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## **International Investments and Social Policy**

Following national independence in 1991 the Republic of Azerbaijan underwent sweeping changes in its social and economic foundation and transition from one socio-economic development pattern to another led to new, unprecedented political, institutional, juridical, economic, social and psychological challenges. These problems on one hand, and Armenian occupation, up to a million refugees and IDPs, an economic and information blockade and unstable political situation in the country on the other hand, prompted a sharp in the living standards of the population.

Following the achievement of a ceasefire agreement and signing of the first oil contract in 1994 the government embarked on comprehensive economic reforms conducted in close collaboration with IMF and WB. These led to an increase in investment, financial stabilization, economic growth and a drop in inflation.

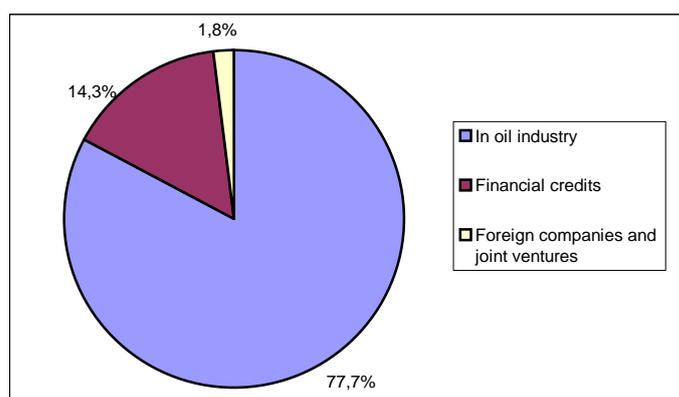
**Table 1. Structure of Direct Foreign Investments by Sector, in mln. USD**

	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
By sectors								
Industry	44	162	467	916	1148	773	604	851.5
Of which oil sector	22	140	417	780	944	553	574	820.5
Construction	25	20	32	104	154	29	31	25
Trade and services	45	21	23	74	100	55	17	26.1
Transport and communications	4	4	6	21	37	38	17	36
Other	32	11	12	40	41	42	286	153.4

As a result of recent measures, the real growth in credit investment to the economy had increased six times over the last seven years, including long-term credit investment – 3.6 times, deposits of population – 13 times, cash volume in AZM – over 4 times, while consolidated bank assets had increased to 17 % of GDP.

The pattern of economic recovery was dominated by the oil sector. The main part in foreign investments was also provided for development of oil sector.

**GRAPH 1. Structure of foreign investments in 2005, %**



Mainly by foreign investments to oil industry, economic growth has been increasing during recent years. But, the living standards of the population have not yet reached an acceptable level. Increased inequality in income distribution, growing differences between Baku and the rest of the country are the important issues to be tackled.

Thus, while the main overall directions of economic policies now have to be to make sure that broad sections of the population have access to income-generating activities; the main aim of social policy is to ensure income re-distribution. While the former has the aim of achieving structural adjustments in the economy and further stimulating the private sector by ensuring growth in the non-oil sector and regional economic development, the second one requires the development of a comprehensive and cost-effective system of social protection.

Authors of given article hold a survey, directed to the study of the role of international investments in development of social policy in Azerbaijan. Priority fields of our study were socio-economical security of population, income security, occupational skill security, employment security, work security, voice representative security and social justice.

**Basic security.** The main indicators of this category is the perception of such concepts as “security” and “insecurity”, the disclosure of sources of economic insecurity for different security, the demand of the population’s estimation of policy related to their economic security, the demand of the population for strategies and support, and such other characteristics covered by their basic security.

With regard to the adequacy of their income, the majority of respondents indicated that their income was inadequate to be able to meet their priority needs, namely: food, payment for accommodation, medical care and to purchase clothes. Unemployed persons and employees in the agricultural sector considered themselves to be the most unsecured.

**Table 2. Adequacy of respondents’ income for satisfaction of needs**  
(Per cent)

	Category of population						
	Employees of industry	Employees of agriculture	Employees of non production sphere	Employees of service	Unemployed persons	Pensioners	Students
<b>Foodstuff</b>							
More than sufficient	2.1	1.9	1.7	2.0	-	1.3	4.9
Sufficient	41.4	20.0	27.1	28.5	22.5	32.5	44.3
Insufficient	56.5	78.1	71.2	69.5	77.5	66.2	50.8

<b>Payment for accommodation</b>							
More than sufficient	1.5	-	1.3	-	-	0.4	3.2
Sufficient	39.5	17.7	26.5	33.1	20.2	28.5	44.3
Insufficient	59.0	82.3	72.2	66.9	79.8	71.1	52.5
<b>Medical care</b>							
More than sufficient	0.6	0.4	0.7	-	-	1.3	0.8
Sufficient	24.7	12.6	20.5	35.1	11.2	18.0	40.2
Insufficient	74.7	87.0	78.8	64.9	88.8	80.7	59.0
<b>Purchasing of clothes</b>							
More than sufficient	1.0	0.9	1.0	1.3	-	2.2	6.6
Sufficient	20.9	10.2	16.2	21.9	12.4	24.6	33.6
Insufficient	78.1	88.9	82.8	76.8	87.6	73.2	59.8

For humankind access to the means of satisfying material, social and spiritual needs, and access to social welfare defines their quality of life, and this is a major indicator of a society's economic, scientific and social progress. Other significant components of the quality of life are qualitative medical care, which includes the provision of improved health and education.

