

# REPUBLIC OF AZERBAIJAN

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## ABSTRACT

of the Dissertation Submitted for the  
Degree of Doctor of Philosophy

### IMPROVEMENT OF ANTIMONOPOLY REGULATION IN THE AGRICULTURAL SECTOR OF THE REPUBLIC OF AZERBAIJAN

Specialization: 5312.01 – “Field economy”

Science: Economic sciences

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**Baku – 2025**

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## GENERAL CHARACTERISTIC OF THE WORK

**Relevance of the topic and degree of development:** In recent years, changes in the agrarian economy have led to a fundamental transformation of the organizational, economic, financial, and legal conditions of its sectors. The transformation processes in these directions necessitate the coordination of the activities of economic entities. The coordination of economic entities' activities is primarily aimed at creating mechanisms for protecting competition principles at the macro and microeconomic levels by the state. The formation and implementation of effective social relations between competition and monopoly are carried out within the framework of the state's antimonopoly policy.

The increase in monopolization has a significantly negative impact on the development of the economic system, particularly in conditions where regulatory influence from society is weakened. Monopoly tendencies become more evident through inefficient utilization of production resources, the lack of need or incentive for financial stability, and the modernization of production. Such a situation, alongside the emergence of monopolization in the agrarian sector, also leads to an intensification of economic conflicts of interest between agricultural, processing, and service enterprises. In this context, antimonopoly regulation aims to protect agricultural entities from monopolistic influences and foster competition. The aforementioned factors highlight the necessity of assessing the level of monopolization among agrarian entities, developing scientific approaches to the forms and methods of antimonopoly regulation to prevent monopolization processes, and justifying strategies for competitive development. This also confirms the practical significance of antimonopoly regulation.

It is well known that antimonopoly authorities implement necessary measures to prevent and reduce monopolization in the agrarian economy based on the relevant legislative framework. In this regard, the "*Strategic Roadmap for the Production and Processing of*

*Agricultural Products in the Republic of Azerbaijan*"<sup>1</sup> provides for strengthening measures to prevent unfair competition tendencies in the agricultural and food markets and the procurement process. The "*Competition Code of the Republic of Azerbaijan*" defines "*state control measures for compliance with competition legislation*" and "*liability for violations of competition legislation.*"<sup>2</sup> According to the Constitution of the Republic of Azerbaijan, "*The State of Azerbaijan does not permit monopolistic activity and unfair competition in economic relations.*"<sup>3</sup>

It should be noted that the characteristics of antimonopoly policy determine its role and significance in the transformation of the agrarian economy. As a result, the objectives of antimonopoly policy evolve in accordance with economic realities, shaping both competition protection measures and the nature of antimonopoly regulation. The factors influencing competition development and the restriction of monopolistic activities highlight the necessity of assessing the outcomes of antimonopoly regulation. To address challenges arising from monopolized agrarian structures, specific priorities are set for targeted antimonopoly regulation measures.

The effectiveness of antimonopoly regulation is reflected in the diversity of characteristics that define the impact of implemented measures. Additionally, antimonopoly regulation is increasingly regarded as a new form of state intervention in the agrarian economy. Although legal frameworks ensure state protection of competition, fostering a competitive environment, agrarian entities still struggle to fully adapt to these regulatory measures. This underlines the need for the scientific and theoretical refinement of antimonopoly legislation to effectively address competition-related issues. Furthermore, the evaluation of monopolization levels in agricultural production and the identification of its consequences continue to pose methodological challenges. These issues confirm the relevance and importance of

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<sup>1</sup> "Strategic Roadmap for the Production and Processing of Agricultural Products in the Republic of Azerbaijan" Decree of the President of the Republic of Azerbaijan, December 6, 2016.

<sup>2</sup> "Competition Code" of the Republic of Azerbaijan, December 8, 2023

<sup>3</sup> "According to the Constitution" of the Republic of Azerbaijan, November 12, 1995

studying ways to improve antimonopoly regulation in the agrarian sector.

The examination of antimonopoly regulation in the agrarian sector, its improvement, and the challenges of fostering competition remain key topics of interest for economists. Among Azerbaijani economic researchers in this field, the following scholars can be mentioned: Z.A.Samadzada, E.A.Guliyev, B.H.Atashov, V.A.Abbasov, M.J.Huseynov, I.H.Ibrahimov, H.B.Allahverdiyev, K.S.Gafarov, A.M.Ahmadov, and others.

Internationally, prominent scholars such as M. Porter, C. Robinson, F. Hayek, G. Stigler, A. Nikiforov, A. Buzgalin, L. Abalkin, Y. Osipova, Y. Rubin, Y. Merkulova, V. Yeremenko, K. Toteva, G. Makarova, and many others have conducted extensive research in this area.

Although antimonopoly regulation is an integral part of economic policy, research on the state's role in enforcing antimonopoly policies in the agrarian economy and the government's interventions in these processes remains insufficient. In general, issues arising from the relationship between monopoly and competition, as well as antimonopoly regulation, continue to be among the less explored areas of study.

