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Article

# Evaluation of Socio-Economic Development in Shamakhi, Azerbaijan

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## Abstract

Socio-economic development remains a central concern for policymakers worldwide, yet efforts often fail to translate into effective, actionable policies. This study examines the state of regional development in the city of Shamakhi, Azerbaijan, to explore the issue of policy-practice gap. Employing qualitative methods—including face-to-face interviews with local stakeholders and participant observation—the research was conducted over the course of one intensive fieldwork day. Thematic analysis of interview transcripts revealed five recurring challenges: unemployment, water scarcity, rising cost of living, limited access to healthcare, and inadequate education. These issues reflect deep structural problems that contrast sharply with the objectives outlined in successive State Programs for regional development. By presenting empirical evidence from lived experiences, this study contributes to debates on sustainable regional development in post-Soviet contexts and calls for stronger monitoring, accountability, and policy responsiveness in Azerbaijan's development agenda.

**Keywords:** regional development; socio-economic development; state programs; Shamakhi; Azerbaijan

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## 1. Introduction

Evaluating socio-economic development in any country has significant implications for public policy across various contexts. Such an evaluation of development is particularly significant on multiple levels when it comes to regions (Keune, 2001; OECD, 2009; Pike et al., 2010). In this context, the development discourse in Azerbaijan has been ongoing for nearly three decades since the dissolution of the Soviet Union. This discourse has been primarily shaped by consecutive State Programs for the socio-economic development of the regions of the Republic of Azerbaijan, as outlined in section 3 of this paper. As such, it is essential to ensure that the resources are being used effectively and that the programs achieve their intended objectives in public policy. Hence, the objective of this study is to understand what life is like for the average citizen residing in the Shamakhi region and to evaluate how effective government policies have been in achieving their development goals. This study is timely, given the growing global inequality and the approval of the “Azerbaijan 2030: National Priorities for Socio-Economic Development” by the President of the Republic of Azerbaijan.<sup>1</sup> The broader objectives include gaining familiarity with the nuances of the situation in the region, offering an informed perspective on timely policy issues to foster dialogue between policymakers and the public, and contributing to both national and international development efforts.

The choice of Shamakhi for this study is based on three key reasons. The first reason is its strategic location. It plays a role in regional connectivity and trade, making its growth a point of

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<sup>1</sup> Order of the President of the Republic of Azerbaijan on approval of “Azerbaijan 2030: National Priorities for Socio-Economic Development.” (2021, February 2). Retrieved November 10, 2024, from <https://president.az/en/articles/view/50474>

interest for both local and national economic policy. Therefore, Shamakhi's development is strategically important. To elaborate further, located 118 kilometers from the capital, Shamakhi is one of Azerbaijan's oldest historical cities and lies within the Daglig-Shirvan economic district. The Shamakhi region spans 1,667.1 square kilometers, with a population density of 65 people per square kilometer. According to the Shamakhi District Executive Authority<sup>2</sup>, as of January 1, 2024, the district's population was 105,700, with 53.7 thousand men and 52.0 thousand women. Of the region's population, 46.8 percent live in cities, while 53.2 percent reside in villages.

The primary occupation of Shamakhi's population is agriculture, with 1.11 hectares of agricultural land available per person. Most residents are involved in crop and animal husbandry, with crop production focusing on grains, potatoes, vegetables, melons, grapes, and various fruits.

The second reason is its historical and cultural relevance. Shamakhi, as one of Azerbaijan's oldest cities, holds a unique historical and cultural significance. Understanding its socioeconomic development can provide insights into how these aspects have influenced or been influenced by modern development strategies, as well as how they contribute to the region's identity.

Compared to other regions, Shamakhi is likely to have achieved its development goals based on the two reasons outlined above. This brings us to the third reason for choosing Shamakhi for this study: it provides a useful basis for comparing the situation with other less-developed regions of Azerbaijan in relation to the state programs adopted by the Government of Azerbaijan.

