordingly, the consumption of services compared to the production of goods. The increase in real incomes of the population and, accordingly, the purchasing power increases the demand and supply for tourist and recreational services. Economic factors include the influence of scientific and technological revolution, which determines the direction of development of industries and enterprises of tourist and recreational complexes. Strengthening the scientific and technological revolution increases labor productivity, production and services that reduce labor ability of employees, affect the development of objects of tourist and recreational complexes and the material and technical base of recreational infrastructure.

Tourism service is a labor-intensive field and opens wide prospects for the development of small and medium entrepreneurship. The income obtained in a short period is of interest to the entrepreneur. The development of tourism is of great importance in creating new jobs, reducing unemployment, preventing migration flows, and developing new housing. Some jobs in tourism enterprises are seasonal and in some cases require the use of more female labor (housekeeping, laundry, kitchen worker, etc.). This allows local residents to earn extra income, thereby improving the social situation of the family (Imrani and Veliyeva, 2021).

The demographic situation of the country and the world as a whole (demographic conditions characterized by the size and composition of the population) determines the demand and supply of tourist and recreational services and the tourism market by age and gender. Demographic factors determine the process of urbanization and the formation of a mobile lifestyle. Thus, residents of megalopolises and large cities feel the need to restore their physical and spiritual strength. The population aged 55-59 plays a key role in international tourism and shows high tourist activity (Kvartalnov, 2003).

In 2019, the average life expectancy of the world’s population was 72.6 years (70.4 years for men, 74.9 years for women). If in 1980 the share of the population aged 15-24 years was 19.0%, then in 2015 this figure decreased by 2.8% to 16.2%. The proportion of the population aged 25-64 increased from 39.8% in 1980 by 9.6% to 49.4% in 2015 (Berova, 2020). In 2022, the average life expectancy in Azerbaijan was 76.0 years (73.6 years for men, 78.4 years for women). If in 2014 the share of the population aged 15-24 years in Azerbaijan was 17.7%, then in 2022 this figure decreased by 4.2% to 13.5%. If in 2014 the share of the population aged 25-64 years was 54.0%, then in 2022 this figure increased by 2.1% to 56.1% (Azerbaijan in figures…. 2023).
Both in the world and in Azerbaijan, the increase in average life expectancy and the share of the population aged 25-64 years, as well as the decrease in the share of the population aged 15-24 years determine the further development of tourism.

In accordance with the Law of the Republic of Azerbaijan on Labor Pensions, the retirement age for men and women in the country has been increased to 65 years since July 1, 2017 and increases every 6 months. In Azerbaijan, paid leave granted to employees is at least 21 days, and this right arises after 6 months of work from the date of conclusion of the employment contract.

In 2022, the share of the employed population in the total economically active population of Azerbaijan was 94.4%, and the unemployment rate was 5.6% (Paid services..., 2023). In 2013-2018, the average monthly amount of pensions in Azerbaijan increased by 1.4 times, and the average monthly amount of social benefits increased by 1.3 times. In 2018-2022, the average monthly amount of assigned pensions increased by 1.6 times, the average monthly amount of social benefits increased by 2.5 times (Table 2).

Social factors associated with living conditions, culture and activities of people determine additional opportunities for the development of tourist and rec-

Fig. 1. Main factors of economic development of tourist and recreational complexes
(According to Y.I.Bogdanov, Y.S.Bogomolova and V.P.Orlovskaya, 2019)

| Table 2. Statistical indicators of the standard of living of the population in Azerbaijan in 2013-2022 |
|---------------------------------------------------------------|----------|----------|----------|
| **YEARS** | 2013 | 2018 | 2022 |
| Number of economically active population, thousand persons | 4757.8 | 5133.1 | 5194.4 |
| Number of employed persons, thousand persons | 4521.2 | 4879.3 | 4901.1 |
| Number of unemployed persons, thousand persons | 236.6 | 253.8 | 293.3 |
| Number of pensioners, million persons | 1.3 | 1.3 | 1.2 |
| Amount of average monthly fixed pensions, manat | 152 | 208 | 332 |
| Number of persons received social benefits, thousand persons | 316 | 421 | 418 |
| Amount of average monthly social allowance, manat | 50 | 64 | 157 |
reational complexes. Obtaining social guarantees and benefits (increasing the continuity of paid holidays, lowering the retirement age, etc.) expands the tourism market, strengthens the economic potential of tourist and recreational complexes, increases the proportion of single people, late marriages, and the growth of families. Income affects the formation of supply and demand for tourist and recreational services of enterprises.

