



The Role of Human Resources in Comprehensive Regional Sustainable Development: The Case of Azerbaijan

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ABSTRACT

The main objective of sustainable and comprehensive economic development is the successful implementation and integration of human resources into national programs and development policies. To attain such all-inclusive and maintainable levels of development, the fundamental elements of economic growth, inclusive societies and the environmental protection should be harmonized with each other. With the understanding that a strong correlation exists between human resources and sustainable economic development, states and governments should adopt policies that effectively address these interconnected elements in order to reach the goal of prosperity of individuals under the slogan “inclusive societies.” In accordance with this framework, the Sustainable Development Goals, which are reflected in the Sustainable Development 2030 Agenda, define the priorities for regional sustainable comprehensive development and relate the strategies necessary for implementation of human capital plans. Countries in the Caspian Sea basin, such as the Republic of Azerbaijan, are currently in the process of further integrating their human resource capacities into the general development of the country. This paper analyzes further positive economic results along with effective human governance through the use of new principles and contemporary technologies.

Keywords: Human Resources, National Programs, Development Policies, Azerbaijan, Caspian Sea

JEL Classifications: O15, P48, Q01

1. INTRODUCTION

Sustainable inclusive development has become a crucial priority in the twentieth century and it has now become a major priority to ensure the well-being of the present-day generations without jeopardizing the possibility of ongoing growth and development for future generations. These advancing processes and contemporary global challenges have made it vital to discuss the progress of development at both regional and global levels. In this sense, the sustainable development goals (SDGs) ask for jointly organized global efforts to build an inclusive, sustainable and solid future for humans and for the whole planet. In order to achieve such a comprehensive state of sustainable development, it is necessary to balance the following three central factors: (1) Economic growth;

(2) inclusive societies; and the (3) environmental protection (Gupta and Vegelin, 2016).

With an understanding that there is a strong correlation between human resources and sustainable economic development, governments should adopt policies that promote the above three interrelated elements in the endeavor of reaching the goal of prosperity of individuals in line with the slogan “inclusive societies.” Within this context, the SDGs, derived from the Sustainable Development 2030 Agenda, describe the urgencies for addressing regional sustainable comprehensive development while linking the strategies to the execution of human capital plans. The government of the Republic of Azerbaijan, along with other governments of nations in the Caspian Sea basin, is presently taking significant steps to promote the further integration of human

resources capabilities into the country's overall development (Alakbarov and Lawrence, 2015).

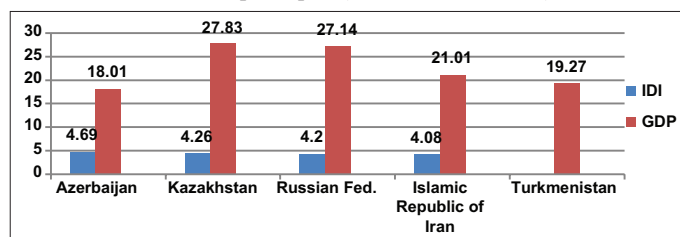
2. LITERATURE REVIEW

For the next 11 years, as reflected in the Sustainable Development 2030 Agenda, countries plan to follow the principle guideline “leave no one behind” while mobilizing their efforts to put an end to all forms of poverty by taking direct action against inequality and the threat of rapid climate change. SDGs, also known as the “Global Goals,” are based on the results of the Millennium Development Goals (MDGs). MDGs that covered the years 2000 – 2015, aimed at carrying out works on the global problems that would typically affect the countries (UN General Assembly, 2015). On the other hand, SDGs can be categorized into all sectors from national to global levels, and seek to promote progress whilst ensuring the protection of the local and global environment. In accordance with these objectives, the 2030 Agenda provides an extensive array of solutions designed to further social developments ranging from the fields of education and employment to the climate change adaptation and protection of ecosystems (Gupta and Vegelin, 2016). The building and maintaining of an environmentally sustainable and socially inclusive society, depends largely upon the successful development of regional areas (Alakbarov and Lawrence, 2015). Simultaneously, additional positive economic results could be achieved through the use of new principles, contemporary technologies and effective human governance. Research activities aiming to study and make comparative analyses of the key indicators of the Caspian region have been essential in the design of long-term sustainability strategies and policies. Figure 1 shows levels of both Inclusive Development Indexes (IDI) and Gross Domestic Product per capita (GDP) of Azerbaijan in comparison to its neighboring countries in the Caspian Region.