The paper is organized as follows. Section 2 looks into the concept of socioeconomic development and approaches to measuring it. Section 3 outlines the socioeconomic development efforts in the Republic of Azerbaijan. Section 4 is dedicated to research design and data collection. Key findings and discussion are illustrated in Sections 5 and 6, respectively.

## 2. Socioeconomic Development

The concept of economic development is not novel within the field of economics,<sup>3</sup> particularly following the emergence of economic growth in the history of economic thought, which can be traced back to Adam Smith's story of the pin factory. In the fluctuating nature of progress and regress in a particular context, economic growth is considered to be the prime engine with the greatest power capable of generating long-term growth and increasing the standard of living, which is of course contingent upon holding all other inputs constant. It has been a topic of growing interest marked by phases of conceptual inflation, particularly since the Second World War, with economic growth essentially being considered the primary objective of public policy on a global scale.<sup>4</sup> Nordhaus and Tobin (1973), in concurrence, write "In the early 1960s growth became a proclaimed objective of government policy, in this country as elsewhere. Who would be against it?" (p. 511). Looking into the development age after the Second World War, Dobrescu (2019) examines the concept of the development three decades after the Cold War in which the author discerns three distinct phases. The initial period spans from the Cold War's end to the onset of the 2008-2009 economic downturn. The subsequent decade marks a period of gradual recovery, while the ongoing third phase remains the least explored and comprehended.

In the evolution of the development concept in economics, the term socioeconomic development emerged gradually as the social dimension of economic development became increasingly recognized by academia, state and non-state actors, and societies. Socioeconomic development, like

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<sup>2</sup> *About the Region*. (n.d.). Shamakhi District Executive Authority. Retrieved November 6, 2024, from <http://shamaxi-ih.gov.az/az/ehalisi.html>

<sup>3</sup> Litwiński (2017), in his paper titled *The evolution of idea of socio-economic development*, delineates the development concept in economics.

<sup>4</sup> "... economic performance had become the all-encompassing measure of a country's excellence only after 1945." (Sachs, 2000, p. 5)

sustainable development,<sup>5</sup> is a derivative of economic development, representing different social aspects of an economy's performance and progress compared to economic growth. Similar to the term "development" in economics, the concept of socio-economic development has been subject to different interpretations in perceptual paradigms over time, especially as social systems evolved and eventually disappeared. Chojnicki (2010), emphasizing the role of the change factor, posits that "socioeconomic development encompasses changes occurring in the social sphere, primarily of an economic nature." In simple terms, socioeconomic development entails the improvement of both social and economic conditions.

In retrospect, socio-economic development came to the forefront due to the recognition of deficiencies in the standard national accounts approach, particularly regarding real Gross Domestic Product (GDP)<sup>6</sup> as an indicator of a country's economic welfare. One of the early initiatives manifested itself in the work of Nordhaus and Tobin (1973), where the authors constructed what they described as a "a primitive and experimental" measure of economic welfare (MEW) (p.512), while still acknowledging the importance of the conventional national income accounts. Simultaneously, another related and influential work was released by Easterlin (1974). However, these were not the very first acknowledgments of the problem with GDP that was being used as a yardstick for national well-being at the time. Since its inception, there have been ample voices speaking out against the usage of this measure as an indicator of general welfare. In his own report to the US Congress, Kuznets famously wrote "The welfare of a nation can scarcely be inferred from a measurement of national income" (Bureau of Foreign and Domestic Commerce and Simon Kuznets, 1934, p.7). This statement in and of itself lays bare the fact that GDP was never intended to measure national well-being. Despite this fact, Costanza et al. (2009) clearly outline how GDP became a globally recognized measure of economic progress, with its epicenter centered around US-dominated institutions,<sup>7</sup> the US dollar, economy, and economic policies. Meanwhile, recognizing that output (real GDP) was never intended to serve as a comprehensive measure of economic welfare, it has not been discarded but rather supplemented with alternative indicators. These indicators took into account social and environmental well-being, ushering in a new era in measuring development known as "socio-economic development". Another term for capturing the social aspect of economic development is social progress.<sup>8</sup> In principle, both development and progress, within the context of socioeconomic processes, are derivatives of change. In words of Chojnicki (2010), development processes and/or development targets are "internally ordered sequences of change in state of affairs, or stages in which some states determine other states that follow them" (p.9). Ultimately, socioeconomic development accounts for what a nation is and intends to become.