According to the survey results, 11.4 per cent of respondents estimated their health status to be very bad and/or bad; 45.1 per cent were satisfied; 42.2 per cent considered themselves to be well and/or very well; and 1.3 per cent of respondents did not estimate their health status. Some 8.1 per cent of respondents suffered from chronic diseases, which required regular medical attention. Some 5.2 per cent of respondents have a disability. Of which 63.5 per cent were invalids; 12.0 per cent have occupational injuries; and have 5.9 per cent of respondents were disabled as a result of the Nagorno-Karabagh conflict. Some 30.7 per cent (urban localities 90.2 %, rural localities 9.8%) of respondents were concerned about receiving appropriate medical care, and 31.8 per cent (urban localities 63%, rural localities 37%) were concerned about education.

People are confronted with numerous circumstances that can make their living standards worse. The most significant of these include: 1) loss of job, 2) loss of back pay, and 3) sickness. In such situations, people are forced to find additional sources of financial support.

Respondents indicated that in these situations they firstly rely on the support of relatives – 46.8 percent; 43.8 per cent and 44 per cent respectively; on themselves – 46.3 percent; 42.5 per cent and 44.5 per cent respectively; and on friends and relatives – 22.9 per cent; 24.1 per cent and 21.4 per cent respectively.

Everyone faces issues associated with old age, such as retirement, decrease of income and deterioration of health. The questionnaire included questions that were designed to reveal the confidence level of respondents with regard to social institutions that may be able to provide assistance.

Some 20.2 and 14.7 per cent respectively of respondents considered that financial provisions and the level of medical care would not be satisfactory during their old age.

Some 29 per cent of respondents stated their distrust with the state institutions that are supposed to deal with social problems. The majority of respondents considered that they should depend on themselves and external factors with regards to one's living standards and human potential. During one's lifetime each human being should be able realize the impact of their feelings towards society and life in general. According to selected priorities the responses of respondents were as follows: 45.7 per cent indicated the necessity to have good health; 32.7 per cent –

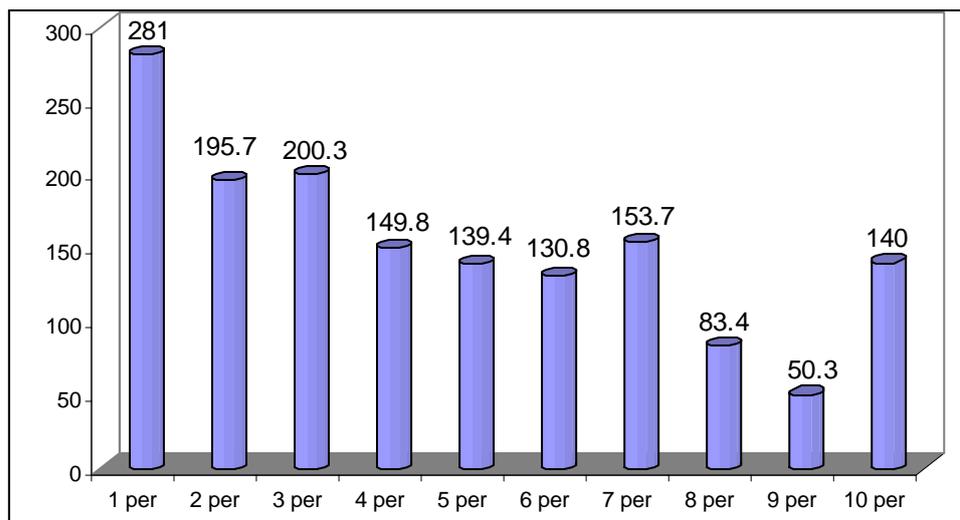
foodstuffs; 10.2 per cent – to be able to provide for the next day; 8.1 per cent – security; 2.4 per cent – self-esteem; and 0.9 per cent – to have an acknowledgement of their competence.

From the total number of respondents 3.6 per cent indicated that during the last 12 month they suffered a violation of some kind. Of these 37.3 per cent suffered from an assault by an individual or group of persons (15.3 per cent – females, 22 per cent - males); 23.7 per cent from an act of force from the police (6.8 per cent – females, 16.9 per cent - males). Only 37.3 per cent of the above had reported the act of force to law enforcement bodies. From the total number of “sufferers” 35.6 per cent were employees of industry, 22 per cent were employees of the non production sphere, 15.2 per cent were students, 13.6 per cent were from the service sector, 6.8 per cent were pensioners, 3.4 per cent were either employed in agriculture or were unemployed.

**Income security.** Questions under this section were designed with the purpose of receiving data on the constituent elements of income, and its control and security level. This relates to the concept of the right to receive sufficient minimal income for the present and future needs should be guaranteed for employed persons and their family members.