It can be clearly observed in Figure 1 that although the economic potential (GDP per capita) of the Republic of Azerbaijan is low in comparison to neighboring countries in the region, Azerbaijan's Inclusive Development Index is the highest in the region and equals 4.69 (The World Bank, 2019b). To eventuate, it needs to be added the economic opportunities that are certainly valuable, omitting is not a warranty for the sustainable and inclusive growth. A more important aspiration, and arguably the key to the success of sustainable development, is the formation of human potential that is associated with innovation and proper public administration. In Figure 2, it can be seen that the high potential of innovation in the Republic of Azerbaijan promotes its inclusive growth and development.

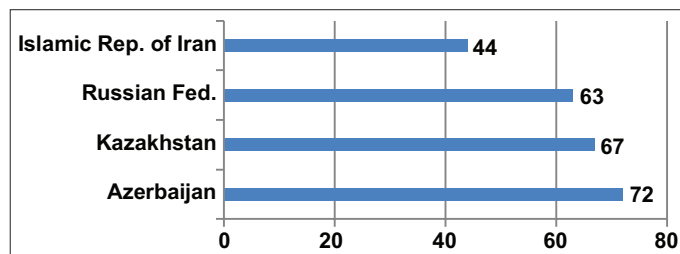
One of the key necessities for sustainable and inclusive growth is energy efficiency, which would contribute to a higher degree of resilience of adaptation to the anticipated effects of climate change as the process intensifies (Alakbarov, 2017). In this sense, energy efficiency means that a lower level of greenhouse gas emissions will be emitted from industrial activities into our planet's atmosphere. Indicators have connection with the both circumstances, whichever eminent in terms of the evaluation of Inclusive Development Index. It is interesting to take note of the fact that the gross domestic product (GDP) is growing quickly in the country. It is a moral imperative

Figure 1: Inclusive Development Index (IDI) of the Caspian countries and GDP per capita (US dollars with PPP)



Source: The World Bank, 2019b (*IDI for Turkmenistan N/A)

Figure 2: Innovation capacity of Caspian countries as a factor of sustainable inclusive growth (business dynamics)



Source: The World Bank, 2019d. *N/A data on Turkmenistan

that this anticipated quantitative economic increase be accompanied by a corresponding increases in qualitative outcomes. It is also noteworthy that the level of energy consumption for each unit of GDP has declined rapidly over the last decade. This represents a direct consequence of increasingly efficient consumption of both renewable and non-renewable resources. This is considered to be one of the most paramount indicators of sustainable development and the green economy movement (Campo and Sarmiento, 2013). Some of the goals that have been suggested by the UN and accepted throughout the world, that reflects the level of the sustainable development and diversification of the economy. In order to ensure international comparisons and to promote good practice, the energy equivalent of one kilogram of crude oil is taken as one unit of energy and the value of the product or service produced is estimated in the currency of US dollars with PPP.

According to data computed by international organizations, the highest value in the region is held by Azerbaijan. Using the above information in Figure 3, in conjunction with the official records, a product worth of \$11.2 was composed or dispatched for each unit of energy consumed in the country in 2019 (The World Bank, 2019a). The statistics determined and the figures presented were issued by the World Bank in their official report of the Caspian region. The dynamics of this indicator regarding the level of sustainable development in the Republic of Azerbaijan is even more pronounced. In order to more clearly clear illustrate the significance of this achievement, this figure has risen from \$2.1 in 2003, \$2.7 in 2005, and \$7.0 in 2009 (Alakbarov, 2017). The numbers from literature review signify that the country is confidently moving forward with sustainable development. Between 2003 and 2019, energy usage efficiency levels expanded by 5.6 times (Gabibova, 2018). In the upcoming years, the Republic of Azerbaijan has the opportunity to achieve further progress towards the implementation of energy efficiency principles as well as sustainable inclusive development.