#### *Approaches to measuring socio-economic development*

The most prominent attempt in the measurement of socio-economic development is the Report produced by the Commission titled "The Commission on the Measurement of Economic Performance

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<sup>5</sup> A new paradigm of perception in the promise of development.

<sup>6</sup> Since the inception of the Gross Domestic Product (GDP), although the exact term was not explicitly coined as GDP, by Colin Clark in the UK (Coyle, 2014) and Simon Kuznets in the USA (Bureau of Foreign and Domestic Commerce and Simon Kuznets, 1934), policymakers have relentlessly sought to increase this measure as a showcase for a country's economic wellbeing. In her book titled "GDP: A Brief but Affectionate History" Coyle (2014) provides an explanation of GDP, outlines its historical background, acknowledges its shortcomings, and nonetheless advocates for its continued importance as a crucial indicator for economic policy.

<sup>7</sup> Primarily, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD – now part of the World Bank).

<sup>8</sup> While 'socioeconomic development' and 'social progress' are not entirely interchangeable, this study employs both terms with the same perspective.

and Social Progress” in 2009 (Stiglitz et al., 2009). While it is not the first attempt, there have been several preceding works starting with the German System of Social Indicators in 1950 (GESIS – Leibniz Institute for the Social Sciences, 2007), followed by the major ones being the European System of Social Indicators in 1980s (Noll, 2002), the Genuine Progress Indicator (Australia) (Hamilton & Saddler, 1997), Society at a Glance (OECD, 2001), and Measure of America founded in 2007. Subsequent to the Report by Stiglitz et al. (2009), we find the publication in 2011 by the OECD titled *How's Life?* (OECD, 2011), and an initiative like Social Progress Index launched in 2014 (Porter & Stern, 2014). On top of these attempts, almost universally approved targets of socioeconomic and environmental development include Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development, which has surpassed the earlier adopted initiative promulgated as the Millennium Development Goals (MDGs) (Sachs, 2012; UNDP & World Bank Group, 2016). While surpassing MDGs, it is worth noting that, SDGs should not be perceived “as a revision, extension and successor of the MDGs” (Spangenberg, 2017, p.312). Many states across the globe, including Azerbaijan, incorporated the Agenda 2030 and SDGs into both their national and sub-national development plans and strategies, adopting tailored measures aimed at attaining the related targets.

### 3. Socioeconomic Development Efforts in Azerbaijan

Being a post-Soviet country, the Republic of Azerbaijan has experienced an abrupt transition from state-controlled to capitalist economy<sup>9</sup> in the early 1990s following its independence from the Soviet Union in 1991. In the imperative of improving socioeconomic situation in the country, several major State Programs have been adopted to date by the Government of Azerbaijan (GoA), as indicated below.

- Decree of the President of the Republic of Azerbaijan on measures to accelerate socio-economic development in the Republic of Azerbaijan signed on November 24, 2003.<sup>10</sup>
- Decree of the President of the Republic of Azerbaijan on the approval of the State Program for the socio-economic development of the regions of the Republic of Azerbaijan (2004-2008).<sup>11</sup>
- Decree of the President of the Republic of Azerbaijan on the approval of the State Program for the socio-economic development of the regions of the Republic of Azerbaijan in 2009-2013.<sup>12</sup>
- Decree of the President of the Republic of Azerbaijan on the approval of the State Program for the socio-economic development of the regions of the Republic of Azerbaijan in 2014-2018.<sup>13</sup>

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<sup>9</sup> The extent to which it is a capitalist economy is as much debatable as other economies claiming to be capitalist around the globe. However, the author does not venture into that realm in this study.

