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FORMATION AND DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES IN THE LIBERATED TERRITORIES

Summary

The article will focus on the development and formation of small and medium enterprises in the liberated territories. Today, the people of Azerbaijan are living the most memorable and glorious days of history. Under the far-sighted policy and strategic leadership of the Supreme Commander-in-Chief, President İlham Aliyev, the glorious Azerbaijani Army has given us happy days of victory by liberating Karabakh territories have longed for and occupied by our hated neighbor for nearly thirty years. At such a joyous moment, it is time to write about the economic potential of these areas and determine the direction of business development, provided that it is used effectively. Of course, the historical and cultural significance of these territories for the people of Azerbaijan far exceeds any economic values. It is gratifying to note that the liberated territories have a rich economic potential. The new economic value created based on the integration of these territories into the country's economy will often exceed all the financial costs of the Azerbaijani state for the restoration of the regions.

Key words: *Azerbaijan, entrepreneurship, small, medium, occupation, territory*

Azad olunmuş ərazilərdə kiçik və orta müəssisələrin formalaşması və inkişafı

Xülasə

Tədqiqatda işğaldan azad edilmiş ərazilərdə kiçik və orta sahibkarlığın inkişafı və formalaşmasından bəhs ediləcək. Bu gün Azərbaycan xalqı tarixin ən yaddaqalan, ən şərəfli günlərini yaşayır. Ali Baş Komandan, Prezident İlham Əliyevin uzaqgörən siyasəti və strateji rəhbərliyi ilə şanlı Azərbaycan Ordusu otuz ilə yaxındır ki, həsrətini çəkdiyi və mənfur qonşumuz tərəfindən işğal olunmuş Qarabağ torpaqlarını işğaldan azad edərək bizə xoşbəxt qələbə günləri bəxş etdi. Belə bir sevindirici məqamda bu sahələrin iqtisadi potensialından yazmaq, ondan səmərəli istifadə etmək şərti ilə biznesin inkişaf istiqamətlərini müəyyənləşdirmək vaxtıdır. Təbii ki, bu ərazilərin Azərbaycan xalqı üçün tarixi-mədəni əhəmiyyəti istənilən iqtisadi dəyərlərdən qat-qat üstündür. Sevindirici haldır ki, işğaldan azad edilmiş ərazilər zəngin iqtisadi potensiala malikdir. Bu ərazilərin ölkə iqtisadiyyatına inteqrasiyası əsasında yaradılan yeni iqtisadi dəyər çox vaxt Azərbaycan dövlətinin regionların bərpası üçün bütün maliyyə xərclərini üstələyir.

Açar sözlər: *Azərbaycan, sahibkarlıq, kiçik, orta, işğal, ərazi*

Introduction

During the development of entrepreneurship. As a result of successfully implemented state programs over the past years, the agricultural sector has developed to eliminate food security in the country. In 2020, enterprises, organizations, and individual entrepreneurs produced a gross domestic product of 72.4 billion manats. Determining financial sources to achieve the results calculated for 2021-2025 and beyond has always been a priority. When studying the features of the financing of small and medium enterprises on a theoretical and economic basis, it should be borne in mind that funding from internal sources harms the sphere of small businesses and individual financial entities. Targeting essential measures such as financing small and medium-sized companies in various sectors of the national economy based on diversification may result in the expansion of this sector in the coming years. At the same time, the production of local products and raw materials that will replace imports will increase. As a result, the country's demand for consumer goods will be met through local products, and exports will be encouraged. This, in turn, will prove to be the primary goal of small and medium business development in the country. In general, the development of the national economy makes it

necessary to determine the financial security of small and medium-sized businesses to develop them. The approved Strategic Roadmap framework for growing small and medium enterprises is planned to implement essential measures aimed at 2025. Research shows that small businesses can't reduce and eliminate funding difficulties without government intervention. This should not be understood as directing budget funds to the use of any entrepreneur. On the other hand, every micro-firm doesn't need to become a small, medium, and large enterprise. However, the experience of developed countries shows that the initial financial capital is one of the best conditions for expanding the size of a small enterprise

Formation and development of small and medium enterprises in the liberated territories

It is safe to say that the favorable business environment to be created in the liberated territories, the formation of micro, small and medium enterprises will give a significant impetus to the dynamic development of the non-oil sector.

The material basis of this confidence will be the natural resources of the liberated territories, and the socio-economic base will be selfless and proud people returning to their native lands.