**Object and Subject of Research:** The research focuses on the agrarian sector and the businesses operating within it. The main subject of the study is improving antimonopoly regulation in this sector.

**Purpose and Tasks of the Research:** The goal of this research is to explore the theoretical foundations of antimonopoly regulation in the agrarian sector, analyze key economic indicators, and identify ways to improve regulatory mechanisms. Based on these findings, the study aims to develop recommendations and practical suggestions for enhancing antimonopoly policies in agriculture.

To achieve this, the research focuses on the following key tasks:

- Examining the theoretical foundations of antimonopoly regulation in agriculture.

- Analyzing the economic aspects and methods of antimonopoly activities.

- Identifying the characteristics of antimonopoly regulation in the agrarian sector and exploring opportunities to apply international best practices.

- Assessing the level of economic development in agricultural production and processing industries.

- Analyzing antimonopoly activities in the production and processing sectors.

- Defining strategies for improving cooperation and integration between production and processing industries.

- Evaluating the criteria for the effectiveness of antimonopoly regulation in agriculture.

- Identifying priorities for strengthening integration within the production and processing sectors.

- Exploring ways to improve the competitive environment in the agro-industrial sector.

- Understanding the role of competition strategies for agricultural enterprises in shaping effective antimonopoly policies.

- Developing recommendations and proposals for preventing monopolization and enhancing antimonopoly regulation in the agrarian sector.

**Methods of the research:** In this dissertation, the following research methods have been applied: analysis, synthesis, analytical assessment, economic-statistical methods, and comparative analysis. The research has also drawn upon relevant legislative acts and state programs, resolutions of the Cabinet of Ministers of the Republic of Azerbaijan, and decrees issued by the President of the Republic of Azerbaijan.

**Main provisions put forward for defense:** The main provisions of this dissertation are:

- It is important to analyze and summarize different perspectives on antimonopoly regulation in agriculture, including legal aspects, competition policies, and how a competitive market can be developed.

- Antimonopoly policies play a crucial role in the growth of agricultural production. There is a need to ensure fair competition by enforcing regulations, preventing monopolies, and maintaining stability in the agrarian sector.

- To meet modern demands, it is necessary to strengthen cooperation between agricultural production and processing industries based on their level of economic development.

- Evaluating the relationship between the agrarian sector and the processing industry is crucial to understanding why antimonopoly regulation is needed.

- It is essential to explore ways to improve collaboration between production and processing industries, assess the effectiveness of antimonopoly policies, and identify alternative approaches for better market integration.

- Preventing monopolization, improving competition, and strengthening cooperation in the agricultural and processing sectors are key challenges. Developing practical recommendations to enhance antimonopoly regulations in these areas is a priority.

**The scientific novelty of the research:** The scientific novelty of this research is characterized by the following:

- The legal and economic foundations of antimonopoly regulation in agriculture have been analyzed and summarized, focusing on competition policies and regulatory frameworks.

- The necessity of antimonopoly measures and their role in the development of the agrarian sector have been justified, considering the specific characteristics of agricultural production.

- The priorities for strengthening integration between production and processing industries have been identified, ensuring that mutual interests are considered.

- More effective mechanisms for antimonopoly regulation have been proposed based on an evaluation of the relationship between the agrarian sector and the processing industry.

- Alternative approaches for improving cooperation and integration between production and processing industries have been identified.

- Factors influencing competition in the agro-industrial sector have been studied, leading to recommendations for improving market conditions and setting priorities for competition strategies based on the current economic environment.

- Key priorities have been outlined for enhancing antimonopoly

regulation to prevent monopolization and minimize its negative effects in the agricultural sector.

**Theoretical and practical significance of the study:** The theoretical significance of this research lies in its contribution to improving antimonopoly regulation in the agrarian sector, ensuring a competitive market environment, and developing theoretical and methodological approaches to these issues. It also plays an important role in summarizing scientific perspectives on integration mechanisms in agriculture and justifying priorities for enhancing antimonopoly regulation to prevent monopolization. The key findings and conclusions of this study can serve as a theoretical and methodological foundation for future research on developing antimonopoly regulation mechanisms in the agrarian sector.

The practical significance of the dissertation is reflected in the development of concepts, scientific approaches, and practical recommendations related to antimonopoly regulation in agriculture. The proposed suggestions can be applied to create a fair competitive environment and improve antimonopoly mechanisms, helping businesses in the agrarian sector operate more efficiently.