<sup>10</sup> *Azərbaycan Respublikasında sosial-iqtisadi inkişafın sürətləndirilməsi tədbirləri haqqında*. (2003). E-QANUN. Retrieved May 3, 2024, from <https://e-qanun.az/framework/1392>

<sup>11</sup> *Azərbaycan Respublikası Regionlarının sosial-iqtisadi inkişafı Dövlət proqramının (2004-2008-ci illər) təsdiq edilməsi haqqında*. (2004). E-QANUN. Retrieved May 3, 2024, from <https://e-qanun.az/framework/4797>

<sup>12</sup> *Azərbaycan Respublikası Regionlarının 2009-2013-cü illərdə sosial-iqtisadi inkişafı dövlət proqramının təsdiq edilməsi haqqında*. (2009). E-QANUN. Retrieved May 3, 2024, from <https://e-qanun.az/framework/16721>

<sup>13</sup> *Azərbaycan Respublikası Regionlarının 2014-2018-ci illərdə sosial-iqtisadi inkişafı Dövlət Proqramı'nın təsdiq edilməsi haqqında*. (2014). E-QANUN. Retrieved May 3, 2024, from <https://e-qanun.az/framework/27284>

- Decree of the President of the Republic of Azerbaijan on the approval of the State Program for the socio-economic development of the regions of the Republic of Azerbaijan in 2019-2023.<sup>14</sup>

The main goal of these State Programs was to ensure sustainable and balanced development of the regions in the Republic of Azerbaijan. This included fostering a competitive economy based on the principles of sustainable development, improving both the material well-being (standard of living) and the overall well-being and support systems (social welfare) of individuals or communities, promoting efficient use of natural resources, and creating a favorable environment conducive to the establishment of an ecological security system for reliable protection of the environment. In terms of the results, there has been no comprehensive, rigorous, systematic, and bipartisan research conducted to evaluate the outcomes, outputs or impacts of the policy measures resulting from these State Programs.

Alongside the State Programs adopted by the GoA, a Development Concept titled “Azerbaijan 2020: Look into the Future” was adopted in 2011.<sup>15</sup> Ten years later, in 2021, following the liberation of the occupied territories by the Republic of Armenia, the GoA approved a new concept<sup>16</sup> called “Azerbaijan 2030: National Priorities for Socio-Economic Development,” which universally corresponds with the United Nations 2030 Agenda (UN General Assembly, 2015; Aliyev et al., 2023). The document stipulates the following five National Priorities to be achieved by 2030: (i) a steadily growing, competitive economy; (ii) a dynamic, inclusive society based on social justice; (iii) areas of modern innovations and competitive human capital; (iv) the great return to the territories liberated from occupation; (v) a clean environment and country of “green growth”.

Additionally, between 2011 and 2021, as part of Azerbaijan’s broader economic strategy for sustainable growth and development, the government adopted the “Strategic Roadmaps for the National Economy and Key Economic Sectors” in 2016 through a presidential decree.<sup>17</sup>

A survey of the policies adopted by the Government of Azerbaijan for the socioeconomic development of the regions presents an optimistic picture; however, questions remain regarding their implementation and outcomes. Similar to the State Programs, no comprehensive and systematic research has been conducted by either the Government or independent researchers to evaluate the outputs or outcomes of the Strategic Roadmaps. Nonetheless, a Monitoring and Evaluation Report<sup>18</sup> on the ‘Strategic Roadmaps for the National Economy and Key Sectors of the Economy in the Republic of Azerbaijan’ for 2017-2020, produced by the Center for Analysis of Economic Reforms and Communication (CAERC), concludes that “the Strategic Roadmaps have achieved their main goals

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<sup>14</sup> *Azərbaycan Respublikası regionlarının 2019–2023-cü illərdə sosial-iqtisadi inkişafı Dövlət Proqramının təsdiq edilməsi haqqında.* (2019). E-QANUN. Retrieved May 3, 2024, from <https://e-qanun.az/framework/41320>

<sup>15</sup> *Order of the President of the Republic of Azerbaijan on preparation of the “Azerbaijan 2020: looking into the future” Development Concept.* (2013). President.az. Retrieved May 4, 2024, from <https://president.az/en/articles/view/3689>