The respondents’ responses regarding the size of average monthly money income per household member was distributed as follows:

**GRAPH 2. Distribution of average monthly money**



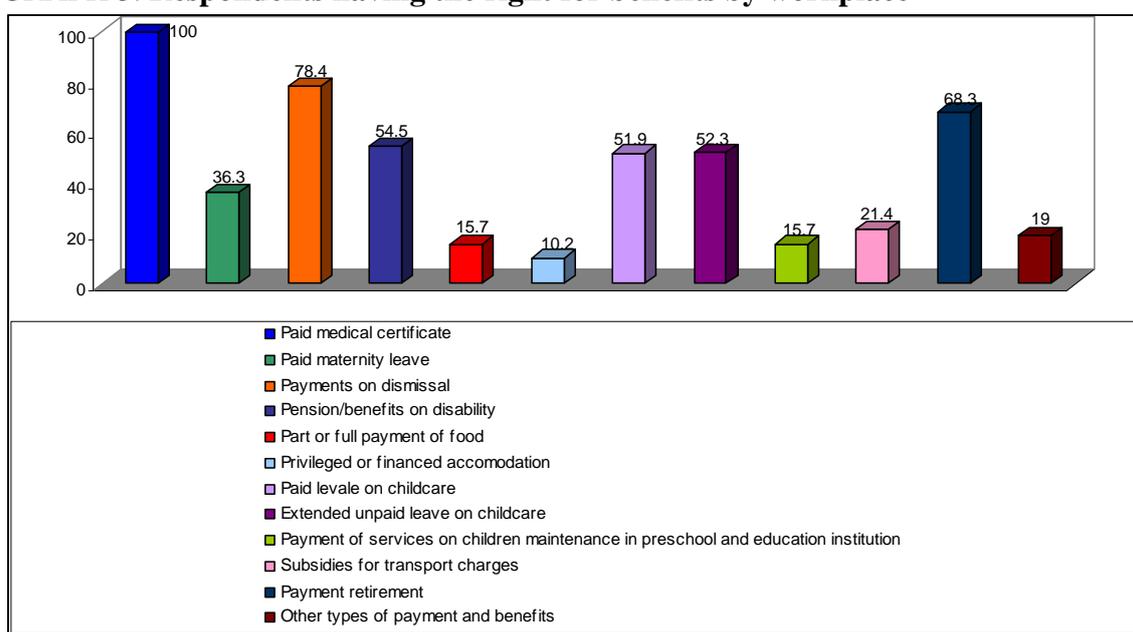
The average amount of personal income that respondents received from their main workplace was 101 510 manat per month. Taking into account that for 73.5 per cent of employed persons, wages from the main workplace represent a significant proportion of their income, 3 per cent of respondents indicated a reduction in pay for the last month (less than a 25 % reduction for the 44.9 per cent; a reduction of between a quarter and a half for 28.6 per cent; a reduction of more than for half of 16.3 per cent of the respondents). Moreover, a reduction in pay occurred amongst 1.8 per cent of those employed in industry; 0.8 per cent of those in manufacture; 0.7 per cent of those in the service sector; and 0.4 per cent of those in agriculture.

The survey results indicated that 32.8 per cent of respondents considered themselves as being reasonably well provided for; 31.4 per cent considered themselves as not rich; 31.2 per cent as poor; and only 0.4 per cent as well-to-do. Some 54.8 per cent of respondents were not able to express an opinion concerning an estimate of their family income in a year; 22.8 per cent considered that their income would be the same as at present; 6.4 per cent considered that it would be lower than at present and 16 per cent expected that it would be higher than at present.

One of the main factors affecting income is the delay in the payment of wages. In total, 6.7 per cent of those employed had not received wages in the last three months: of these 9.1 per cent worked in industry; 2.3 per cent in the non-production sphere; 4.6 per cent in agriculture and 9.9 in the service sector. During this period respondents had received an average of 48.6 per cent of their total wage income. In a one month period, 33.8 per cent of employees had not received their wages, and during a two and three month period 37.5 per cent and 28.7 per cent respectively had not received their wages. According to the respondents the main reason for the delay was the inability of enterprises to pay.

The system of social payments and benefits in enterprises plays an important role in the social security of employees. During the last 12 months, respondents had the right to the following types of social payments and benefits by workplace:

**GRAPH 3. Respondents having the right for benefits by workplace**



According to respondents, the average minimum amount of money income for a family of 4 persons should be 1 657 000 manat (340 USD). About 4 per cent of respondents indicated the need for an income between 650 000 and 1 000 000 manat, 46.2 per cent an income from 1 000 000 to 2 000 000, and 49.8 per cent needed an income of 2 000 000 manat and above. Thus, respondents indicated that the minimal average monthly money income per family member, in order to guarantee a normal existence, should be 415 000 manat (85 USD).

The possibility to “save” is largely dependent upon the population’s income level. The population savings level is significantly higher for those on higher incomes than for those less well provided for members of the population.

The survey data revealed that only 11.9 per cent of families were able to make some savings. Some 79.4 per cent of respondents saved for purposes related to emergency and special situations. For 13.9 per cent of respondents the purpose of saving is the purchasing of goods, for 10.8 per cent it is the purchasing of a house or other accommodation; for 4.1 per cent it is for life after retirement; and for 3.1 per cent it is to make investment.

