

THE NEED FOR LEASING AND ITS ROLE IN THE ECONOMY

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Abstract

In this article, at the current stage of economic development, all countries use different tools and methods to achieve economic dynamics. One of them is the constant development and improvement of the financial sector and its individual segments. One of such segments is the leasing market. The development and expansion of leasing relations is one of the factors creating positive trends in the economy.

Keywords: leasing operations, investment, development

1. Introduction

At the current stage of economic development, leasing is used as an element that has multifaceted parameters and plays an important role in economic development. In the modern world, leasing is considered as a form of investment in various economic operations, as a specific form of credit operations, as a special tool used in the expansion and modernization of production processes, as a type of entrepreneurship, a special type of business and so on. used as. Due to its numerous economic parameters, high economic efficiency, and the necessary tools for each of the participants in the transaction, the size, boundaries, scope, etc. of leasing operations. is constantly expanding.

2. Theoretical and methodological aspects

There are different approaches to the interpretation of leasing transactions, depending on their economic nature and content. In their works, Russian scholars Leonid Stepanovich Tarasevich and Alexander Ivanovich Dobry regarded leasing as one of the modern forms of lending. (1, p. 411)

Another Russian scholar, OI Lavrushin, called leasing operations "credit-lease" due to its other economic nature. One of the most important approaches often found in the economic literature is that leasing is a direct investment. Such an approach is found in the works of Russian scientists VI Vidyapin and GP Juravlyov. (2, p. 69).

The increasing use of leasing operations in the developing economy, the growth of its boundaries and coverage has made this type of operation a necessary element in the market infrastructure. Such an approach is found in the works of the Russian scientist KR Tahirbeyov (4, p. 126).

Leasing is similar and similar to investment, credit and leasing transactions in many respects and principles. Based on the approach to such similarities and similarities, Azerbaijani economist MM Bagirov calls leasing a property lease operation. (3, p. 299)

Each of these approaches has a logical basis. The interpretation of leasing as one of the modern forms of lending is based on the fact that the principles of leasing operations, ie the

principles of payment, timeliness, repayment, purposefulness and security are the same as in lending operations.

Researchers do not agree on the conditions, necessity and geographical location of leasing. From this point of view, it can be said that the first places of leasing in historical sources are Ancient Rome, Mesopotamia, Ancient Egypt, medieval England, the United States and others. However, taking into account the needs of the parties to the object of leasing, such as the need for leasing, has not changed in any period of historical development.

According to some sources, the first signs of leasing were found in rental operations in Egypt and Mesopotamia in the fifth millennium BC. (6, p. 116)

In another source, scholars find the first signs of leasing in Hammurabi's laws, that is, from 1792 to 1750 BC. Other sources point to ancient Rome as the origin and spread of leasing. Widespread rental relations are considered to be the primary form of leasing relations. Such agreements could be concluded for a period not exceeding five years. The main condition was that the lessee could transfer the movable or immovable property to the other party, ie the lessee, in order to make a profit. (5, p 50)

A new stage in the development of leasing in England began in the late XIX century, or rather in 1889 with the adoption of the law on tractors. Prior to the enactment of this law, a lease was considered a lease. Upon expiration of the predetermined term of this agreement, the lessee acquired the right of ownership of the leased property. This was not his right, but his duty. Rather, the right to this property was forcibly transferred to the lessee. After the adoption of this law, the lease agreement was determined on such terms that the lessee could buy the leased property. However, this was not his duty, but a legal one. As a result of such changes, the leasing market in the country was gradually improving.

In the nineteenth century, industry in the United States developed, property relations improved, and the level of demand of the population as well as companies changed. Against the background of these relations, different forms of leasing were emerging in different states of the United States. One of these and more common was the Philadelphia uniform. According to this form, after the expiration of the lease of transport equipment, the lessee gained the right to use the equipment alone. Such a form was based on a trust agreement, the essence of which was to give the lessee the right to use the equipment as a monopolist. This situation led to the strengthening of monopolies and, ultimately, to the emergence of negative tendencies. Thus, the emergence of operational leasing, one of the most important types of leasing, was formed by the rules.