The closure of land borders due to the coronavirus pandemic, the high cost of flights and economic difficulties have necessitated greater use of domestic tourism opportunities. Recently, there has been increasing dissatisfaction with the level of tourist services provided and inflated prices at tourist sites. In the current situation in the country, due to the monopoly in the segment of large enterprises, high prices have formed.

Tourists coming to our country complain about high prices and poor quality of service. To regulate prices at tourist sites, it is necessary to increase competition between entrepreneurs. At local tourist sites the price is slightly higher depending on the services provided. The number of farmhouses and guesthouses where tourists can stay is minimal, so there is a gap between supply and demand, resulting in high prices. However, as a result of the increase in the number of enterprises and private entrepreneurs providing tourism and hotel services, prices have become more acceptable.

The strengthening of socio-cultural processes, the emergence of cultural values change the norms and habits of consumption of services, the choice of services, determined in the field of tourism and recreation. Interest in other cultures gives rise to the desire to travel and get new experiences, which is manifested in the formation of various products of enterprises of the tourist and recreational complex. Raising the cultural and educational level of the population leads to understanding the experience of other countries and regions and developing ways to use it in their professional activities.

Countries with major tourism market opportunities for Azerbaijan – neighboring countries (Turkey, Iran, Georgia, Russia), countries of the Iranian Gulf region (Saudi Arabia, Bahrain, Kuwait, Iraq, Oman, Qatar, United Arab Emirates), CIS countries (Kazakhstan, Ukraine, Uzbekistan), mass tourism countries (Canada, China, countries of the European Union, India, Japan, South Korea, United States of America).

Further strengthening the flow of tourists from four neighboring countries to Azerbaijan – Georgia, Iran, Turkey and Russia – is related to the development prospects of tourism. Thus, geographical proximity with these four countries, common cultural values, and the presence of the population of Azerbaijani origin there will strengthen the flow of tourists to Azerbaijan. In 2008-2015, among countries with tourism market opportunities for Azerbaijan, the number of tourists from Iran decreased by 2.1 times, and from Turkey increased by 1.8 times. In 2015-2022, a decrease in the number of tourists was recorded in all three countries except Turkey (Fig. 2).

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The language factor influences tourists when choosing a destination. The fact that Azerbaijan was part of the USSR empire for 70 years, visits to our country by Russian-speaking tourists from the CIS,

![Fig. 2. Dynamics of the number of tourists from countries with opportunities in the tourism market of Azerbaijan](image-url)
as well as Turkic-speaking citizens from Turkey, are associated with the language factor. The fact that Azerbaijan and the CIS countries have many common historical and cultural values determines the flow of tourists to our country. In terms of getting acquainted with different cultures, it is planned to accelerate the flow of tourists from the Iranian Gulf and European countries. Regardless of the completely different religious and cultural views of tourists from the European region and the shared Muslim religious background of Azerbaijan and the Iranian Gulf countries, the separation of religion from the state in Azerbaijan determines the attraction of tourists with different worldviews to the area. Also, historical monuments belonging to different religions and cultures in Azerbaijan arouse the interest of tourists and attract them to the area.

Twenty-six main cities of the states with the main tourism market opportunities for Azerbaijan are only a short flight distance from Heydar Aliyev International Airport in Baku, and it is planned to increase the number of these cities by 13 units to 39. In addition to Heydar Aliyev International Airport of Baku, five commercial airports located in the regions Ganja, Nakhchivan, Lankaran, Gabala and Zagatala airports, have the potential to increase the number of flights, and it is advisable to take advantage of this for the development of tourism. From the point of view of road transport, four cities of the states with the main tourism potential for Azerbaijan (Iran’s Tabriz and Ardabil, Russia’s Makhachkala, Georgia’s Tbilisi) are located 7 hours away from Baku, and this factor enables the realization of tourist trips in a short time. It is important to organize car tours to and from the cities of Tabriz and Ardabil in Iran, Makhachkala in Russia and Tbilisi in Georgia with a total population of 3.7 million people. Being the main component of the infrastructure and having a significant impact on the socio-economic development of certain regions of the country, it is necessary to construct and reconstruct roads and railways in the territories liberated from occupation. These measures in the field of transport will result in an increase in the flow of tourists to Azerbaijan in the near future.

On July 18, 2023, based on the International Air Transport Association (IAA), Henley and Partners presented the results of the world passport indices. So, according to these results, the Azerbaijani passport rose from the 74th place to the 72nd place in the world ranking. With an Azerbaijani passport, it is possible to visit 69 countries of the world without a visa.