The main aspect of income security relates to the population’s assets and property. Some 65.2 per cent of respondents indicated that they were most worried about the security of their private

dwelling. It is worth nothing that the private dwelling is the sole real property of the average Azerbaijani citizen. Some 49.8 per cent of respondents were concerned about saving and 29.5 per cent of respondents are very concerned about their business assets security. Some 25 per cent and 21.7 per cent respectively of respondents were concerned about issues related to the security of transports means and land property. Just 12.6 per cent of respondents were concerned about issues relating to the security their own enterprise.

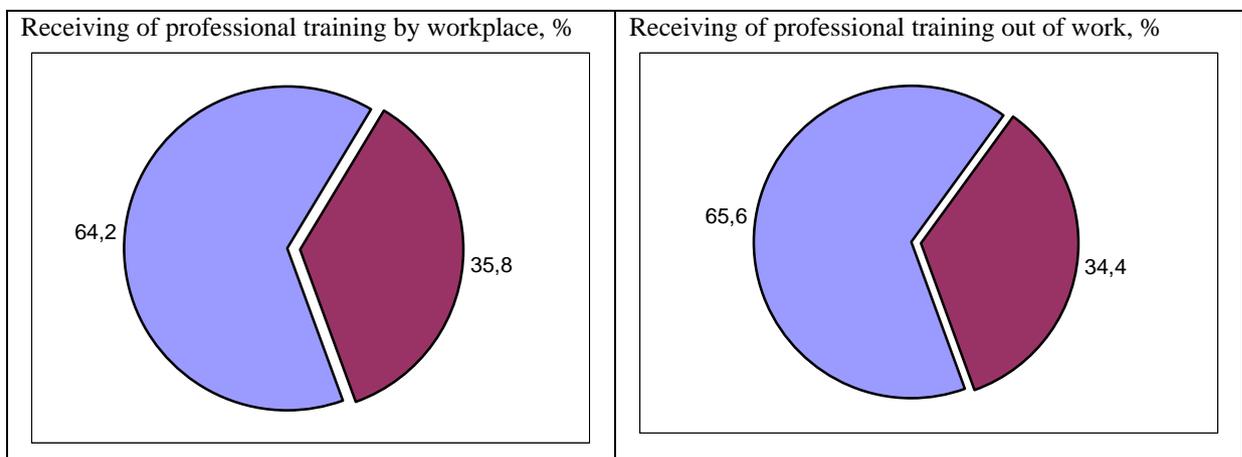
Some 41.3 per cent of respondents indicated that their family borrows money and they worry about the repayment of debts. At the time of the survey 23.9 per cent or respondents were in debt by an average amount of 340 478 manat (70 USD). Some 56.5 per cent of respondents would repay the debt during 6 month; 29.2 per cent would take 1 year; 29.2 percent would take 2 years; and 9.1 per cent would take more than 2 years. The money is mainly borrowed from relatives, friends or neighbors.

**Occupational skills security.** This section covers information on the range of possibilities for receiving new and maintaining existing professional skills. This security relates to the presence of a person's opportunity to receive, support, expand, and improve their technical, professional, creative abilities and knowledge. It is the form of security connected with the concept of a "profession".

Some 67.5 per cent of respondents had undertaken relevant professional training courses, of which 96.9 per cent had graduated from an educational institution (institution of higher education or secondary special education institution). Among those who had been trained, most have at least one diploma or certificate (80.3 per cent have one, 15 per cent have two, and per cent have three and more). Almost 50 per cent considered that it was important to have a profession for obtaining and selecting work. Among those employees who have training, 95.1 per cent use the knowledge they obtained, 20.7 per cent considered that the level of their qualification is significantly higher than is necessary for the implementation of their current work. Some 10.8 per cent of respondents were not sure that their professional knowledge would be necessary for carrying out their main job in five years time, and 26.7 per cent of knowledge of employees thought that it would probably be necessary to receive new professional knowledge during the next 5 years.