The main task facing the present and future generations is to ensure the sustainable socio-economic development of Karabakh by using these resources sparingly. It must also be acknowledged that it will not be easy to restore the territories, real estate, material and spiritual wealth destroyed by Armenian vandals in a short time. But it is also safe to say that the President of the country, who put an end to 30 years of longing for our people, successfully led the process of liberation of our native Karabakh with his courage, far-sighted policy, diplomatic skills and determination, was awarded the highest military rank and the title of National Hero. With the direct support of İlham Aliyev, these difficult and very complex socio-economic problems will soon be resolved.

Decree of the President of the Republic of Azerbaijan dated October 29, 2020 "On the organization of temporary special administration in the liberated territories of the Republic of Azerbaijan" - the establishment of temporary commandant's offices in the liberated territories and the representation of state bodies protection and restoration of territories, protection of special facilities that are a source of high danger to people and the environment, protection of public safety and other important issues.

On the other hand, the President of the country provided assessment and elimination of damage caused to civilians, state property, including infrastructure facilities, as well as business entities as a result of the aggression of the Armed Forces of the Republic of Armenia on the territory of the Republic of Azerbaijan on November 6, 2020. A special State Commission was set up to assess the damage and submit proposals to the President on the funds required for their elimination, full restoration of damaged facilities and repair and construction work, and to ensure the creation of a single database on expenditures. (MXİT 2020).

For the organization, management, and development of entrepreneurship in the autonomous regions, a complex legal, organizational-economic, technical-technological, social, environmental, etc., that meet the requirements of modern times, reflect the best international practices, and are based on a systematic approach. Development and implementation of character measures are required. In other words, a conceptual approach should be preferred for the rehabilitation of areas. First, it is essential to note that the existing normative-legal documents do not implement measures directly for the liberated regions. In this case, Fizuli, Agdam, and Tartar regions can be partially excluded. However, if we consider that during the war, our hated neighbor fired on these areas and other sites and caused a lot of destruction, then it is not difficult to determine the scale of the work to be done. In our opinion, large-scale restoration and construction work in these areas should be carried out by international standards and modern requirements, and socio-economic measures should be implemented in the following three areas:

- regions to be partially restored (Agdam, Fizuli, Tartar, Barda, Agjabadi, Ganja);
- relatively less rehabilitated regions (Khankendi city, Khojaly, Shusha, Khojavend);
- districts to be fully restored (Jabrayil, Kalbajar, Lachin, Gubadli, and Zangilan).

Given the need for a legal framework for each measure, it is essential to urgently develop and adopt the Law of the Republic of Azerbaijan "On Liberated Territories," a state program for its complete restoration and socio-economic development as the Strategic Road Map.

Another urgent measure is to determine the number and demographic composition of the population to be returned to the liberated areas in stages. Implementing this process is inevitable because all settlements and infrastructure in the accessible rooms have been destroyed. Therefore, it will take time for them to recover.

In our opinion, to effectively use the fertile lands liberated from occupation, it is expedient to give preference to a systematic location in the restoration or reconstruction of settlements and village houses. At the same time, taking into account the relief of the area, the population will receive 600-1000 manats per square meter for the restoration of previously lost property and land reform after demining and demolition. It should be clarified. The construction of multi-story buildings in the cities and settlements of Karabakh and the construction of broad and well-developed streets may be preferred.

The existence of numerous mineral deposits in Karabakh may allow the establishment of joint mining and non-ferrous metal enterprises in the Kalbajar and Zangilan regions;

The existence of 46 settlements in the region, as well as the real industrial potential of cities, can realize the possibility of creating 28 industrial and service neighborhoods there;

- Establishment of a modern technopark with the participation of existing industrial enterprises, scientific and educational institutions by creating the Shusha Regional Scientific Center of ANAS, a branch of the High Technology Park of ANAS in Shusha, can allow effective use of the city's economic potential;

Establishment of branches of "Azerkhalcha" OJSC in Aghdam, Jabrayil, and Gubadli districts, development of cocoons in these and other favorable conditions can give impetus to the dynamic development of micro and small business;

Given the large mineral water reserves in Kalbajar, Lachin, and Shusha, the establishment of a relevant business entity for the packaging and consumption of a wide range of water there can also provide high economic benefits;

The establishment of border-free trade zones in Fizuli and Jabrayil districts could expand the region's export potential;

The existence of historical monuments in Shusha, Fuzuli, Jabrayil, Gubadli, Zangilan districts will ensure the development of tourism there;

Organization of individual and micro-entrepreneurial activities in various fields of agriculture under the self-employment program to be developed within each administrative region of Karabakh (BİDP 2017).

Increasing the number of world-famous Karabakh horses by the individual, micro, and small entrepreneurs.