3. DATA ANALYSIS

A decrease in the overall levels of energy consumption could consequently result in lower greenhouse gas emission into the planet's atmosphere. This would also significantly contribute to the process of reducing the negative effects associated with global climate events. Environmental change is one of the most globally discussed topics and represents the main issue for many countries in the proper implementation of the Sendai Framework or the UNFCCC programs that contribute towards the goals of sustainable development (Huseynov, 2019). The calculation of the inclusive development index takes into consideration the intensity of greenhouse gas emissions per unit of GDP. It is suggested that the major indicator of the effectiveness of reducing the severity of global climate change is the quantity of carbon dioxide emitted by distinctive countries being 1 USD PPP. Table 1 below provides an important set of figures regarding the reduction of carbon dioxide emissions by selected countries in the Caspian Basin (8).

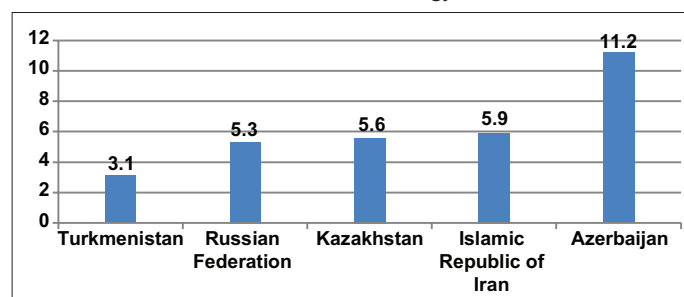
Based on the numbers in Table 1, it can be recognized that the Republic of Azerbaijan has achieved first-rate outcomes by means of mechanisms that decrease levels of greenhouse gas emissions in the region. Nonetheless, the demonstrated comparison shows

Table 1: Reduction of CO₂ emission

Country	CO ₂ emission, kg 1\$ GDP while producing, 2000	CO ₂ emission, kg 1\$ GDP while producing, latest data for 2019	Reduction Rate, folds
Azerbaijan	1	0,2	5
Russian Fed.	1,6	0,5	3,2
Islamic Rep. Iran	1,5	0,5	3
Kazakhstan	1	0,6	1,6
Turkmenistan	2	0,8	2,5

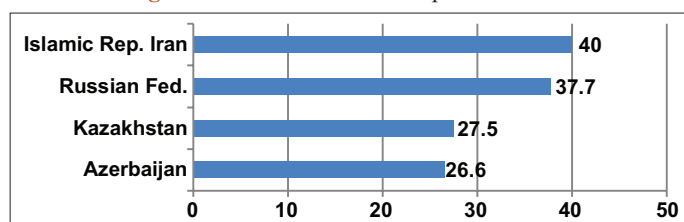
Source: The World Bank, 2019c

Figure 3: The value of GDP (USD with PPP) generated by the use of one unit of the energy.



Source: The World Bank, 2019b.

Figure 4: Gini index of the Caspian Countries



Source: The World Bank, 2019d

that the economies of almost all of the countries in the Caspian region are similar to each other. The production and export of hydrocarbons play an essential role in all of the economies of these states. Sustainable development management is the most valuable tool available for governments to reduce emissions of greenhouse gases into the atmosphere (Alakbarov and Lawrence, 2017). It is also necessary to articulate the fact that inclusive development implies that a range of different social policies are effectively implemented. The Gini Index is used as an indicator to present the success of such policies for each country. The Gini Index describes the fair distribution of income across individuals or households within a given economy. The value of this coefficient can vary from 0 (full equality) to 100 (acute inequality) depending on specific economic circumstances. As shown in the Figure 4, the World Economic Forum in Davos, Switzerland prepared a report that determined the value of the Gini index in the Republic of Azerbaijan to be at a rate of 26.6 (The World Bank, 2019d). This is a fairly high indicator for a country that only restored its independence three decades ago. Azerbaijan, is the only country in the Caspian basin that has a realistic opportunity to further reduce this figure and cross over into the ranks of the most advanced countries in the world in terms of revenue distribution. Programs aimed at developing regions and the non-oil sector are likely to increase incomes through the development and diversification of the economy overall.