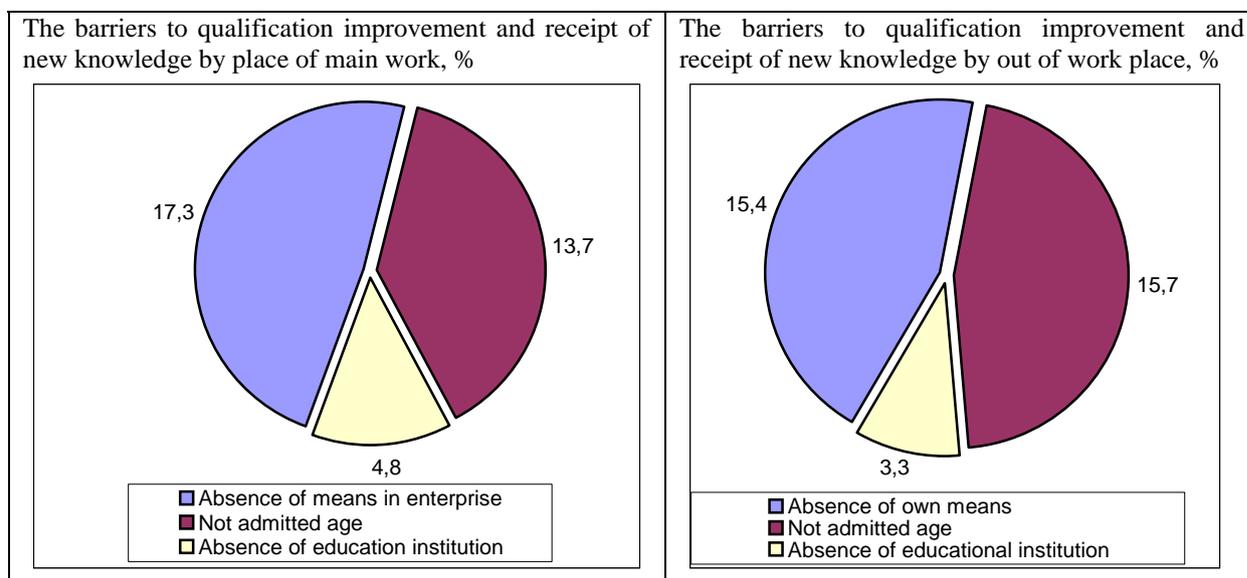
Some 64.2 per cent of those employed hoped to be able to receive new professional knowledge/training at the workplace and 35.8 per cent thought they would not be able to receive such training from the workplace.

GRAPH 4.



Of those respondents having no opportunity to receive new professional knowledge, 30.1 per cent were employees in the industrial sector, 54.4 per cent were employed in the agriculture sector; 31.5 per cent were employed in the non-production sphere and 34.4 per cent were employed in the service sector. Some 65.6 per cent of respondents hoed to receive new knowledge from their work. Distribution of responses concerning the barriers to qualification improvement and receipt of new knowledge by place of main work is as follow:

GRAPH 5.



From the total number of respondents 42.6 per cent have computer skills and 24.4 per cent have their personal computer at work and 6.9 per cent have one at home.

Professional skills security is connected with the possibility of promotion, advancement to a higher grade and the lack of fear of demotion. Respondent information is presented in the following table.

Table 3.  
(per cent)

	Promotion	Demotion
Have you ever been promoted or demoted during last years?		
Yes	21.6	4.3
No	78.4	95.7
How do you estimate the possibility of promotion or demotion during the next 12 months?		
Probably	8.6	3.0
Unlikely	44.1	40.4
Find difficulties to reply	47.3	56.6

**Labour market security.** Questions in this section were designed so as to receive data regarding the population's estimation of the labour market situation, job placement, and employment security by the government. This form of security underlies the presence of a wide range of possibilities for economic activity, which bring profit, i.e. the presence of a guarantee to find a job in the labour market for all population groups.

Some 18 per cent of respondents were unemployed during the last 5 years, and of these 52 per cent were unemployed in the last 12 months. Some 97.8 per cent if those who were unemployed

during the last 12 months had sought a job. The amount of the average monthly unemployment allowance for those who received it (86.5 per cent), as compared to the previous average monthly income was: more than 50 per cent for 37.7 per cent of those registered as unemployed, approximately 50 per cent for 18.2 per cent, between 25 to 49 per cent for 9.1 per cent and less than 25 per cent for 35 per cent of those registered as unemployed.

One of the main reasons of the non-receipt of allowances relating to unemployment is that unemployed persons did not apply for allowances. Moreover, the respondents indicated that among their relatives and close friends there were unemployed persons who had actively sought a job.

**Employment security.** Questions in this section refer to the estimation by the population regarding accidental security situation and the intrusion of additional expenditures by employers. This is quite complicated to estimate, and it means that employees are protected from groundless or unexpected dismissal, and they work based on long-term contracts, and their labour relations are insured against arbitrary decisions that contradict the legislation norms. Thus, only those employed persons replied to the questions in this section.

The majority of respondents had a long-term length of service of more than 10 years (71.8 per cent). Some 12.2 per cent of respondents had service from 6 to 10 years and 16 per cent had less than 6 years of service. Some 23.6 per cent of respondents indicated that they changed their main work once during the last 5 years; 4.3 per cent changed it twice; and only 2.1 per cent changed it more than twice. Nearly 70 per cent permanently worked at one place.

One of the main factors defining employment security is the legal form and durations of the labour contract between employees and the enterprise. Some 57.7 per cent of respondent worked on a regular basis; 19 per cent worked on by verbal arrangement without fixed term; 15.3 per cent worked by a contract on fixed term and 1.5 per cent worked on periodic or temporary basis. The dependence between the types of contracts and size of enterprises is not fixed. Among respondents, some 3.9 per cent worked in enterprises with less than 10 persons; 21.9 per cent with 10-25 persons; 11.8 per cent with 26-49 persons; 15.1 per cent with 50-59 persons; 26.3 per cent with 100-499 persons and 5.3 per cent with 500-999 persons.

Many respondents were worried about probability of job loss, particularly with regard to its impact on their living standards (71.5 per cent of respondents). The replies of respondents varied considerably with regard to the unjust dismissal security of employees in the enterprises of Azerbaijan. Some 48.6 per cent of respondents considered themselves secure from unjust dismissal; 9.8 per cent partly secure; 12 per cent quite unsecured.

