

THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN

AZERBAIJAN STATE UNIVERSITY OF ECONOMICS

INTERNATIONAL CENTER OF GRADUATE EDUCATION

MASTER DISSERTATION

on the topic

**“STRATEGIC DIRECTIONS FOR THE DEVELOPMENT OF INVESTING
ACTIVITIES OF REGIONAL ENTERPRISES IN SHUSHA”**

Gurbanli Nisa Emil

BAKU – 2022

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Elm andı

Mən, Qurbanlı Nisə Emil qızı and içirəm ki, “Strategic directions for the development of investing activities of regional enterprises in Shusha” mövzusunda magistr dissertasiyasını elmi əxlaq normalarına və istinad qaydalarına tam riayət etməklə və istifadə etdiyim bütün mənbələri ədəbiyyat siyahısında əks etdirməklə yazmışam.

XÜLASƏ

Tədqiqatın aktualığı: Azərbaycan öz ərazi bütövlüyünü bərpa etdikdən sonra ölkə üçün ən vacib məsələlərdən biri də məhz işğal zamanı dağıdılmış ərazilərin bərpası ilə bağlıdır. Qarabağın incisi olan Şuşanın yenidənqurulma prosesi və bu ərazilərə investisiya cəlbi də gələcək illər üçün aktualdır.

Tədqiqatın məqsəd və vəzifələri: Tədqiqatın məqsədi bərpa olunma və yenidənqurulma prosesində istifadə olunacaq strateji yolların müəyyənləşdirilməsidir.

İstifadə olunmuş tədqiqat metodları: Tədqiqatda istifadə olunmuş modellər ekonometrik və riyazi statistik modellərin tədqiqindən və SWOT analizindən ibarətdir.

Tədqiqatın informasiya bazası: Tədqiqat işinin məlumat bazası ikinci tərəflərin informasiya bazasından toplanmışdır. Azərbaycan Respublikası və onun müxtəlif ərazilərinin iqtisadi göstəriciləri Dövlət Statistika Komitəsinin, İqtisadiyyat Nazirliyinin və Maliyyə Nazirliyinin OECD və beynəlxalq jurnalların informasiyalarına əsaslanır.

Tədqiqatın məhdudluğu: Tədqiqatın əsas məhdudluğu Şuşa şəhərinin 2020-ci ilə kimi işğal altında olması və bununla bağlı olaraq da 30 ilə yaxın müddət ərzində elmə məlum olan yetərli iqtisadi məlumatların əldə olunmamasıdır.

Tədqiqatın elmi yeniliyi və praktiki nəticələri: Tədqiqat zamanı əldə olunmuş ən əsas nəticə onu göstərir ki, Şuşa şəhərinin bərpa olunması onun bənzərsiz gözəlliyinə və tarixinə zərər vurmada aparılmalıdır və bunun üçün ən yaxşı üsullardan biri turizm və ictimai iaşə kimi sahələrin inkişafına əsaslanıla bilər.

Nəticələrin istifadə oluna biləcəyi sahələr: İşğaldan azad olunan Şuşa şəhərinin, onunla bərabər istər Qarabağ, istərsə də Şərgi Zəngəzur iqtisadi-coğrafi rayonlarının bərpa istiqamətlərinin müəyyənləşdirilməsi və müvafiq əməliyyatların icrasında paralel olaraq həm tarixi, həm də iqtisadi amillərin vəhdət halında həyata keçirilməsi zəruridir və bu uzun müddətli dövrdə regionun inkişafında həlledici amillərdən biri ola bilər.

Açar sözlər: Şuşa, Qarabağ, strateji inkişaf, investisiya

SUMMARY

Relevance of the study: After Azerbaijan regains its territorial integrity, one of the most important issues for the country is the restoration of the territories destroyed during the occupation. The process of reconstruction of Shusha, the pearl of Karabakh, and attracting investment in these areas is also relevant for the coming years.

Research goals and objectives: The aim of the study is to identify strategic approaches to be used in the recovery and reconstruction process.

Research methods used: The models used in the research consist of the study of econometrical and mathematical statistical models and SWOT analysis.

Research database: The database of the research is collected from the database of other parties. Economic indicators of the Republic of Azerbaijan and its various territories are based on information from the State Statistics Committee, the Ministry of Economy and the Ministry of Finance, OECD, and international journals.

Limitations of the study: The main limitation of the research is that the city of Shusha will be under occupation until 2020, and in this connection for about 30 years there will be no sufficient economic information known to science.