**Research approval and implementation:** The main scientific and theoretical provisions, results, and recommendations of the dissertation have been reflected in seven articles published in reputable journals and conference proceedings recommended by the Supreme Attestation Commission under the President of the Republic of Azerbaijan (two of which are published abroad), as well as in four theses (one of which is published abroad). Among the conference proceedings, the following theses can be highlighted: ‘The Role of Using Innovations in the Agrarian Sphere for Competitive Production’ (Ganja, 2019), ‘Directions for Improving the Competitive Potential of Agrarian Sector Entities’ (Baku, 2022), ‘Institutional Foundations of Antitrust Policy in the Agrarian Sphere’ (Ryazan, 2023), and ‘Directions for Eliminating Monopoly in the Agro-Food Industry’ (Ganja, 2025). During the research, the author also published the following articles: ‘Mechanism for the Development of Integration Relations in the Agrarian Industry’ (Baku, 2016), ‘Legal Aspects of Eliminating Monopoly in the Agrarian Sphere’ (Ganja, 2019),

‘Mechanism for the Development of Interactions among Economic Entities in the Agrarian Sphere’ (Ganja, 2021), ‘Ensuring Competition and Eliminating Monopoly in Agriculture’ (Ganja, 2021), ‘Efficiency of Regulating Monopolistic Activity in the Agrarian Sphere’ (Moscow, 2022), ‘Key Aspects of New Approaches to Reducing Monopoly in the Agrarian Sector’ (Baku, 2025), and ‘Development of Effective Financial Strategies for Long-Term Economic Viability’ (Amman, 2025).

**The name of the organization where the dissertation work was carried out:** Azerbaijan State Agricultural University.

**The dissertation consists of separate structural sections with the total volume indicated by the number of characters marked with the dissertation.** The dissertation consists of an introduction, three chapters, a conclusion, and a list of references. The total volume of the dissertation is 243397 characters, distributed as follows: Introduction (12663 characters), Chapter I (60322 characters), Chapter II (59235 characters), Chapter III (71854 characters), Conclusion (11899 characters), and the List of References (15826 characters). The research includes 14 tables and 2 figures, and the list of references contains 123 sources. The number of characters in the dissertation, excluding tables, diagrams, graphs, and the list of references, is 215973.

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Aqrar sahədə antiinhisar tənzimlənməsinin effektivlik meyarlarının qiymətləndirilməsi

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## SUMMARY OF THE RESEARCH WORK

The introduction of the dissertation explains the relevance of the topic, defines the research objectives, tasks, and methods, and presents the key findings and scientific contributions. It also highlights the theoretical and practical significance of the study and describes its validation through academic discussions.

The first chapter, titled "**Scientific and Theoretical Aspects of Antimonopoly Regulation in the Agrarian Sector,**" explores different theories of antimonopoly regulation, its economic foundations and methods, the specific characteristics of antimonopoly policies in agriculture, and international best practices.

With the rise of digital technologies and globalization, innovations have become increasingly important across all sectors, including agriculture. These advancements have led to significant shifts in economic structures, production methods, and the distribution of goods in commodity markets. As a result, economic relations have transformed, intensifying competition and requiring new approaches to antimonopoly regulation to ensure fair market conditions for all participants.

A systematic approach to antimonopoly regulation must consider historical economic development, past experiences, and future prospects. Economic theories, while grounded in fundamental principles, also incorporate modern trends and concepts that shape the core values, principles, and legal frameworks of antimonopoly regulation.

The classical model of antimonopoly regulation provides a universal framework for economic governance. However, traditional approaches often focus on specific market processes rather than the broader relationship between businesses and consumers. This can lead to a shift in regulatory goals and create uncertainties about the impact of monopolies on different economic sectors. As a result, markets may struggle to ensure sufficient supply of goods and services, leading to stronger monopolistic tendencies across industries.

Due to these challenges, antimonopoly regulation is given priority in all sectors of the economy. However, existing approaches are not

always effective and sometimes fail to foster a truly competitive market environment.

In cases of monopolization, dominant companies attempt to control the overall economy by setting high prices and maximizing their profits. This is why approaches to antimonopoly regulation vary, as they encompass different measures and implementation mechanisms. Antimonopoly regulation impacts prices, income distribution, and macroeconomic indicators, and it is characterized by its dynamic evolution over time.

It is important to note that the neoclassical approach to antimonopoly regulation highlights the necessity of defining market structures and assessing competition levels. The evolution of perspectives on competition and monopoly can be summarized as follows:

- First stage: The development of the perfect competition model, closely tied to the formation of competitive markets. In this stage, perfect competition is considered an economic goal, while monopolization is viewed as a structural issue that negatively affects market efficiency.

- Second stage: The gradual evolution of competition theory, where competition is seen as a dynamic process. This stage recognizes that both competition and monopoly exist simultaneously. Some monopolies, especially those that contribute to financial stability and technological progress, are seen as beneficial.

- Third stage: The idea that competition and monopoly coexist, with businesses interacting within structured market conditions. Efficient competition requires not only fair market practices but also a balance that ensures economic sustainability.

- Fourth stage: The concept of market equilibrium, where competition does not always lead to efficiency. At this stage, excessive competition is recognized as a factor that can sometimes limit business development. Industries such as natural monopolies and knowledge-based sectors face significant challenges in maintaining competitiveness.

- Modern stage: Contemporary antimonopoly policies have become more flexible and global, with international institutions regulating and

overseeing corporate behavior in global markets.

As markets continue to transform, antimonopoly regulation must adapt to ensure fair competition while preventing excessive restrictions that could slow economic progress.

Antimonopoly regulation measures are implemented using economic, administrative, or legal methods. Economic methods allow the government to influence the overall economy and its various sectors. These methods involve macro-level regulations designed to create a competitive market environment through specific mechanisms introduced by the state.