The majority of respondent (95.3 per cent) thought that employers should inform their employees about a dismissal well in advance (indeed about 30 days in advance).

Correspondingly 60.5 percent and 51.8 per cent of respondents indicated the complexity of job seeking after a job dismissal from several perspectives, e.g. wage level, conditions of work, use of professional skills. Only 27.2 per cent of respondents would willingly agree to move to a new location to job seek (to another city or region). The main reason that would attract move is if the job had a high wage – 48 per cent, the next most important reason would be the importance of the possibility for children's education – 12.8 per cent, and the lowest reason would be the prestige of the position – just 7.8 per cent of respondents.

If they had to move, most respondents would prefer to move to countries abroad – 41.2 per cent. The main reason for refusing to move is the family and attachment to a definite locality (67.6 per cent and 32.7 per cent of respondents).

Of the responses from respondents concerned about dismissal among employed relatives and friends during the last 12 months: 37.8 per cent could not answer; 26.7 provided information on the dismissal of 1-9 persons and 21.9 per cent replied that they did not discharge anyone.

The main qualitative characteristic of employment is the level of employee satisfaction with regard to their job.

A significant proportion of respondents gave negative response concerning satisfaction with income level and benefits (58.5 per cent and 48.1 per cent respectively). Some 70.3 per cent of respondents were satisfied with nature of work and 10.3 per cent were not satisfied. In view of the possibility of career development, 28.6 per cent of respondents indicated satisfaction with their job; 22.7 per cent indicated non-satisfaction. Correspondingly 53.3 per cent and 43.9 per cent of respondents were satisfied with their self-independence and the possibility to improve their professional skills, 10.1 per cent and 18.3 per cent were not satisfied.

**Table 4. Level of respondent's satisfaction with job**

*(per cent)*

Job characteristics	Satisfied	Not satisfied
Level of earnings or income	25.5	58.5
Benefits separately from earnings	20.9	48.1
Job characteristics	70.3	10.3
Level of self-independence	53.3	10.1
Possibility of improvement of professional skills	43.9	18.3
Possibility of career development	28.6	22.7

The impact on employment on Azerbaijan joining the world economy was considered to be positive by 40.4 per cent of respondents; negative by 21.6 per cent; and having no impact by 8.9 per cent. The remaining 29.1 per cent did not respond.

**Work security.** Information in this section refers to injury and morbidity connected with work, and the mechanism for protection from accidents in industry. A prosperous labour market foresees relatively high standards of security and labour protection at the workplace. Without safety and environmentally sound conditions of labour, with guaranteed procedures of healthcare and security that meet all necessary requirements, the labour market does function as its full potential.

Among the total number of employed persons, 1.3 per cent were absent from work for more than a week due to a disease connected with work; 1.5 per cent due to stress connected with work and 0.8 per cent due to an employment related injury.

The unsafe concentration and storage of chemical substances, hazardous machines, and extremes in air temperature, aroused the most concern among employees with regard to dangerous labour conditions. In this respect 48.6 per cent; 24.3 per cent; 14.3 per cent of respondents respectively indicated responses with regard to dangerous labour conditions. Of the total number of employed persons, 49.2 per cent indicated the presence of a labour security division in their enterprise; 39.7 per cent indicated the absence of such a division and 11.1 per cent did not know.

Just 1.1 per cent of employees considered themselves as victims of violence at work. The main kind of violation is rudeness that stimulated emotional or psychological suffering – 61.5 per cent; the second kind is the enforcement from the side of direction – 23.1 per cent.

**Voice representation security.** The information refers to participation of the country's population in public organizations, the activity of which is directed towards the protection of employees' rights. The regulation of labour relations by way of negotiation is the most optimal of all forms of organized process in the labour market. This form presents the possibility to introduce flexibility regarding the relations between labour and capital, and by its definition meets the aspirations and values of working persons. An individual employee in any society is vulnerable to all forms of labour insecurity unless they can benefit from representative collective power that is able to protect them from willfulness and exploitations.

Belonging to a public organization or union that is concerned with their interests, promotes an increased level of social security. Of those who responded positively to belonging to such an organization, 58.9 per cent of them were employed. A positive attitude to trade union activity in Azerbaijan was indicated by 53.4 per cent of respondents, 29.9 per cent had no attitudes towards such organizations and 17.4 per cent had negative attitudes to trade union activity.

Trade unions can protect the rights and interests of all levels of management. According to respondents, a trade union organization at the enterprise level best protects their interests (according to 32.3 per cent of respondents). The lower estimate of trade union activity was given at a territorial level (2.4 per cent). Without some level of trade union activity there would not be any effective protection for employees.