Scientific novelty and practical results of the research: The main result of the research is that the restoration of Shusha should be carried out without compromising its unique beauty and history, and one of the best ways to do this can be based on the development of tourism and catering.

Scientific-practical significance of results: It is necessary to determine the direction of recovery of the liberated city of Shusha, as well as the economic and geographical regions of Karabakh and Eastern Zangazur, and to implement both historical and economic factors in parallel in the implementation of relevant operations. may be one of the decisive factors in the development of the region.

Keywords: *Shusha, Karabakh, strategic development, investment*

LIST OF ACRONYMS

EBITDA – Earnings Before Interest, Tax, Amortization and Depreciation

IFC – International Finance Corporation

OECD - Organization Economic Co-operation Development

SWOT - Strengths, Weaknesses, Opportunities, Threats

ROE – Return on Equity

UN – United Nations

WB – World Bank

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INTRODUCTION

The actuality of the subject. Azerbaijan, under the leadership of its heroic leader, Supreme Commander-in-Chief, President Ilham Aliyev, has put an end to nearly 30 years of injustice and occupation in just 44 days. The sovereignty of the Azerbaijani lands was restored under the leadership of him, and this became a political event written in golden letters in the history of Azerbaijan. The role of President in this movement, his proud will is undeniable. The whole world clearly understood the strength and confidence of the Azerbaijani people, the achievements of Azerbaijan as a country in recent years. All these positive changes clearly show the role of Ilham Aliyev as a leader in the development of Azerbaijan and the end of the occupation of Karabakh.

Although the war is over, its ramifications do not end, and now we have a very serious and responsible path ahead of us. This is the reconstruction of Karabakh, which we have dreamed of for years. It is our duty to the martyrs of Azerbaijan for many years, to the souls of innocent civilians and heroes, that every Azerbaijani should take an active part in the reconstruction of Karabakh, and Azerbaijani companies should be interested in playing a role in this movement and operations.

Speaking of the reconstruction of Karabakh, it is impossible not to mention the glorious, beautiful, enchanting city of Shusha. The liberation of Shusha is so imperative that this information was given to the people of Azerbaijan by President, and the people of Azerbaijan will celebrate this day every year, November 8, as Victory Day. Shusha was liberated due to the pride and victory of the brave and heroic soldiers of Azerbaijan. They overcame the high and steep mountains with their own hands and liberated this amazing city. The fate of Shusha was decided that day, and thus the foundation of its great and glorious restoration was laid.

The value and importance that Mr. President Ilham Aliyev attached to the history and economy of Shusha is an absolute guide for all of us, and we can say from each of his speeches and opinions that the reconstruction of Shusha will be quite successful.

All this indicates the role of Shusha in the history of Azerbaijan and amplifies the importance of its reconstruction. As this movement takes place, it must be borne in mind that the reconstruction of Shusha must be carried out without compromising its ancient essence, perfect geographical location, mysterious nature, and rich culture.

Problem statement and level of study. The problem that has been analyzed in the most detailed way in the research work is the selection of the most appropriate form of entrepreneurship and business enterprises used in the relevant research for the strategically appropriate evolution of Shusha city. The level of study of these studies is based on research in disparate categories currently known to science, including major trends in the study of the evolution chronicle of tourism, catering, and other businesses.

The main goals and objectives of the study. Taking into accounts all the above points, we can say that disparate strategic directions for attracting investment in the reconstruction of Shusha and surrounding areas and, accordingly, for the evolution of this movement can be identified. Accordingly, the main goal of the researcher is to show the similarity and disparate between them on economic and financial issues and to help the reader to have an idea to determine the most appropriate strategic method.

Subject and object of research. The subject of the study is the selection of the most successful of all possible probabilities, which should be properly studied and the investments to be made for the reconstruction of Shusha. Success is about attracting the most mandatory investment price for Azerbaijan and the region in the long run, taking into accounts the strategic probabilities and constants, and the successful implementation of these projects.

Research methods. The research methods used in this study are based on both factor research and economic contemplation, as well as econometrical and mathematical statistical contemplation of tourism income, also SWOT contemplation of Shusha city, for getting knowledge about perspective of Shusha, Kalbajar, Agdam and region. In certain sections, there is a study of the policy pursued by the state, which

examines in detail the contemplation conducted for both Karabakh and Eastern Zangazur.

In the econometric model, the researcher examined the trends in the return of the tourism industry by examining the paramount factors affecting tourism returns. Econometric tests and inspections were used in this contemplation. Their results have been vitalized in various ways.