The total number of overnight stays for foreigners and stateless persons in Azerbaijan in 2022 was 1.4 million, of which 17.0% came from Saudi Arabia, 13.0% from Russia, 10.4% from United Arab Emirates, 9.0% from Turkey, 5.1% from India, 4.0% from Kuwait, 3.9% from Israel, 3.4% from the United States of America, 3.0% from Pakistan, 3.0% from Great Britain, 1.7% from Kazakhstan, 1.4% from Germany, while 25.1% fell to the share of other states (Fig. 3).

One of the main political factors that determine the possibility of strengthening and expanding the activities of enterprises of the tourist and recreational complex is political stability, the policy pursued by the state that affects the macro- and microeconomic situation. As part of the economic development of tourist and recreational complexes, the policy determined by the state makes it possible to comprehensively solve its economic problems. These problems include the
implementation of management decentralization at the optimal level, the implementation of environmental protection measures, the improvement and expansion of recreational infrastructure, increasing competitiveness through diversification of production, improving the investment environment, etc. The preparation and implementation of State programs for the development of tourist and recreational complexes at all levels allows more efficient use of limited financial and logistical needs, and the realization of strategic goals for the development of tourist and recreational complexes. Ensuring the economic development of tourist and recreational complexes as part of the economic complex is the main political task that requires special attention from state institutions.

As a result of the 44-day war that took place in September-November of 2020 for the liberation of lands from occupation, Azerbaijan won a victory and improved the military and political situation in our country. Taking into account that the stability of the military-political situation is one of the main factors in the direction of tourist flows to any country. The end of the war for the liberation of lands is of great importance for Azerbaijan. Also, those regions which were freed from occupation and cover 20% of the country’s territory, with high tourism potential, are highly valued in terms of the creation and development of tourism-recreational complexes. Those regions, which have been occupied for 30 years and have natural and historical-cultural tourism resources, will become one of the main tourism centers of the country after the construction works and the infrastructure to be created.

Reconstruction of historical and cultural monuments of world and national importance, as historical and cultural resources, restoration of museums, libraries, galleries, cultural centers, cinemas, as the main part of the tourism infrastructure, creation of tourism products and development of tourist routes, is the main goal of the Azerbaijani government in the territories liberated from occupation.

Large-scale restoration work is being carried out in areas liberated from occupation and where 5 protected areas are located (1 state natural area and 4 state nature reserves). Located in the territories liberated from occupation as a result of the 44-day war, the Garagel State Natural Area and the Lachin State Nature Reserve, created in the Lachin region, the Dashalti State Nature Reserve, covering the territory of the Shusha region, the Arazboi State Nature Reserve, created in the Zangilan region, the Gubadli the state nature reserve covering the territory of Gubadli and Lachin regions will soon begin to operate in accordance with its status after socio-economic measures. The presence of protected areas makes it possible to develop ecotourism in areas liberated from occupation.

The state of Azerbaijan implements the «Open Door» policy in order to improve the investment environment in the country and has adopted a number of normative documents – «On Investment Activities», «On Protection of Foreign Investments», «On Suspension of Inspections in the Field of Entrepreneurship».


The main task of tourist and recreational complexes is to solve development problems at the macro and micro levels. The tasks of the macro level of tourist and recreational complexes include:

- Development of theoretical foundations and aspects of the use of tourist and recreational complexes, taking into account the peculiarities of the development of the tourist and recreational sphere of the modern era;
- Analysis of indicators of tourist and recreational complexes as a single economic complex both as a whole and with its typical and widespread host natural process which allow us to talk about development trends;
- Studying the issues of distribution of productive forces, development of recreational infrastructure, preparation of principles for managing these processes within the framework of tourist and recreational complexes, as well as consideration of production relations (production and consumption of tourist and recreational services) in the territorial aspect;
- In order to further expand and refine them, the rationale for the placement of large tourism facilities in the regions as centers of concentration of tourist and recreational activities;
- Preparation of a scheme for the production integration of territories and regions for the export of tourist and recreational services (products).

The rationale for the placement of tourism facilities is carried out on the basis of the main scheme for
the placement of the productive forces of the regions. The preparation of a scheme for the production integration of territories and regions is carried out in order to increase the production capacities of enterprises of the tourist and recreational complex and strengthen their competitiveness. Production, economic, organizational and technical problems of the development of enterprises of the tourist and recreational complex are issues that are resolved at the micro level. The tasks of the micro-level of tourist and recreational complexes include:

- Preparation of economic bases for managing the activities of enterprises of the tourist and recreational complex;
- Management of the reserve potential and supply of enterprises of the tourist and recreational complex;
- Modeling the processes of strategic development of enterprises of the tourist and recreational complex;
- Management of risks and finances of enterprises of the tourist and recreational complex;
- Evaluation of the effective placement and functioning of enterprises of the tourist and recreational complex.