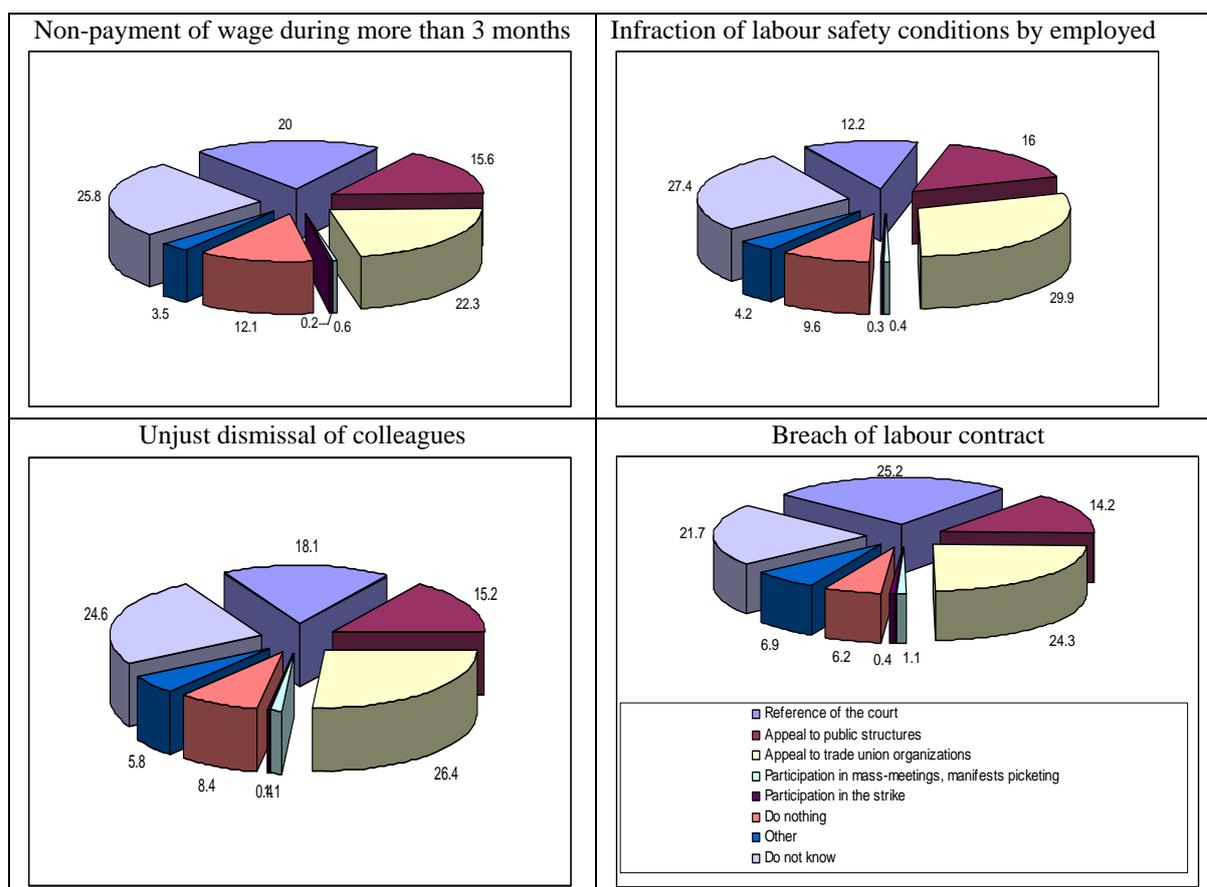
Estimates from respondents concerning the change in the number of employees that are covered by the trade unions during last 5 years correspond fairly accurately to current trends in Azerbaijan. Some 16.6 per cent of respondents believed that trade unions' membership had decreased.

Effectively providing for employees' social security occurs through the existence of a range of alternative public unions, the activity of which is directed towards the protection of their member's interests. However, respondents were poorly informed about the presence of such organizations in Azerbaijan, indeed 89.3 per cent indicated that they did not know about other organizations besides trade unions.

Employees' needs regarding the protection of their right and interests through public unions dramatically decreased when they entrusted them to enterprise management to look after. Survey results testified that only 22.7 per cent of respondents trust the management and only 11.5 per cent indicated that their employer gave them the option to express their discontent and to raise personal problems.

The non-realization of the right and guarantees of employees in the labour sphere can lead to protest actions against the employer. Protest action may take many different forms. Respondents stated a number of definite reasons that could call upon protest actions to see their problems resolved. The following graph contains such information.

GRAPH 6.



With regard to the non-payment of wages for more than 3 months, 20 per cent of respondents would refer the matter to the court; 22.3 per cent would refer it to a trade union. 12.1 per cent of respondents would take a passive stand as they considered that it was unrealistic to do anything to protect their rights, and 25.8 per cent could not define their actions. In cases of violations of labour safety conditions respondents preferred appealing to the trade union (29.9 per cent) and referring the matter to the court (12.2 per cent); and 27.4 per cent do not know what to do. In the case of an unjust dismissal of colleagues, referring the matter to the court was favoured by 18.1 per cent and to trade unions by 26.4 per cent, 24.6 per cent could not define their action. In the case of a breach of labour contract referring the matter to the court was favoured by 25.2 per cent and to trade unions by 24.3 per cent, and 21.7 per cent were not sure.

The vital activity and life support conditions are dependent on authorities and local government. However, their non-provision could result in the need for protest actions and for different methods to protect people's rights. Depending on the reasons for dissatisfaction with these conditions, the priority methods of their achievement were also defined.