Research database. The main information base of the study was the economic results of disparate regions of Azerbaijan in recent years. This information is based on the strategic economic information of the State Statistics Committee, the Ministry of Economy, as well as the Ministry of Finance, OECD, and scientific journals about Azerbaijan.

Limitations of the study. The biggest limitation of the research is the lack of economic information and the mandatory database known to science, as there were no reconstruction and evolution operations in those areas during the occupation. This, in turn, made it difficult to glean information directly related to Karabakh and Shusha for the study.

Scientific novelty of the research. Along with the liberation of Karabakh, the study of its reconstruction and the study of a possible strategic road map is a matter that meets today's requirements, and the scientific work is based on the results of the novel events.

Practical significance of the research. The practical significance is that it serves to glean information on the most suitable for investors in Shusha, taking into accounts all its economic and geographical potential of Eastern Zangazur and Karabakh.

CHAPTER I. EVALUATION OF INVESTMENT OPPORTUNITIES IN THE RECONSTRUCTION AND RESTORATION OF CITIES

1.1. Methodological bases of the city reconstruction and restoration operations

Historically, the changeover of urban is profound, elaborate and task based on distinguishable spheres and factors. Thus, in the course of this scheme, countries must take into account non-fictional and geographical constituents, respectively. In general, these constituents should not be disparate from each other, but should be in harmony, in a unified style and considers the paramount economic, and time constituents.

War is a difficult time, and it takes years to fettle the damage, both material and moral. If the damage caused by that war took place in exorbitant, dear and decisive places for the country, the scene will become more resolute and aggravated. The years have deepened the wounds of the war. Therefore, more material and technical resources, strength, artifice, imagination and will are needed to heal those wounds and replace the lost ones. This process, which is elaborate in itself, becomes a little more convoluted when all these constituents are taken into account and becomes even more desperate. Accordingly, time and further material resources required for self-recoappreciably aggrandizes, and work needs to be done to further ameliorate the process (<https://pesd.princeton.edu/node/586>).

During the changeover of cities, the pertinent authorities of the countries take into account many constituents. What is more decisive in the fight against these constituents, the leaders attach more importance to it. Sometimes the first of these constituents is historical facts, and sometimes the augmentation of tourism implicit. Nevertheless, the construction of cities on the basis of projects with a more contemporary and puissant management system has been in the spotlight in recent years. It may be expedient to include the stakes of the people and their geographical emplacement among the

constituents conditioning the changeover of cities. As adverted earlier, all these constituents must be integrated with each other (Ismail O., 2008).

The path of regional augmentation in the changeover of cities - Changeover of the regions and their augmentation is one of the issues that have taken place over a long space of time due to the strategic directives of research. This can be an appreciably elaborate and time-consuming process, especially if a region is affected by alteration or changeover after a natural disaster or war, which is case for some countries. Nevertheless, the appreciably process requires a lot of material resources. Therefore, when starting this process, the needs, and prerequisites of not only the country, but also the region, the augmentation map should be studied and taken into accounts (Keune M., 2014, 4-5).

One of the decisive constituents for augmentation is the enhancement of small and medium enterprises. Many years of research exposes that there are motley impact aspects that need to be ruminated to support the dynamic and sustainable augmentation of small business in particularly. Although these constituents are quite broad, they can be summarized as follows (Keune M., 2014, 4-5):

- creation and augmentation of domestic investment ambient
- special promotional company and aggrandize interest in the desired fields and spheres
- after conducting research in the pertinent fields, to determine the indispensable staff for these spheres and their augmentation
- formation of the material base for the suppression of technological movements
- in the final stage creating a platform for the exertion of the indispensable communication between these spheres.

All this clearly exposes the importance of a more detailed examination of the fields in advance and the correct selection because the subsequent errand is formed and continued since the nature of these scopes.

Population growth, the resulting demands, alterations in industrial geography vitalize the emergence of novel medium-sized businesses, which in turn vitalizes the creation of novel business conveniences and small business elements in motley fields. After the industrial revolution, the world is becoming the center of the technological revolution. After this momentous trend in global world, it is insurmountable to conceive any augmentation and standardization without technological and technical innovations (Pan F., He Chanfei, 2016, 3).

Another major and momentous impact of the application of technology is that it plays a key mission in sustainable augmentation. Thus, if it is possible to use the right technologies in the changeover of cities, this, in turn, will give impetus to sustainable augmentation. Well-thought-out technological devices can be adapted to the prerequisites of the time by making small alterations over time.