The presence of economic opportunities is an essential component of promoting sustainable inclusive growth. Nevertheless, the optimal management of resources is a key factor in ensuring the inclusive nature of sustainable development. High levels of achievement have historically been accomplished in very brief time periods. Such successes were made possible merely by conditions of effective management of economic diversification and technological progress in management and production. As a consequence, this can solely be attained through the implementation of a policy that focuses on strengthening the effectiveness of current knowledge while developing the potential of human resources (Gabibova, 2018). The results obtained are crucial in terms of long-term economic security and sustainable human development. They hold valuable significance in this subject because they demonstrate that the state is pursuing a policy that is strategically focused on the distant future.

In modern times, the potential of humans has become the most meaningful and most beneficial form of capital amongst the non-renewable and renewable natural resources. Its role is widely considered to be of strategically paramount importance. The human factor has always been and remains a decisive factor in long-term sustainable development (Rehimli, 2016). In recent years, the growth of countries, the welfare of the population, and their dependence on knowledge and skills have raised the importance of the human factor to prominence. The success achieved in management and production as well as the reputation and competitiveness of the country depend on the scientific approaches used and the contemporary technologies that are employed. The human is the actor who creates this knowledge and technology as well as being responsible for innovating and implementing them effectively (Human Development Report,

2016). Human development will continue to be the most imperative task facing the country.

4. CONCLUSION AND SUGGESTIONS

The competitive advantage of the economy and the methods of its modernization are affected by the potential human of human capital, both as an accumulated and employed opportunity within the country, The experiences of educated and qualified human beings have a profound influence on the limits and opportunities for interchange and growth within a society. For the most part, human resources represent the most crucial engine of innovation in all areas of public life and the national economy in addition to playing an increasing significant role in managerial efficiency. The predominant responsibility of the state over the next decade will be to invest into the future, which, as a consequence, includes measures to improve the quality of human resources in Azerbaijan.

The following state activities are of particular substance:

- It should remarkably have cited that to arrange trainings with the use of the revived educational technologies to build human resources that will protect the country's global leadership within the province inclusive development to identify the newest one, preventive directions and scientific and methodological support in the indicated area. It is a prerequisite that the contents of scientific and methodological resources meet the requirements of the structural transition to project management, state programs and innovative development projects.
- It is important to use detailed reliable assessment technology for specific tasks in the creation of a set of tools for measuring and evaluating the necessary competencies in civil service.
- The introduction of new methods (project methodology, exchange of experience, training-based approach) along with the continuous education of civil servants.
- The improvement of training organization mechanisms that envisage cooperation between state bodies and educational institutions to the study professional specifics and practical tasks of civil servants.
- The improvement of information and methodological support for the implementation of measures promoting the continuous development of civil servants through the creation of a unified information resource that includes a continuously updated database of supplementary training programs for public employees as well as a system of methodological, analytical and informational materials related to self-study of public employees.
- The formation of mechanisms that facilitate the professional development of civil servants who are in reserve or will be rotated.
- Increasing the quantity and range of modular structured programs aimed at developing specific competencies and work habits.
- The establishment of rapid mechanisms aimed at amplifying the professional competence of civil servants.
- Expanding the practice of implementing e-learning and the distance learning technologies in the implementation of measures for the professional development of public employees.
- The implementation of network training projects with the extensive use of regional platforms;
- Amending the system of scientific support for the improvement of public administration systems and expert-analytical support for the activities of state bodies.

In conclusion, the analysis provided within this paper clearly demonstrates that the government of the Republic of Azerbaijan has made serious long-term commitments to promoting and facilitating investments into the country's human capital potential in an endeavor to further advance indicators of high economic development.

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