The ability of natural conditions to self-heal in tourist and recreational complexes depends on the norms of impact on the complex. Increasing population and increasing material well-being also increases the demand for recreation. This, in turn, creates a need to expand the areas used for tourism and recreation. As a result, serious difficulties arise. Therefore, it is more expedient to choose an intensive direction of using the territory for tourist and recreational purposes, since in this way it is possible to carry out structural changes in tourist and recreational complexes (Soltanova, 2015).

There are 5 parts in the structure of the functioning mechanism of tourist and recreational complexes: legal regulation, source of regulation, internal regulation mechanism, sum of regulation methods, information system (Bogdanov et al., 2019).

Adoption of laws, regulations and other normative acts regulating the activities of enterprises of the tourist and recreational complex is singled out as one of the directions for the implementation of the internal tactical and strategic policy of the state in the field of the tourist and recreational complex. The legislative and regulatory framework for the functioning of tourist and recreational complexes regulates various types of activities of its enterprises – production, trade, financial, investment, etc. regulates.

The market influences the formation of the marketing strategy of enterprises of the tourist and recreational complex. Demand and supply in the tourist and recreational market determine the price level, on which the profitability of production depends. The financial policy of enterprises of the tourist and recreational complex is determined by the use of loans for individual financial resources and banking operations to take credit reserves in national and foreign currencies. The role of the regulatory market in improving financial and economic relations is constantly growing.

The internal mechanism of regulation is formed within the framework of tourist and recreational complexes both in general and at its individual enterprises. Thus, when regulating, decisions are prepared in the form of an operational, tactical and strategic organizational and managerial nature on issues of economic activity. Most aspects of economic activity are determined by the statutory documents of the enterprises of the tourist and recreational complex, and some of these aspects are regulated by product, pricing and financial policies in accordance with the activities of the enterprises of the tourist and recreational complex. The economic activity of enterprises and its results depend on the scientific substantiation of costs, the existing base, consisting of a set of regulatory documents within the framework of the directions for the use of resources for specific types of services. Accordingly, the mechanism of functioning of enterprises of the tourist and recreational complex should determine the formation of the regulatory framework, taking into account the following requirements:

- Observance of a unified methodology for the formation of provisions on the stages of management and planning at all levels;
- ensuring the development of standards;
- scientific, technical and socio-economic substantiation of the standards;
- change of technology, presentation of services, systematic updating of the regulatory framework taking into account the improvement of the quality of labor, the improvement of production and the organization of labor.

Thus, the regulatory framework is a means of managing socio-economic relations in the production processes of enterprises of the tourist and recreational complex. The internal mechanism for regulating the functioning of tourist and recreational complexes takes on the solution of organizational issues facing managed objects. To achieve the expected result, the managing body must constantly monitor the activities of managed systems, for which the exact subordination of responsible persons is determined, the sequence of collecting and preparing information necessary for management is determined.
The information system for the functioning of tourist and recreational complexes is a process of continuous and targeted collection of relevant economic indicators necessary for making effective management decisions, diagnostics, analysis, planning and preparation in all areas of activity of enterprises of the tourist and recreational complex. The information system includes field characteristics of enterprises of the tourist and recreational complex, their organizational and legal forms of functioning, the volume of financial and economic activities and the level of diversification, etc.

Indicators of the information system for the functioning of tourist and recreational complexes, formed by external sources, can be summarized in the following groups:

- Indicators characterizing the level of socio-economic development of the national economy. The indicators of this group are used to predict and analyze the external environment in order to prepare strategic directions in the field of production and finance for enterprises of the tourist and recreational complex. The formation of indicators of this group is carried out on the basis of statistical data published by state bodies. Indicators are divided into macroeconomics (growth rates of gross domestic product, household incomes) and sectoral (volume of services sold, the value of the company’s assets, the volume of the company’s balance sheet income).

- Indicators characterizing the tourist and recreational market. This group includes indicators that characterize the activities of competitors, consumers and the money market (credit and deposit operations of commercial banks, short-term and long-term financial investments). The indicators of this group are used to develop a marketing strategy for the tourist and recreational complex as a whole and its individual enterprises. The indicators of this group contribute to the adoption of operational management decisions on certain aspects of the formation and use of financial resources. The main information source of this group is published reporting materials of business entities, rating indicators of banking, insurance and leasing companies.

- Regulatory and regulatory indicators. This group of indicators is taken into account when compiling production, financial and investment management methods, taking into account the peculiarities of state regulation of the activities of enterprises of the tourist and recreational complex. The source for the formation of indicators of this group is the normative legal acts, laws and orders adopted by government bodies.