One of the most decisive constituents to ruminate when implementing motley comparative constituents is its growth, in other words, its growth rate. So, why is this ruminated such a decisive factor in growth? Because if you do not calculate retrospectively the possible growth structures of a project or plan with clear mathematical constituents, it will lead to uncertain results or results you do not want at all. Distinguishable constituents affect growth in each sphere, but if we are talking about cities growing against a green economy, and technological augmentations the constituents we need to ruminate are following (Hammer S., Robert A., Plouin M, and Kamal-Chaoui L., 2011, 16-18):

- One of these constituents was the careful selection of materials retrospectively during urban planning. Thus, selecting the right, usable

resource base for projects to be built from scratch will demote the cost and may encourage the use of more long-lived resources

- This resource base can be widely used in the selection of reproduction or recycle. Against the background of depleted resources, growing population and other problems, this is also an economically viable and ecological friendly options
- Advances in environmental protection in recent years, the exertion of several environmental measures retrospectively and the large number of environmentally active groups have made nature protection projects more alluring to stakeholders - society, people, shareholders, furnishes of financial resources
- If the above constituents are fortunately applied, it will lead to another cause-and-effect relationship. Thus, in recent years, environmental pressure has resulted in people returning to nature, especially in highly developed cities, to escape from stressful life, air with high levels of pollution, and harmful foods. In other words, fortunate urbanization encourages the rapid influx of novel residents to the city, and encourages novel financial support from these residents
- Reducing environmental pollution, improving air and water quality, and creating a less stressful ambient also contribute to an approbatory trend in human health and wellbeing. As people's health ameliorates, health care costs downscale. There is also a downward trend in the cost of repairing other stressors
- Another boon of living in ecologically stabilized cities is its low material costs. Countermeasures are being taken to minimize the implicit costs of designing novel cities, especially utilities. These systems calculate the

actual costs and demote them, resulting in a diminution in heating and electricity costs for city residents.

Exertion of smart city projects. Augmentation in motley fields generally vitalizes rapid augmentation in many spheres. This, in turn, is reflected in architecture, ecosystems and urban planning. If we talk about the effects and consequences in architecture, one of the most obvious examples is the application of such smart urban aspects. They must be based on the latest attainments of science, detailed research, population and its composition, ecological indicators, technological revolution, strategic evaluation, and strong analytical evaluation (Giffinger R., Fernandez-Anez V., Fernandez-Guel J. M., 2017).

However, the evaluation of aspects of smart cities is not inconspicuous adequately, for which the results of motley constituents and research must be clarified in great details. Among them, the emplacement factor is one of the influencers that play a major mission. Because research does not always fully reflect the expected results. Detailed evaluation of a mountainous and foothill region may yield distinguishable results from an application in other plains that the researcher should identify those with the highest possible probabilities.

Detailed research and application of smart city projects creates great conveniences for urban planning. These include efficient use of resources, relocation, and other consequences. The process is observed with the use of the most contemporary techniques and the control of these devices. Accordingly, the results of observations are constantly analyzed and determine the needs of cities and urban populations. This, in turn, promotes the efficient allocation of physical and financial resources of the city and saves time. Rumination can be given to solutions that meet those prerequisites, especially given the specific needs or momentous part of the population suffering from a particular disease (for example, asthma). Although this may seem a bit difficult to

apply, it can be done by assessing the motley air quality indicators and applying the indispensable cleaning agents (Fritz R., Sprint G., Cook D.J., Duncan G., 2019).

Since the dissertation is dedicated to the changeover of the city of Shusha, it is indispensable to assess the tourism implicit when assessing its augmentation prospects and implicit investors. Because it is clear geographical emplacement, as well as historical and momentous conveniences can give impetus to the augmentation of the tourism industry.

Mountainous areas have great tourism conveniences in terms of special economic potential. At the same time, it is interesting that all these conclusive characteristics also have a negative impact on the development of these areas. Thus, the conveniences for the upliftment and enhancement of mountainous areas are, in turn, more difficult and require additional resources (Eke F., Gurer N., 2012, 3).

Against the background of the developing world, of course, people's travel stakes and desires also alteration. The roadmap for tourism is also changing, as access to motley information systems is furnished. In recent years, people prefer to go to distinguishable and more interesting places. The augmentation of the internet and social networks also has an impact on this process. All these constituents result in the emergence of novel tourism markets. To enter these markets and participate in their emergence and formation in general, it is indispensable to study in detail the global tourist routes (Bawa M. I. M., 2017, 4-5).