**Table 5. Estimation of priorities in protest actions to authorities and local government concerning to improvement of vital activity and life support conditions**

(per cent)

Protest actions	Rise in price of foodstuff or other goods	Rise in fares of public transport	Increase in crime	Regular disconnection of heating, power water
Reference to the court	4.1	3.5	15.9	4.7
Appealing to	41.1	45.1	44.5	56.2

public structures				
Appealing to trade union	4.7	4.9	3.6	3.5
Participation in mass-meetings	3.3	2.9	1.5	1.8
Participation in strikes	1.3	1.3	0.1	1.4
Do nothing	15.2	12.2	5.9	6.0
Other	4.6	3.4	5.0	3.4
Do not know	25.7	26.7	23.5	23.0
Total	100.0	100.0	100.0	100.0

As is shown in the results above, in cases of a problem occurring most respondents would appeal to public structures.

**Social justice.** Questions in this section were directed to the exposure of social values, which the population considered as important, and the receiving of data on the subjective estimation of social justice situation from a work and income viewpoint.

Respondents considered the most important social values for humanity to be the observance of their freedom, rights and execution of laws.

**Table 6. Estimation of social values by respondents**

(per cent)

	Very important	Important	Not very important	More important than not important	More not important than important	Not important	Quite not important
Freedom	43.5	16.5	16.7	9.1	5.1	5.9	3.2
Equality	2.7	12.5	16.7	17.5	11.7	11.4	27.5
Human rights	25.3	27.7	19.5	13.2	8.1	3.6	2.6
Personal independence	7.8	17.9	17.9	19.5	17.2	13.4	6.3
Responsibility	3.2	5.3	9.2	16.0	31.5	23.6	11.2
Execution of laws	20.2	13.6	11.1	14.5	11.9	22.6	6.1
Active participation in Govt management	4.5	7.3	8.5	8.6	11.9	17.8	41.4

It is generally known that the individual income of citizens varies based on numerous factors. Information on whether or not the government should regulate income limits is presented in the following table:

**Table 7. Respondents' opinion regarding to individual income**

(per cent)

It is necessary to fix upper limit of labour income?	
Yes	47.6

No	40.4
Don't know	12.0
It is necessary to fix lower limit of labour income?	
Yes	70.3
No	15.0
Don't know	14.7
There should not be any limits with regard to income, but the policy of assistance to poor persons should be carried out	
Yes	87.0
No	5.9
Don't know	7.1
Everyone should receive equal income	
Yes	7.6
No	79.9
Don't know	12.5

Regarding the matter of social justice on individual income levels, most respondents were sure that all employed persons should not receive the same income (79.9 per cent). However, a significant number of them considered that it was necessary to fix a lower limit of labour income (70.3 per cent). Along with that 47.6 per cent of respondents considered that it is necessary to fix an upper limit of labour income and 87 per cent raised an objection to fixing any limit that concern income.

The majority of respondents considered that there should not be a preference, as well as any discrimination in remuneration or for the admission for jobs concerning separate categories of employees: women compared to men correspondingly – 73 per cent and 64.3 per cent; employees over 50 years old compared to employees 30-49 years old – 74.3 per cent and 67.6 per cent; employees 30-49 years old compared to employees less than 30 years old – 77.6 per cent and 71.7 per cent; women with children compared to women without children – 44.4 per cent and 44.1 per cent; migrants living within borders of Azerbaijan compared to residents of this territory – 74.8 per cent and 64.4 per cent; immigrants in Azerbaijan compared to persons which were born in Azerbaijan – 76.2 per cent and 64.7 per cent.

The last question in the survey referred to respondents' opinion about compensation for socially useful work. Some 71 per cent of all respondents indicated the importance of full compensation by the government for person responsible of raising children under 5 years old and 23.2 per cent favoured partial compensation; correspondingly 73.4 per cent and 20.3 per cent respectively responded with regard to the care of disabled persons. The necessity of full compensation for persons who undertake the care of old age relatives or beneficiary work was indicated by 35.5 per cent and 28.2 per cent of respondents, partial compensations for each of these two categories corresponded to 48.5 per cent and 46.1 per cent.

**Conclusion.** Increase of volume of international investments and connected with it economical growth not always leads to growth of social welfare of people. Lacks in society administration leads to weakness of social policy, unprovided social justice and population security.

During a transition to a market economy the complexity of acceptance of governmental decisions and responsibility for decision-making is increased. Therefore, it is necessary to have a regular system of valid and on-line information to improve the bilateral relationship between the Government and municipal administration authorities, and to take into account the reaction of affected population groups and labour organizations. It is also necessary to provide public and

regional administration authorities with information on the population's socio-economic security. Monitoring the situation of socio-economic security of Azerbaijan's population is essential instrument required to form state social policy. It is important for the state system to have regular and timely information and analysis of the socio-economic changes, including negative trends that may lead to the development of social tensions, as well as for the short-term forecast of any other developments in this area.

The significant human factors and level of people's moral and physical state regarding their own personal estimation of their living conveniences, plays a vital role in defining the development level of a society from an economic and socio-political viewpoint.

The data received in the results of survey represent an extremely useful and important source of information for higher authorities of the country, as well as for a wide range of other users, including scientists and researchers engaged in issues of social policy, labour and life quality of the country's population.