A key economic approach to antimonopoly regulation is the program-based method, which systematically applies strategies to reduce monopolization and foster competition. It is important to note that effective antimonopoly regulation combines direct and indirect economic methods, taking into account the unique characteristics of each economic system.

In the context of globalization in the agricultural sector, international food market mechanisms play a crucial role in ensuring supply chain efficiency and shaping antimonopoly regulation methods. Research shows that regulating global supply chains involves measures set by state authorities to promote competition while addressing potential negative impacts.

In many countries, the regulation of domestic segments within global food supply chains helps identify key characteristics of antimonopoly policies in this field. These regulations ensure that market transformations remain balanced and that competitive conditions are maintained across international agricultural trade networks.

The second chapter - "**The Development Level of the Agrarian Sector and the Assessment of the Effectiveness of Antimonopoly Regulation**" - analyzes the economic development level of production and processing sectors in agriculture, examines integration relations between production and processing enterprises, and evaluates the effectiveness criteria of antimonopoly regulation in the agricultural sector. The main purpose of the agricultural sector as an economic activity is to provide society with food products and supply

raw materials for industrial needs. Agriculture operates in close connection with natural resources and the environment, and it is characterized by seasonality in production, dependence on agricultural cycles, and risks arising from natural and climatic factors. The functioning of this vital sector of the economy also directly depends on the lifestyle of the local population and their interaction with it.

Achieving sustainable development in the agricultural sector requires a systematic consideration of various factors. In this context, the use of mechanisms and tools that enable quantitative and qualitative changes from economic, social, and environmental perspectives proves to be appropriate. In general, agriculture, as a complex socio-economic system, requires both ensuring a balance between all factors of sustainable development and justifying the priorities of the state's socio-economic policies in the agricultural sector.

The analysis of the current situation regarding these issues shows that in recent years, positive trends have been observed in the agricultural sector. When examining the dynamics of agricultural production, it is evident that compared to 2019, in 2023, total agricultural output across all farm categories increased by 55.8%, including a 58.2% increase in crop production and a 53.6% increase in livestock farming, with agricultural enterprises seeing an 89.4% rise in production, including a 2.2-fold increase in crop production and a 67.6% rise in livestock. Individual entrepreneurs, family farms, and household farms experienced a 52.4% increase, including a 52.8% rise in crop production and a 52.1% rise in livestock. In 2023, 48.6% of total agricultural production came from crop farming, while 51.4% was from livestock farming. That year, agricultural enterprises accounted for 51.3% of crop production and 48.7% of livestock production, while individual entrepreneurs, family farms, and household farms accounted for 48.3% of crop production and 51.8% of livestock production. In 2023, agricultural enterprises accounted for 11.1% of total agricultural output, while individual entrepreneurs, family farms, and household farms accounted for 88.9% (Table 1).

Table 1

## Dynamics of gross agricultural product

Years	Total	Additionally:		Total	Additionally:		Total	Additionally:	
		Crop products	Livestock products		Crop products	Livestock products		Crop products	Livestock products
	All farm categories			Agricultural enterprise			Individual enterprise, family farmers and household		
<b>2019</b>	7836,7	3751,2	4085,5	713,2	321,0	392,2	7123,5	3430,2	3693,3
<b>2020</b>	8428,9	4028,4	4400,5	834,5	438,3	396,2	7594,4	3590,1	4004,3
<b>2021</b>	9163,4	4511,0	4652,4	885,9	467,3	418,6	8277,5	4043,7	4233,8
<b>2022</b>	10984,2	5538,0	5446,2	1094,0	509,2	584,8	9890,2	5028,8	4861,4
<b>2023</b>	12210,6	5933,9	6276,7	1351,1	693,7	657,4	10859,5	5240,2	5619,3
<b>In 202023 compared to 2019</b>	155,8	158,2	153,6	189,4	216,1	167,6	152,4	152,8	152,1

Source: The table was compiled by the author based on data from the State Statistics Committee [113].

Considering these findings, an analysis of processing industry trends shows that compared to 2019, by 2023, the actual value of all industrial production increased by 43.2%, processing industry output by 56.3%, food production by 26.9%, beverage production by 62.3%, tobacco product manufacturing by 3.8 times, textile production by 22.3%, clothing production by 12.1%, and leather goods and footwear production by 13.8%. In 2019, the processing industry accounted for 25.1% of total industrial production, rising to 27.4% in 2023 (Table 2).