The adoption of the Clayton Act in the United States in the 1970s facilitated leasing operations in accordance with market rules. Until then, leasing agreements were used as a means of restricting competition. After the adoption of Clayton's law, it was forbidden to set different levels of pricing for the same operation in the conditions of price discrimination, ie in the presence of imperfect competition. Thus, many conditions unfavorable for lessees were abolished and the leasing market began to develop further.

At the time, it was another area of activity that reflected the rapid development of leasing in the United States. Historical sources indicate that Bell Telephone Company, a well-known US telephone company, used leasing to distribute telephones on a large scale. The company believed that it would make more money by leasing its telephones than by selling them, and in 1877 it canceled sales and began leasing telephones to its customers.

A number of historians and Austrian researcher W. Hoyer point out in their works that the first use of leasing in the economic literature took place in 1877 as a result of operations carried out by the same telephone company. (7, p. 110).

Research shows that the role of the United States in the development of leasing operations, its formation as a type of economic activity is irreplaceable. The structuring of this type of operation, the organization and improvement of the management mechanism, the methods and forms of financing from various sources have become more widespread in this country since the middle of the last century. According to sources, after the Second World War, leasing operations in the United States became more sophisticated. There are several reasons for this. The first reason was that the country's economy was developing strongly and there was a need to apply more advanced financing methods to ensure the rapid development of sectors of the economy. The second reason was that in this country - scientific and technical development was rapid, and as a result, manufacturers were forced to update their technical arsenal. Leasing was a very effective tool to successfully manage this process. The third reason was that the country had a stable financial market and a reliable credit market, and the leasing market was very favorable for the efficient and reliable use of the resources of this market.

Recognizing the importance of leasing in the economy and its growth in the economy, the US government has adopted the necessary state program for the development, organization and improvement of leasing. For this reason, many scholars consider the United States to be the birthplace of leasing as a new type of business.

The growth of the company, the increase in its supporters, the expansion of its scope of activities have created conditions for the company to conduct leasing operations abroad. As a result of its joint activities with foreign partners, the international form of leasing, ie one of the participants in the leasing operation, one of the subjects, a foreign citizen, firm, organization, etc. where the form occurred. As a result, two important forms of leasing in the economic literature are the concepts of domestic and international leasing. As a result of this process, US Leasing Corp. expanded its operations by establishing its own firms in several foreign countries, and the company was renamed United States Leasing International Inc. to reflect this activity. In a short time, the company expanded its operations in Canada, England, Germany, Mexico, France and Italy.

In 1957, Sepafitcc, the first leasing company in France, was established. Its founder was the Banque del'indochine. In 1962, the company was renamed Localf-rance, and its main activity was the leasing of industrial equipment. The establishment and successful operation of this company led to the further development of the leasing market in France. In a short period of time, ie in 1962-1965, about 30 large leasing companies were established in France. Over the next 20 years, the number of leasing companies doubled to 60. The annual value of their leasing agreements in 1988 was about 60 billion francs. Their main focus was the leasing of machinery, equipment and vehicles, ie movable property. The establishment of leasing companies in the country has become widespread. By 1990, there were about 100 leasing companies in the country, many of which had become companies specializing in the leasing market by conducting a specific number of operations. Specialized leasing companies in this country have played an exceptional role in the development of the economy. Because the state has widely used leasing operations to achieve rapid economic development, supported the activities of leasing companies, helped them in various ways to achieve their goals. In particular, the country has made extensive use of state leasing in the development of regions. In this country, leasing has been promoted as an important element of state programs in the development of the regions, and tax incentives for this type of activity have been applied and its widespread development has been achieved.

Italy is one of the European countries that widely uses leasing operations in the development of the country's economy. Leasing companies in this country began to be

established in the late 50s and early 60s of the last century. According to sources, the first officially registered leasing company was established in 1963 in Italy. (82, p. 219). As a result of the favorable conditions created by the state for this business, more than 2,000 leasing companies have been established and operated here for 20 years. Several large Italian leasing companies have been operating on a larger scale and have achieved effective results in international leasing. These include: "Italian", "Locat", "Savalizing", "Lokafit", "Gentroleasing". Such large leasing companies provided various leasing services to more than 30,000 enterprises operating in the country and abroad. (82, p. 116).

