

## **THE ROLE OF SMALL AND MEDIUM-SIZED BUSINESSES IN THE ECONOMIC RECOVERY OF THE KARABAKH REGION IN THE POST-WAR PERIOD**

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The sustainable development of the Azerbaijani economy depends on the social and economic development of the regions. The role of the state in the revival of the economy in the territories liberated after the Second Karabakh War is very important. At the same time, in the context of the availability of the possibility of obtaining priority status, it is of great importance to use the experience of other countries in similar situations. In this regard, the creation of a new Karabakh economic region and the East Zangezur economic region by the decree of the President of the Republic of Azerbaijan dated July 7, 2021 plays an important role in their economic development. For the social development of the liberated territories, it is necessary to create, restore and develop the infrastructure of the region, including roads, reclamation and irrigation systems, electricity, gas and water supply, sewerage. At the same time, it is important to develop social infrastructure, including education and healthcare. In the liberated territories, priority should be given to ensuring the full functioning of state and municipal bodies, the development of competitive sectors of the economy and employment of the population, including self-employment.

Priority areas also include the gradual return of the population who left their homes during the hostilities to their ancestral lands, taking into account economic and social issues, the development of human capital, the attraction of foreign and local investment along with public investment, the development of entrepreneurship, especially micro, small and medium business, including innovative, new technologies, support for economic development on the principles of a green economy.

Starting from the current year, there is a need to finance measures to continue these activities on a larger scale in the coming years, to organize conditions for living and business activities of our citizens returning to their homes, and to restore economic activity in these areas. At the same time, it is planned to cover the damage caused to the civilian population, state property, infrastructure facilities, business entities in the settlements located outside the battlefield and exposed to destruction under the constant fire of the enemy armed forces at the expense of the state. At the same time, the state will focus on supporting the improvement of material and social conditions of military servicemen and families of martyrs, ensuring their necessary needs, payment of material, medical and other social expenses. On this basis, appropriate funds are provided to support the work to be done through the state investment program, especially on liberated lands. All measures aimed at increasing the efficiency of the work to be done in the freed areas, besides the

centralized settlement, are going to be carried out on the fundamental to a single concept under the Strategic Action Plan.

Reconstruction of the region using the most advanced innovations based on a modern urban concept and, at the same time, taking into account the availability of sufficient alternative energy sources in the liberated territories, the transformation of the region into a "Green Energy" zone is of great importance. Taking into account the best international experience, the cities and villages of the region will be reconstructed on the basis of the concept of "smart city" ("Smart City"), "smart village" ("Smart Village"), which in turn will create conditions for the creation of enterprises in this region and development of all types of tourism.

In addition to the funds allocated for these purposes from the state budget, domestic and foreign investors will also be attracted. The reunification of these regions will have a positive impact on the economy of Azerbaijan and will contribute to financial development. Since the recovery period of Karabakh is multi-layered, new opportunities will be created for the improvement of many small and medium-sized businesses, not only in these territories, but throughout the country as a whole.

Following the new framework for strategic management of economic policy, created in Azerbaijan upon the order of the President, the Karabakh region will constantly develop and reintegrate into the life of the country. The development strategy of Karabakh can be carried out by consistent implementation in terms of time and regions and according to the priorities below. To ensure the implementation of the development strategy of Karabakh, a management, monitoring and evaluation mechanism, as well as a transparent and accountable financing mechanism, can be created. In order to determine the social aspects of the economy in the Karabakh economic region, it is important to determine the internal economic policy of the region. In general, regional economic policy is understood as a system of goals and objectives of government agencies to manage the socio-economic development of the regions, as well as a mechanism for their implementation. Regional policy is part of the overall socio-economic policy of the state. It is a complex of legislative, administrative, socio-economic and other measures implemented by the republican and local governments in the form of close cooperation with the use of natural resources and protection of the environment, employment, urban planning and social policy, as well as other areas of state activity.

The main goal of the regional economic policy of the Republic of Azerbaijan is to provide favourable living conditions for people regardless of their place of residence and increase the contribution of all regions to the solution of national problems through the effective use of competitive advantages, as well as the formation of new growth zones.

The main directions of the regional policy on the Karabakh economic region are as follows: ensuring the location of production facilities and the integrated development of the regions, as well as the balance; creation of conditions for the balanced increase and use

of renewable natural resources, as well as efficient use of non-renewable natural resources; to ensure the self-development of the regions, to stimulate economic activities focused on the results of their activities; flexibility of regional economic policy, consisting of continuous analysis of the state's impact on the development of the regions, ie rapid adjustment of tasks and principles, timely abandonment of ineffective and ineffective methods and tools of state regulation, taking into account the nature of changes in the regions; partnership providing close interaction of public administration bodies, local governments and self-government bodies, businessmen, public organizations and other stakeholders in defining strategic directions of state regional policy and implementing measures for its implementation.

The socio-economic development of the regions will be determined in advance by the innovation of the products produced, the growing role of small and medium enterprises and the level of use of local natural resources as much as possible. Preference will be given to regional development areas that provide high-quality economic growth parameters (increasing the profitability of economic activities, increasing labour productivity, reducing energy and material consumption of products, works and services). The most important task of regional policy is to support "growth zones". These include industrial centers, high-efficiency agricultural areas, free economic zones, technology parks and innovation centers.

The development of complex projects for security, construction of new infrastructure and development of demographic infrastructure in Karabakh seems realistic. On this platform, the joint efforts of the public, private sector and scientists should develop the tourism potential of Nagorno-Karabakh from scratch, attract natural and anthropogenic tourism resources. I would like to emphasize the mountainous and mountain tourism in the territory of Karabakh. He thinks that Karabakh will develop as a zone of reconstruction, antiquity, historical and cultural monuments, Ethno tourism. It will be one of the most beautiful tourist destinations in the world.

Thus, as a result of the implementation of new infrastructure projects will affect the work of our citizens. Economic development will create new jobs. The formation of our victorious army is an attempt to stimulate the development of the non-oil sector and the further prosperity of the Azerbaijani economy.

#### **Literature.**

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