**Table 2**

**Value of manufacturing industry products (works, services), in actual prices, million manats**

Indicators	2019	2020	2021	2022	2023	In 2023 compared to 2019, in percent
<b>All industries</b>	46999,2	37269,9	55229,1	86383,4	67296,0	143,2
<b>Manufacturing industry</b>	11793,8	11848,3	15887,0	18116,4	18431,2	156,3
Food production	3584,8	3884,3	4495,6	4890,9	4547,6	126,9
Beverage production	433,1	427,6	490,9	563,0	703,1	162,3
Tobacco production	248,9	436,0	677,9	768,9	949,3	3,8 dəfə
Textile industry	304,3	240,9	369,5	388,6	372,3	122,3
Clothing production	111,7	112,8	130,0	162,3	125,2	112,1
Leather and leather products, footwear production	21,8	25,8	22,3	25,3	24,8	113,8

*Source: The table was compiled by the author based on data from the State Statistics Committee [116].*

Research shows that the factors influencing the development of the agricultural sector must be considered both in the process of grouping these factors and in assessing their impact. This approach allows for the recognition of established trends in sustainable development and key target parameters for long-term stability. Individual factors, as well as their interactions, align with the strategic goals of government

programs aimed at promoting competitive and environmentally friendly agricultural production.

The development of integration processes between agriculture and the processing industry is characterized by the formation of organizational structures based primarily on production and technological links. The successful advancement of integration also requires consideration of key organizational and economic factors that drive the development of agro-industrial formations. It is well known that processing enterprises often have stronger bargaining power than agricultural producers, allowing them to secure their interests more effectively. In some cases, this results in the redistribution of profits from agricultural production in favor of processing and trade enterprises.

In this context, an analysis of key economic indicators in the processing industry reveals that between 2019 and 2023, the number of active processing enterprises increased by 57.1%. The number of registered individual entrepreneurs engaged in industrial activities also grew by 36.7%. During the same period, the total value of industrial goods, services, and works increased by 56.3%, while the industrial production index demonstrated a consistent upward trend. The share of processing industries in the total volume of industrial production in the country fluctuated between 21.0% and 31.8% (Table 3).

An assessment of integrated structures operating in the agricultural sector highlights the need for support measures aimed at ensuring the successful operation of these entities. In particular, some segments of the processing industry rely on stable raw material supplies from agricultural producers, necessitating targeted assistance. One of the most critical support measures involves fostering cooperation among agricultural producers, including government-backed credit cooperatives. Therefore, creating favorable conditions for access to credit is essential for stabilizing agricultural production, ensuring continuous reproduction, and supporting its expansion, making it one of the most pressing issues today.

**Table 3**

**Key performance indicators of enterprises engaged in the processing industry**

<b>Indicators</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>In 2023 compared to 2019, in percent</b>
Number of operating enterprises, unit	2330	2515	2777	3130	3660	157,1
State	124	117	110	103	102	82,3
non-state	2206	2398	2667	3027	3558	161,3
Number of individual entrepreneurs registered to engage in industrial activity, people	19842	22957	24898	25663	27123	136,7
Value of industrial output (works, services), at current prices of the relevant years, million manat	11793,8	11848,3	15887,0	18116,4	18431,2	156,3
Industrial production index, compared to the previous year, in percent (at constant prices)	111,5	110,6	119,6	104,3	110,8	99,4
Share of the sector in the total volume of industrial output produced in the country, in percent	25,1	31,8	28,8	21,0	27,4	x
Share of the non-state sector of the sector in the non-state sector of the country's industry, in percent	21,0	28,8	23,2	15,8	22,5	x

*Source: The table was compiled by the author based on data from the State Statistics Committee [120].*

An analysis of Prime Cotton LLC -Saatli Cotton Processing Plant data reveals that compared to 2019, the company's profit increased by 4.6% in 2023. However, due to a 6.3% rise in production costs during the same period, the profitability level decreased by 2.0 percentage points. The data also indicate that the volume of raw material purchased increased by 6.3%, while the average purchase price per ton rose by 23.1%, leading to an overall 30.8% increase in raw material costs. At the same time, a 21.7% increase in the sales value of processed products had a positive impact on the company's revenues (Table 4).

**Table 4**

**Prome Cotton LLC Saatli - Main economic indicators of Saatli cotton processing plant**

<b>Indicators</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>In 2023 compared to 2019, in %</b>
Purchased raw materials, thousand tons	24000	24300	24600	25000	25500	106,3
Total output (value of purchased raw materials), thousand manats	15 600, 0	15 795, 0	17 264, 1	20 000, 0	20 400,0	130,8
Type I						
manats	14 430, 0	14 610,4	15 969,3	18 500, 0	18 870, 0	130,8
thousand tons	22 200	22 478	22 813	23 125	23 588	106,3
Type II						
manats	936 000	876 623	958 158	1 110 000	1 132 200	121,0
thousand tons	1 440	1 458	1 480	1 500	1 530	106,3
Type III						
manats	234 000	236 925	258 962	300 000	306 000	130,8

*Continuation of Table 4*

thousand tons	360	365	370	375	383	106,3
Average purchase price per ton of raw materials, manats	650	650	700	800	800	123,1
Production costs, million manats	4 800, 0	4 900, 0	4 900,0	5 000,0	5 100,0	106,3
Average selling price per ton of processed products, manats						
Raw materials	250	255	263	270	272	108,8
Ingredients	2210	2210	2295	2550	2550	115,4
Profit, million manats	3 936,0	4 008,4	3 782,9	4 010,0	4 116,7	104,6
Profitability level, %	16	16	15	14	14	X
Sold products						
Raw materials, tons	12 480	12 636	12 792	13 000	13 260	106,3
Ingredients, tons	9 600	9 720	9 840	10 000	10 200	106,3
Sales value, million manats	24 336,0	24 703,4	25 947,1	29 010,0	29 616, 7	121,7

*Source: The table was compiled by the author based on a request.*

These findings demonstrate that the successful development of integration processes in the agricultural sector depends on multiple factors. The extent to which these factors influence integration is shaped by macro and microeconomic conditions, as well as the

coordination of activities between agricultural and processing enterprises.