Analyzing the conditions and development of leasing in the world, we see that since the beginning of the second half of the last century, or more precisely in the 60s, American leasing companies have spread to the countries of Asia and led to the widespread use of leasing. As a result, leasing operations have become widespread in the economy of Japan, one of the strongest countries in Asia. The strongest period of leasing development in this country also dates back to the 60s and 80s of the last century. At that time, the number of large leasing companies exceeded 10,000 and covered almost all sectors of the country's economy. Leasing has specific features in this country. Thus, leasing companies provided comprehensive services to those who need this type of service. For this reason, leasing in this country was called complex services leasing. In order to carry out complex service leasing, the lessor provided the user with a package of services, which also included the terms of financing, sales and other terms of leasing, and even debt settlement options.

Another country where leasing has developed strongly is Australia. Over the past five years, ie 2014-2018, the country ranked first in the world in terms of the share of leasing in total investment in fixed assets. In 2014, this figure was 33.47%, in 2015 34.6%, in 2016 34.8%, in 2017 35.01%, in 2018 35.32%, the last five At the end of the year, it averaged 34.64%. According to this indicator, Australia is the country with the strongest leasing development, including Canada (26.95%) - 7.69%, the United Kingdom (26.60) - 8.04%, Sweden (23.24%) - 11.4%. , Ahead of the United States (22.52) - 12.12%. Trends in the world leasing market show that in 2014-2018, the first place in the volume of leasing agreements concluded by countries in relation to GDP were occupied by the United Kingdom, Germany, Denmark, the United States, Australia, Canada, The United Kingdom, Sweden, the United States, the United Kingdom, Germany, France, Italy and Sweden rank first in terms of the value dynamics of leasing agreements. The ranking of countries on these key indicators shows that the two most important centers of leasing operations are the United States and Europe.

Given the role of leasing in the development of countries' economies, the Ottawa Convention on International Financial Leasing was adopted in 1988 to regulate this type of activity at the international level. The purpose of adopting this convention was to apply uniform norms and rules on leasing.

The main reason for the great attention paid by the world community to leasing operations is the role of leasing in the economy. In the practice of developed countries, leasing is of particular importance in the mobilization of financial resources, as well as the integrated development of the real and financial sectors. This type of operation combines production investments and other sources of financing as an invaluable tool both in nature and structure, and has a multiplier effect in ensuring economic development. These operations are usually carried out by banks, other financial institutions and specialized leasing companies.

Leasing operations are currently carried out in most countries of the world in accordance with internationally accepted rules. These operations serve as a source of investment financing in developed countries, as a large, large landfill for the use of loans, the attraction of free cash

in safe circulation, and so on. widely used as a means. Through these operations, new techniques and technologies are easily involved in the production process, capital capacity techniques and technologies are successfully applied in the real sector.

The growing role of leasing in the economy, the expansion of its scope, the acquisition of an important economic character has made this type of activity one of the necessary indicators in determining the level of economic development of countries.

There are many parameters that determine the role of leasing operations in the economy. This is primarily due to the fact that this operation is a factor in the development of intermediation in the investment process, as well as in the financial sector. The role of leasing is related to the decision on the use of such funds for leasing operations, the definition of the purpose of the chosen direction, the selection of the object of leasing to be invested, the organization, regulation, management and evaluation of the results of leasing. It is through this operation, ie leasing, that free cash and other sources of finance become long-term assets in the real sector and become a source of new value.

3. The Result

Thus, leasing as one of the most important areas in the economy of the country is constantly developing the financial sector. Proper and effective application of leasing relations accelerates the development of industries, the application of new techniques and technologies, as well as plays a multiplier role in solving the upcoming macro and micro level problems. From this point of view, our research revealed the content and essence of leasing, studied its history and evolution, and substantiated its role in the economy. The role of leasing forms in the development of society has been proven on the basis of scientific evidence. As the economy develops, leasing relations improve, its sphere of activity expands and its role in economic development increases.

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