<sup>16</sup> *Order of the President of the Republic of Azerbaijan on approval of “Azerbaijan 2030: National Priorities for Socio-Economic Development.”* (2021). President.az. Retrieved May 4, 2024, from <https://president.az/en/articles/view/50474>

<sup>17</sup> *Milli iqtisadiyyat və iqtisadiyyatın əsas sektorları üzrə strateji yol xəritələrinin təsdiq edilməsi haqqında AZƏRBAYCAN RESPUBLİKASI PREZİDENTİNİN FƏRMANI.* (2016, December 6). E-QANUN. Retrieved November 12, 2024, from <https://e-qanun.az/framework/34254>

<sup>18</sup> *Monitoring and Evaluation Report on the ‘Strategic Road Maps for the National Economy and Key Sectors of the Economy in the Republic of Azerbaijan’ for 2017-2020.* (n.d.). Center for Analysis of Economic Reforms and Communication. Retrieved November 12, 2024, from <https://ereforms.gov.az/files/monitoring/pdf/en/6d3c17044848381aeb8b97dc28f101f1.pdf>

under the leadership of President Ilham Aliyev.” However, a policy paper produced by Aghayev & Mehtiyev (2021) indicates that despite the implementation of numerous state programs for regional socio-economic development since 2002, significant disparities and high inequalities persist among the country’s regions.

#### 4. Research Design and Data Analysis

This study employed a qualitative research design aimed at capturing local perspectives on socio-economic development in Shamakhi, Azerbaijan. The primary method of data collection was semi-structured interviews, complemented by direct observation during fieldwork.

Participants were approached in three types of locations chosen to capture diverse local perspectives: Shamakhi city center, Sabir town, and Marzandiyah village. This approach allowed the inclusion of urban, semi-urban, and rural voices within the district. The initial target was 10–20 participants; however, due to time and access constraints, six interviews were completed and deemed analytically suitable. While the small sample size limits generalizability, the diversity of sites and occupations provides meaningful insights into local socio-economic challenges.

A semi-structured interview guide was developed, covering key areas of socio-economic development such as employment, cost of living, access to education and healthcare, infrastructure, and perceptions of governance. Interviews lasted between 30–60 minutes and were conducted in Azerbaijani. Improvised conversation was encouraged to allow participants to elaborate on issues of personal importance.

Informed consent was obtained verbally prior to each interview. Participants were assured of confidentiality, and no identifying information is reported in the findings. To preserve anonymity, participants are referred to by interview number only.

All interviews were audio-recorded (with consent) and transcribed verbatim. Interview transcripts were coded manually, and recurring patterns were grouped into five overarching categories: (i) familiarization with data, (ii) generating initial codes, (iii) searching for themes, (iv) reviewing themes, and (v) defining and naming themes. Coding was carried out manually by the researcher. Five dominant themes emerged: unemployment, water scarcity, rising cost of living, access to healthcare, and access to education.

A major limitation in this study is the fact that the one-day timeframe of fieldwork restricted the depth of engagement and excluded seasonal variations in employment and agriculture. The small sample size also means findings should be interpreted as exploratory rather than representative. Nonetheless, the study provides a valuable qualitative snapshot of lived experiences in Shamakhi, which can inform larger-scale studies and policy debates.

#### 5. Key Findings

In response to the question “In general, how would you assess the socio-economic conditions in Shamakhi?”, all six interviewees are unanimous in the view that the socio-economic situation in Shamakhi is poor and underdeveloped. The response below illustrates what interviewee No.1 said: *“Our living conditions are challenging for a large family. I would say they are well below average, as I can’t meet all of my children’s needs. The monthly salary we receive never lasts until the end of the month; it’s always insufficient. Utility bills and food are both very expensive.”*

Overall, five key themes emerge from the analysis: unemployment, water scarcity, access to quality health services, access to quality education, and the rising cost of living.