The necessity of defining and assessing the economic efficiency criteria of antimonopoly regulation in agriculture highlights the need for institutions that align with modern economic development requirements. These findings suggest that evaluating the effectiveness of antimonopoly legislation requires a comprehensive approach. In this regard, defining efficiency criteria and regulatory frameworks based on assessment outcomes is considered a key priority.

It is evident from these observations that antimonopoly legislation serves as a critical tool in the state's economic regulation policies. Adjustments to antimonopoly laws aim to create a favorable environment for economic cooperation between agricultural production and processing enterprises.

The third chapter, titled "**Eliminating Monopolistic Practices and Improving Antimonopoly Regulation in the Agrarian Sector**", focuses on the development of integration relations between production and processing industries, enhancing competition in the agricultural sector, strategies for improving the competitiveness of agribusinesses, and key directions for refining antimonopoly regulation in agriculture.

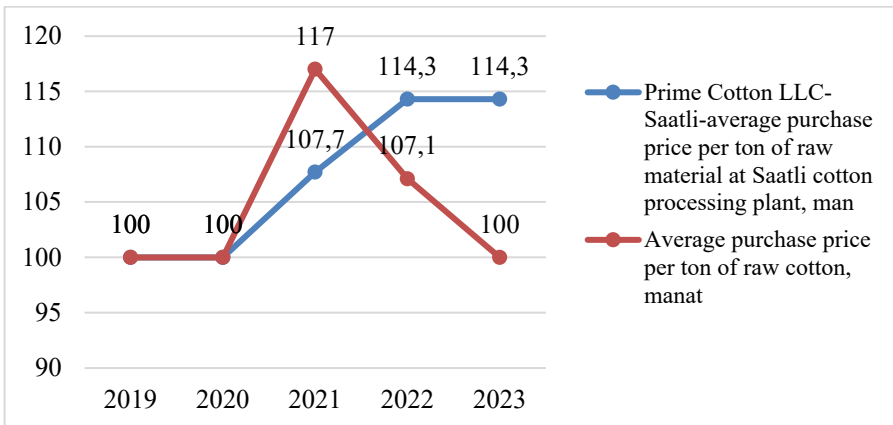
Agro-industrial integration plays a crucial role in ensuring production continuity and encompasses key aspects such as financial and material resources, agricultural production volumes, pricing mechanisms, and distribution channels. Beyond managing financial and material flows, integration also provides opportunities for addressing social issues. The forms and mechanisms of integration in the agro-industrial sector significantly alter the role of the state as the primary enabler of large-scale agricultural production. In this context, the reduction of state intervention in agricultural product sales is closely linked to ongoing integration processes.

Research indicates that expanding integration processes within the agro-industrial sector requires comprehensive measures. These measures should focus on state support for economic strategies and production integration, particularly in areas such as the adoption of advanced technologies, improving product quality, and enhancing

competitiveness. In recent years, several initiatives have been undertaken in the country to support agricultural production, including the introduction of subsidies for various types of agricultural products.

The allocation of production subsidies, as part of state support policies, also aims to weaken the monopolistic pricing power of processing enterprises, reduce price-related losses for agricultural producers, and stabilize agricultural revenues. In this regard, an agreement was reached between cotton-producing companies and the Ministry of Agriculture, outlining plans to increase the prices at which processing enterprises purchase raw cotton in different years.

A comparison of the average purchase price per ton of raw cotton and the average purchase price of raw materials purchased by the Prime Cotton LLC – Saatli Cotton Processing Plant shows that there was no change in the price level in 2020 compared to 2019. In 2021, the purchase price for raw cotton in the republic increased by 17.0% compared to the previous year, by 7.1% in 2022, and no change was recorded in 2023. Looking at the dynamics of the average purchase price of raw materials purchased by the Prime Cotton LLC – Saatli Cotton Processing Plant, an increase of 7.7% in 2021, 14.3% in 2022 and 2023 compared to the previous year is observed (graph).



**Graph. Comparative dynamics of the average purchase price of raw cotton, in %.**

*Source: The graph was compiled by the author based on data from the Ministry of Agriculture of the Republic of Azerbaijan and Prime Cotton LLC -Saatli - Saatli Cotton Processing Plant.*

As seen from the data, there has been a more dynamic increase in the price of raw cotton purchased by the processing enterprise. This can be linked to the quality of the products acquired by MKT-Saath Cotton Processing Plant, as statistical analysis shows that more high-quality (Grade I) cotton was purchased, while no low-quality (Grade IV) cotton was acquired (Table 4).