In Azerbaijan, both in 2013-2018 and in 2018-2022, there was an increase in the volume of the gross domestic product, the income of the population and the cost of paid services provided to the population. (National accounts..., 2023). In Azerbaijan, in 2013-2018, the volume of gross domestic product, personal income and the cost of paid services provided to the population increased 1.4 times. During 2018-2022,

<table>
<thead>
<tr>
<th>YEARS</th>
<th>2013</th>
<th>2018</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross domestic product, billion manats</td>
<td>58.2</td>
<td>80.1</td>
<td>133.8</td>
</tr>
<tr>
<td>Gross Domestic Product per capita, thousand manats</td>
<td>6.3</td>
<td>8.2</td>
<td>13.3</td>
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<tr>
<td>Income of population, billion manats</td>
<td>37.6</td>
<td>53.1</td>
<td>68.9</td>
</tr>
<tr>
<td>Per capita income, thousand manats</td>
<td>4.0</td>
<td>5.4</td>
<td>6.8</td>
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<td>Average monthly nominal wages, manats</td>
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<td>544.6</td>
<td>840</td>
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<td>Investment to economy, billion manats</td>
<td>21.9</td>
<td>25.9</td>
<td>29.1</td>
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<tr>
<td>Value of paid services rendered to population, billion manats</td>
<td>6.5</td>
<td>9.1</td>
<td>9.2</td>
</tr>
<tr>
<td>Volume of paid services per capita, manat</td>
<td>702.1</td>
<td>929.9</td>
<td>919.1</td>
</tr>
</tbody>
</table>

Table 3. The main macroeconomic indicators in Azerbaijan in 2013-2022
the volume of Gross Domestic Product increased by 1.7 times, and the income of the population increased by 1.3 times (Table 3).

In 2022, the cost of paid services rendered to the population in Azerbaijan was 9.2 billion manats, including in tourist and excursion services 2.1%, sanatorium resort and health services 0.7%, cultural services 0.7%, transport services 15.5%, communication services 24.0%, educational services 7.1% (Fig. 4).

Indicators of the information system, formed from internal sources, are divided into 3 groups:
- Indicators characterizing the results of economic activities of enterprises of the tourist and recreational complex. The indicators of this group are widely used by both internal and external users. This group of indicators is used in the preparation of economic policy in the main areas of production activity, current analysis and tactical planning. This group of indicators provides more complete information about the results of economic activity of enterprises of the tourist and recreational complex. This group of indicators includes the volume of services rendered, the amount of production costs, the average number of employees, labor productivity.
- Indicators characterizing the financial condition of the activities of enterprises of the tourist and recreational complex and reflected in the balance sheet. Balance sheet indicators include non-current assets, reserves and expenses, cash, long-term and short-term liabilities. The indicator of income and profitability is used for the current and operational management of almost all aspects of the financial activity of the enterprise, including financial results. The formation of a system of indicators for this group is based on the data of accounting and management reporting of enterprises of the tourist and recreational complex.
- Regulatory and planned indicators related to the system of planned indicators and the regulatory framework for the financial and production development of the enterprise. The system of internal regulations should regulate all types of activities of enterprises of the tourist and recreational complex. Planned indicators should reflect the tactical and strategic development of enterprises of the tourist and recreational complex.

The use of all indicators generated from internal and external sources makes it possible to create a targeted information support system for production and financial management at each enterprise based on the functioning of tourist and recreational complexes.

**Results**

The socio-economic problems of the development of tourist and recreational complexes in Azerbaijan were studied and the following results were obtained:
- Both internal and external factors of economic development of tourist and recreational complexes have been studied, the sphere of influence of each factor has been substantiated;
- The conditions for the formation, structure and functioning of tourist and recreational complexes were studied;
- We have analyzed 5 links identified in the structure of the mechanism of functioning of tourist and recreational complexes;
- The role of the legislative base for the development of tourism in Azerbaijan and the data of the State Statistics Committee in the socio-economic
development of tourist and recreational complexes is shown;
- Taking into account the fact that the functionalization of the tourist and recreational complex creates conditions for the implementation of its socio-economic development, the indicators of the information system formed from external and internal sources are studied;
- The states with the main tourism market opportunities for Azerbaijan were analyzed, and measures in the field of transport, which would result in an increase in the flow of tourists to our country, were indicated;
- Legal-normative documents on environmental protection, improvement of the investment environment, labor pensions and paid leave were examined, statistical data were analyzed;
- As part of the socio-economic development of tourism in Azerbaijan, macroeconomic and statistical indicators of the standard of living of the population were analyzed and the trend of their increase and decrease was shown.

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