With regard to employment and labor market, interviewee No.2 clearly expressed frustration with the following statement: *“There is no work. Where can I find a job? I’ve been looking for work for some time now. About a year ago, I visited several places, but no one hired me. Usually, you go to work as a laborer, but they don’t hire anyone. They offer jobs that are physically demanding, and you can’t keep up with them for more than a day. There are tough jobs, paying 12–13 manats a day, from morning to evening, but no one takes them. I wander around, but I don’t take those jobs.”*

On the way from the city center to Sabir town, a group of women working in vineyards reported receiving a monthly salary of 400 AZN. Their working hours are from 7 a.m. to 7 p.m., and they work without an official employment contract. They receive their salaries in person, not through an ATM. They mentioned that while prices have increased across the board, their salaries have not risen. Interviewee No.6 in Marzandiya village expressed the following statement regarding the issue of unemployment in the village:

*"I know the exact number of the population in this village. There are 1,150 people and 210 households. Imagine, only 5-6 teachers work at the school, and a few people are employed in the executive branch—everyone else in the village is unemployed. Some households have a pensioner, but others have none at all. People often travel to Baku for a day's work. There is a place called Papanin, near a bridge, where they wait until evening in hopes that someone will offer them work for 15-20 AZN. They work as laborers.*

*There is no solution. Forty-two families have relocated to Baku. Those who go to Baku for a day's work leave early in the morning, around 5 a.m., and return to the village at the end of the day. They do not have the means to rent a house there. Those with some resources buy cars and work as taxi drivers in Baku."*

Concerns about water scarcity and sanitation are widespread. The interviewees stated that water is available every other day, and they pay 5 AZN per month. Potable water is not available anywhere in the region. There is no sewage system in either the town or the villages, and the municipality has not addressed this issue to date. Most houses do not have access to hot water. A common view among interviewees is that municipalities are completely ineffective. Additionally, one interviewee, expressing a complaint against the municipality, notes: *"I participated in the municipal elections and submitted my candidacy. What I encountered was very troubling—fraud. If you look at what the head of the municipality owns, there is clear illegality. What he possesses does not correspond to the salary he receives."* Related to this topic, one of the interviewees firmly stated that they do not turn to anyone when they have a problem, as only God can solve their issues. This was in response to the question, "Which institution do you turn to when you encounter a problem in the area where you live?"

In response to the question, "Over the past three years, in which direction have you observed positive or negative changes?" Interviewee No. 6 mentioned only negative factors, stating: *"The village has a water problem. We pay 30 AZN for 10 days of water. Unreasonable inflation. Income inequality. We have not seen MP Tamam Jafarova even once."* In general, monopoly was identified as a main cause of the rising cost of living among the interviewed.

Another recurring theme in the interviews was the poor quality of healthcare in the region. The prevalent view among the interviewees is that there are no highly skilled physicians in the region, and they turn to the capital for better healthcare services. The interviewees overwhelmingly expressed that they do not have trust in doctors. In response to the question, "How satisfied are you with the services provided by hospitals and healthcare personnel in your area?" Interviewee No.6 stated that *"They [referring to the government] built a medical center, but it hasn't opened yet, and no medical personnel have arrived. When we need a doctor, we go to the center of Shamakhi. However, there are no doctors in the state medical institutions there either; instead, they work in private clinics."*

Lastly, the poor quality of education was a recurring theme throughout the data analysis. In response to the question, "Do you think children in your area have access to quality educational services?" the interviewees overwhelmingly responded, "No." One of the interviewees express the concern with the following statement: *"There are no conditions here for quality education. The roof of the village school leaks when it rains, and we have repeatedly applied to various authorities to have it repaired. Those parents who set a goal for their child to study, their children study. In most cases, this is rare. In the 10th and 11th grades, girls drop out of school and start families."* The most prevalent opinion is that the Government should improve the education and healthcare systems in the regions.

## 6. Discussion

The findings of this one-day study reveal significant socio-economic challenges faced by Shamakhi residents. The unanimous views expressed by the interviewees that the socio-economic conditions in Shamakhi are poor and underdeveloped is unfiltered indication of the level of socio-

economic development in the region and is in stark contrast against the Government's development agenda. The results do not align with what one would expect reading all those State Programs and Documents dedicated to the socio-economic development of the regions in the Republic of Azerbaijan, particularly considering the fact that a considerable sum of money from the state budget has been allocated every year to the implementation of those State Programs since 2003.