It is important to note that state support for agricultural producers serves as a key factor in the strategic development of integrated agribusiness structures, providing an additional incentive for their growth. At the same time, agro-industrial integration is not just a policy to support local producers, but also an integral part of food security and economic stability strategies, ensuring the sustainable development of the agricultural economy.

Agricultural policy plays a crucial role in the state's overall economic strategy, as stabilizing agricultural production and ensuring its sustainable development are essential conditions for long-term success. In the modern economic environment, defining more advanced concepts and priorities for agricultural policy remains one of the most pressing challenges in agrarian economics. This, in turn, aims to enhance the competitiveness of agricultural enterprises and strengthen the overall resilience of the agrarian sector.

Currently, the rise of monopolistic tendencies in various sectors of the economy is recognized as one of the most complex global socio-economic issues. Monopolization contributes to many economic contradictions and problems, posing risks for both consumers and producers. Therefore, antimonopoly regulation is essential to prevent monopolization and mitigate its negative effects. The state's antimonopoly policy is designed to create an environment that promotes social well-being, ensure the stable functioning of the economy, protect businesses from monopolistic pressure, and foster a competitive market system.

In this regard, the enforcement of antimonopoly legislation and the achievement of effective regulatory outcomes require the continuous improvement of antimonopoly policies. Additionally, the government aims to enhance the quality of antimonopoly regulation, stimulate business activity, and protect different industries from unfair

competition, all while ensuring stable economic growth as a primary objective.

## RESULT

The study of the effectiveness of antimonopoly regulation in the agricultural sector and its implementation mechanisms provides several key insights. Research indicates that in a competitive environment, applying new approaches to antimonopoly regulation in agriculture should be based on scientific and methodological principles. The state establishes strategies for antimonopoly regulation as the foundation of its competition policy. It can be concluded that competition and monopoly constantly oppose each other and act as fundamental components of market relations.

Monopolization is a characteristic feature of all stages of economic development, primarily arising from competition and the concentration of production. A high level of monopolization is often associated with the specialization of production. The presence of monopolistic activity in economic entities is closely linked to the characteristics of market formation. The key principles in forming and implementing antimonopoly regulation policies can be summarized as follows:

- The defining characteristic of monopolistic activity is not the size of economic entities or their controlled markets but rather their monopolistic objectives and the market power they possess to achieve these goals.

- The role of the state in antimonopoly regulation goes beyond preventing monopolization and mitigating its effects; it also involves creating a system of measures that promote competition in the market and ensuring that economic entities operate within the framework of existing legislation.

Based on research, it can be stated that ensuring the effective implementation of state antimonopoly regulation in the agricultural sector and minimizing the negative effects of monopolization requires the application of appropriate regulatory methods suited to current socio-economic conditions. In this regard, the various aspects of these

methods must be aligned with objective economic laws.

State control over economic concentration is one of the most important conditions for the proper functioning of agricultural enterprises in a competitive environment. Additionally, an analysis of the structure of agricultural product markets and the competitive environment reveals that identifying and eliminating economic and administrative barriers to market entry is crucial for producers to realize their market potential.

Eliminating monopolization in the agricultural sector and reducing its impact requires ensuring economic stability across production, sales, and consumption. To achieve this, it is essential to assess the quality and quantity of agricultural markets, evaluate competition levels, balance supply and demand, and apply antimonopoly legislation to select the most effective regulatory measures.

One of the major challenges faced by agricultural producers is the monopolistic position of processing enterprises, particularly in price-setting mechanisms. Processing companies, due to their market dominance, can influence both the operations of agricultural producers and the overall competitive environment. Their market power allows them to exploit their dominant position, especially in setting prices, leading to unfair competition. Addressing these negative tendencies is a priority for antimonopoly authorities. Therefore, strengthening the legal framework of antimonopoly regulation by incorporating domestic and international legal standards is crucial in preventing and mitigating unfair competition practices.

Based on this research, several key measures are recommended for improving the state's competition policy and strengthening antimonopoly regulation in agriculture:

1. Preventing monopolization and fostering competition in agricultural markets require coordinated efforts among various government institutions. During structural changes, antimonopoly measures can play a crucial role in improving market efficiency, optimizing production potential, and expanding integration processes while preventing the formation of new monopolies. These measures should include ensuring equal competition opportunities in agricultural markets, enhancing state control over monopolistic

enterprises, applying fair competition principles in public procurement, and ensuring compliance with antimonopoly legislation.

2. Supporting agricultural businesses is a key responsibility of antimonopoly regulators, as the sector has significant potential for growth and development. State support should focus on industries that require low capital investment but have high economic potential, while considering available resources and sector-specific conditions. Although providing equal support to all producers may not be feasible, implementing targeted socio-economic development programs aligned with national priorities is essential for long-term success.

3. Creating and strengthening a competitive market environment is crucial for improving the efficiency of integrated agricultural and industrial structures. To achieve this, competition must drive the development of businesses, primarily by improving product quality. Achieving higher quality standards and increasing competitiveness also encourages closer cooperation between agricultural producers and processing industries. Since high-quality raw materials allow producers to generate higher revenues, this, in turn, enhances the profitability of the processing industry. This mutual benefit indirectly encourages continuous quality improvement, further strengthening the agricultural sector's competitiveness.