It would be helpful to give preference to the use of alternative and renewable energy sources in the mountainous villages and settlements of the regions, in the facilities of individual, micro, and small businesses, as well as in individual houses, using the existing and successful experience of brotherly Turkey.

In our opinion, after the full settlement of the population in Karabakh:

- Being a branch of the newly established National Conservatory, all-purpose music schools in Shusha, the new Mugam House to be built, business entities engaged in producing musical instruments, orchestras, and ensembles of folk instruments, etc. Creating a Music Cluster;

- Restoration of all music schools in the regions;

- Establishment of "ASAN" service and "DOST" centers in cities with favorable positions;

At the end of the last century, despite a difficult historical period, Azerbaijan was recognized in the world as a country that confidently went through a significant evolution in its socio-economic and cultural life and ensured a stable, secure, and modern standard of living. The country's international prestige has increased significantly, the traditions of statehood in society have been strengthened, and the construction of modern socio-economic infrastructure has been successfully implemented. High financial opportunities from economic development have contributed to macroeconomic stability and growth for many years, creating a solid potential for security.

The following five National Priorities for the socio-economic development of the country should be implemented in the next decade:

1. steadily growing competitive economy;
2. a society based on dynamic, inclusive, and social justice;
3. Competitive human capital and space for modern innovations;
4. Great return to the liberated territories;
5. Clean environment and "green growth" country.

The National, as mentioned earlier, Priorities are also of particular importance in the implementation of the commitments arising from the United Nations "Transformation of our World: Agenda for Sustainable Development until 2030."

In the long run, economic growth must be healthy and balanced. Such economic growth will create a solid foundation for sustainable development. The following two goals must be achieved for the effective implementation of this priority:

- sustainable and high economic growth;
- resistance to internal and external influences.

Economic growth is one of the main factors affecting the lives of citizens. By increasing the economy sustainably and at a high pace, a high level of per capita national income must be achieved. Economic growth should ensure an annual improvement in living standards by creating high-income jobs.

New "driving forces" must be found for sustainable economic growth, profound national economy diversification, and the full realization of export potential for goods and services. Although the oil sector is one of the pillars of socio-economic development, the non-oil economy must become the development center.

Economic growth must be based on advanced and effective private initiatives and strengthened public-private partnerships. The activity of the innovative private sector should be revived, and the share of the private sector in financing the non-oil sector should be increased.

For the private sector, tiny and medium enterprises, to become a significant source of economic growth and employment, the business environment must be significantly improved, transparency in the judiciary must be increased, and unfair competition must be prevented. A new and transparent privatization strategy must be implemented. The economic efficiency of business promotion mechanisms should be increased. Tax and customs policy should stimulate entrepreneurship while creating adequate opportunities to ensure the state budget expenditures.

To fully meet the needs of present and future generations, the use of environmentally friendly "green" technologies should be expanded. Based on the scientific and technical potential, the share of alternative and renewable energy sources in primary consumption in all sectors of the economy should be increased, and the impact on climate change should be reduced. In addition, the use of environmentally-friendly vehicles will have a positive effect on the environment and air quality.

In 2020, the Agency will continue to work in this direction, actively participate in the process of improving the business environment, improving public services and legislation in the SME sector, the creation of new SMEs and the development of existing SMEs, protection of legitimate interests of entrepreneurs, SME markets, supported access to knowledge and innovations, financial resources. Last year was difficult for Azerbaijan, as it was worldwide. On the one hand, our country fought against the coronavirus (COVID-19) pandemic, and on the other hand, against Armenia, which once again resorted to military provocation against Azerbaijan. As a result of the determination of the President of the Republic of Azerbaijan, Commander-in-Chief of the Armed Forces Ilham Aliyev, the courage of the victorious Azerbaijani army, this provocation was prevented, the 44-day Patriotic War ended with a great victory of our country. Unfortunately, as a result of the Armenian military provocation, the civilian population and infrastructure facilities and SMEs were severely damaged. The pandemic also created certain difficulties and limitations for business in 2020. The Azerbaijani state visited the entrepreneurs affected by the pandemic and the military provocation of Armenia and provided them with appropriate assistance. KOBIA also stood by the entrepreneurs with various support and services in 2020, which is difficult for business. You will find detailed information about the Agency's activities in 2020 in this issue. This publication is also a report of KOBIA to the business community and other stakeholders,

based on the principles of transparency and entrepreneurial satisfaction. We believe that this publication, which reflects various aspects of KOBIA's activities in 2020, will serve as an important source of information for entrepreneurs and other stakeholders seeking information about the Agency's activities (AİƏB 2020).

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