The respondents' insights provide a clear picture of the hardships. Unemployment, water scarcity, access to quality healthcare, access to quality education, and the rising cost of living are five main themes that emerge from the study findings.

The study findings reveal that population face economic pressures compounded by the rising cost of living, which interviewees attribute to monopoly practices. The account of Interviewee No. 6, detailing the significant expenses for basic needs (e.g., 30 AZN for 10 days of water) and the absence of visible political representation from MP, underscores a disconnect between constituents and their elected officials. This situation reflects broader systemic issues of income inequality and insufficient regulatory oversight in the region.

The results show that unemployment is a major concern in the region, which considerably affects their socioeconomic condition of the population in the region. Interviewee No. 2's frustration captures the lack of job opportunities and the physically demanding nature of available work, which often pays insufficient wages (e.g., 12-13 AZN per day). The situation described by the group of women working in vineyards further emphasizes this, as they endure long working hours (7 a.m. to 7 p.m.) for low monthly wages (400 AZN) without official contracts. This suggests significant labor rights issues and a lack of formal employment protections, given that the absence of official contracts and low wages further exacerbate economic vulnerabilities of the population. Moreover, Interviewee No. 6's account from Marzandiya village, highlighting the severe unemployment rate with only a few employed individuals among 1,150 residents, underscores the dire economic situation. The common practice of residents traveling to Baku for day labor, often returning exhausted and with minimal earnings, demonstrates both the resilience and the precariousness of the local labor force. These findings align with broader patterns of rural economic stagnation and migration driven by employment shortages.

Water scarcity is another critical concern among interviewees, as this problem affects both overall health and daily living. The fact that water is only available every other day (costing 5 AZN per month for limited water) and potable water is non-existent underscores the infrastructure deficiencies. Moreover, the absence of a sewage system further complicates sanitation issues. Interviewees expressed dissatisfaction with municipal performance, with one stating that "municipalities are completely ineffective," and others highlighting issues of fraud and distrust in local governance. The reliance on paying for basic water services out of pocket, as Interviewee No.6 indicated, reflects the burden placed on residents who already face employment inadequacies.

Another critical issue that emerged from the research is healthcare quality and accessibility. The consensus among interviewees is that there are no skilled physicians in the region and the need to travel to Baku for better medical services is concerning. Interviewee No. 6's comment about an unopened medical center with no staff underscores the disconnect between policy efforts and practical implementation. This disconnect fosters mistrust in public healthcare and increases dependency on private clinics, which jeopardizes affordability for all residents already facing financial insecurities.

The interviews also reveal that there exists widespread dissatisfaction with the quality of education in Shamakhi. The high dropout rates among girls in the 10th and 11th grades and the description of the village school with a leaking roof highlight both infrastructure and socio-cultural issues. Such kind of problems concerning education and lack of quality in the provision are worrying, as education is a fundamental driver of economic and social progress. The concern clearly indicates a need for policy intervention to enhance educational resources and facilities.

Finally, the interviews reveal a lack of trust in local governance. The statement from one participant about witnessing fraud during the municipal elections and another's view that "only God

can solve their issues” are powerful testaments to the perceived inefficacy and corruption of local institutions. This disillusionment with governance structures not only perpetuates socio-economic stagnation but also erodes community resilience and hope for meaningful change.

## 7. Conclusion

The analysis of the collected data presents a confluence of several policy problems that are interrelated. These insights contribute to a better and impartial understanding of the socio-economic landscape in Shamakhi. The findings show that the socio-economic conditions have not improved over the years and impede the region’s potential for long-term development, which points to the urgent need for comprehensive Government action to address these socio-economic challenges in the region. These findings also serve as a call to action for stakeholders to evaluate the implementation of the State Programs dedicated to the socio-economic development in the Republic of Azerbaijan since the year 2003.

Improving employment opportunities, investing in reliable water and sanitation infrastructure, enhancing healthcare accessibility, and ensuring quality education should be priorities. Future research should explore targeted policy interventions and their impact on regional socio-economic conditions.

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