4. Reducing monopolization trends in the agricultural economy and decreasing the concentration of monopolized agricultural product markets are among the key strategic directions for ensuring fair competition and economic development. In this context, considering the provisions of competition and antimonopoly legislation, the following priority recommendations can be summarized: identifying key priority production areas and specific monopolized markets, developing strategies to reduce the monopolistic influence of the processing industry, defining priorities for eliminating barriers to free market competition, exploring opportunities to expand the geographical reach of markets, and implementing legal measures to prevent unfair competition.

5. In the modern economic landscape, establishing legal, organizational, and economic foundations for controlling market concentration and enforcing antimonopoly oversight in agricultural

production and processing industries remains highly relevant. Given the pace of economic transformation and the trends in market formation, it is inevitable that competition in agricultural markets will intensify while monopolistic tendencies continue to emerge. This makes antimonopoly regulation increasingly important. To enhance its effectiveness in the agricultural sector, the following measures should be implemented:

- Preventing monopolistic practices in agribusiness requires improvements in institutional frameworks, supported by state interventions that address social, organizational, economic, and regulatory components.

- Antimonopoly measures, especially in highly concentrated industries, must be conducted systematically and comprehensively.

- Supporting agricultural producers is critical to improving the competitive environment, ensuring that fair competition practices are promoted.

- Antimonopoly regulators should incorporate mechanisms for balancing competing interests in price-setting, particularly between producers and processing enterprises. This should include ensuring transparent pricing mechanisms based on supply and demand dynamics.

- Strengthening legal frameworks and social regulatory mechanisms is crucial for minimizing the negative impacts of monopolization.

6. The lack of effective coordination between agricultural production and processing industries increases the risk of monopolization. Ensuring economic balance between enterprises, particularly protecting farmers from monopolistic pressure while promoting competition, is essential. Therefore, establishing legal frameworks to regulate pricing mechanisms and prevent monopolistic price-setting in the agricultural sector is necessary.

The existence of barriers to competition in agricultural product markets is, in some cases, associated with certain gaps in the legislation. Strengthening antimonopoly enforcement should focus not only on monitoring the activities of dominant market players and regulating prices but also on ensuring a fair balance between producer

and consumer interests. Addressing income disparities between agricultural producers and processing industries will contribute to improving market competition and ensuring sustainable economic development.

7. The de-monopolization of various sectors in the agrarian sphere and the promotion of competition result in the emergence of large-scale new production areas based on integration processes. While expanding integration strengthens competition, in some cases, it can also contribute to increased monopolization. This highlights the growing role of antimonopoly regulation in maintaining market balance. At the same time, it should be noted that monopolization necessitates giving preference to integration processes, since one of the main directions of the development of agrarian production sectors is precisely to increase the level of production in monopolistic enterprises. This is particularly relevant in regions with unfavorable natural and climatic conditions or where initial socio-economic conditions are insufficient. Given these challenges, strengthening price controls on essential products and incorporating state regulation mechanisms become increasingly important.

8. Using antimonopoly measures to curb the dominance of processing enterprises is a widely applied practice in regulatory frameworks. Another significant approach is to intensify the formation of integrated structures, covering the entire technological chain—from the production of raw agricultural materials to the manufacturing and sale of final products. Creating integrated structures enables processing enterprises to operate within agreed pricing mechanisms, thereby reducing their exposure to antimonopoly regulations. Effective oversight of monopolistic enterprises not only improves competition but also deepens integration processes, ensuring a more balanced market environment.

9. Enhancing the effectiveness of antitrust regulation of agricultural and processing enterprises requires taking into account the criteria for ensuring a competitive environment. Research shows that objectively assessing the level of monopolization involves analyzing the impact of integration and the relationships between interconnected economic entities. Implementing antimonopoly regulation measures that

significantly improve the efficiency of agro-industrial production can help reduce monopolization trends, eliminate monopolistic pricing, accelerate exchange processes between agricultural producers and processing enterprises, and increase overall market competitiveness.

**The following articles and theses of the author have been published on the topic of the dissertation.**

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A handwritten signature in blue ink, appearing to be 'Osmanova', written in a cursive style.

The defense of the dissertation will be held on 15 October 2025 at 14<sup>00</sup> at the meeting of the Joint Dissertation Council ED 2.46 of the Azerbaijan Cooperation University and Baku Business University, operating under the Supreme Attestation Commission under the President of the Republic of Azerbaijan.

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The dissertation can be viewed in the library of the Azerbaijan Cooperation University.

Electronic versions of the abstract are posted on the official website of the Azerbaijan Cooperation University ([www.aku.edu.az](http://www.aku.edu.az)).

The abstract was sent to the necessary addresses on 13 September 2025.

Signed for print: 12.09.2025

Paper format: 60 x 84 1/16

Volume: 42328

Number of hard copies: 20