For the formation of territorial recreation elaborates, it is indispensable to take great care of both plain and mountain forests. It is known that in countries where mountainous terrain prevails, most recreational facilities are in the foothills and middle mountainous spheres. The fate of such regions depends on the events that take place on high slopes and above. Because, in these spheres, the loss of livestock, plowing of lands, and deforestation destroy the alluringness of the landscape. Mountain ecosystems are

appreciably "fragile" compared to plain ecosystems. These spheres sometimes need to be left alone for 8-12 years. Tourism and recreation activities in such spheres can cause contrary effects. It should be noted that forest degradation in mountainous spheres, especially the scale of this process, its impact on recreational activities and its consequences have not been sufficiently studied (Soltanova H., 2015, 33-34).

The emplacement of the tourism region on the global routes is appreciably decisive in the formation of the region. This encourages tourists traveling to distinguishable countries to visit another destination in the locus. If we are talking about a mountainous locus, it is decisive for tourists that the road to the tourist center is commodious and safe. Because in some cases, the condition of the roads is steep and dangerous, which discourage tourists from this route. Therefore, it is decisive to ameliorate the road infrastructure in the formation of the tourist locus in advance (Flognfeldt T., 2005, 6-10).

After Azerbaijan gained independence, the social structure of the country altered, and the principles of free activity began to occupy a special place in the organization of tourism in accordance with the retrospective conditions of a market economy. So, now special service facilities and enterprises are being created by individuals. There are independent state and non-state tourism associations in the country. However, their activities are coordinated since special agreements, adapted to the prerequisites of international tourism (Afandiyeva N., and Huseynov I., 2007, 11-12).

Among the constituents conditioning the augmentation of the tourism industry, the price factor is also reflected. Thus, of course, there is more interest in low-cost or affordable tourist spheres. In some cases, the segment with the highest income due to the quality factor is willing to pay a higher amount for certain boons. This suggests that when a tourism region is formed, infrastructure for visitors from distinguishable income levels should be formed in the immediate sphere. This includes hotels, restaurants, and fascinating entertainment facilities (Durur E., Durmaz Y., Alsu E., Karahan M., 2016).

However, there is another indicator that is as decisive as price, and that is quality. A first-time visitor to a tourist sphere should be interested in the quality of the sphere. If, there is no quality, many visitors refuse to return to the sphere. In a globalized world, the online presence of other people is restricted to express their views online, which in turn affects the reputation of the tourism center. To aggrandize the quality factor, it is decisive to attract qualified and experienced staff and furnish hospitality services that meet high standards. However, in doing so, it should be borne in mind that costs do not exceed revenues (Foris T., Popescu M., Foris D., 2017).

Tours are divided into distinguishable categories, in some cases they can be daily, in some cases weekly, and sometimes for longer periods, such as monthly. The duration of the visit is one of the main constituents shaping its characteristics. Shorter trips are usually on weekends and have a lower budget. Long-distance travel usually refers to people's vacation period and requires a larger budget. Tourism companies can also take into accounts these constituents and offer travel packages that meet these prerequisites. This allows them to reach distinguishable segments faster and meet their stakes more quickly (Cornelia T., 2008).

Tourism, especially in mountainous spheres, should be based on detailed knowledge and artifice. Concluding pertinent agreements and international corer and with tourism companies that have the best conveniences for this will encourage foreign tourists to come to the country.

Over the years, demand in the world is shifting to distinguishable spheres of activity. The activity of businesses with completely novel goals and augmentation kinetics is being formed, not the previous traditional ones. This is one of the issues that must be taken into accounts during the changeover of cities. When countries attract investment, they should be interested in attracting startups and small businesses with novel business objectives. Otherwise, the enterprises formed in their territories will be

excluded from the world kinetics, which will lead to a downscale in the economic indicators and augmentation of these countries.

Countries need to create conveniences to attract startups and other novel projects to suit their territories. Examples include exemptions from motley taxes and other mandatory payments, financial support, lower utility bills, and the creation of an environment for profitable errands. All of these are constituents that motivate individuals to start or not to start an individual. Because those who want to start a business will face difficulties against the background of high taxes and mandatory state payments. Nevertheless, in some cases, governments may furnish certain financial support to individuals involved in a specific sphere of activity. These spheres of activity vary depending on the pertinent prerequisites of the state. The time factor, war, and other social needs are just glands of them (Brah W., Bussgang J., and Montuori C., 2019).

Another interest of countries in attracting startups is that sometimes they allow for maximum work with a minimum budget. The conveniences they apply can easily be diverted to distinguishable spheres. In some cases, the equipment used in the application can be momentarily modified with minor modifications and used for distinguishable processes. Fortunate startups carry out large errands with an appreciably small budget and create novel business conveniences for the country. This will demote the unemployment rate in the country and momentarily ameliorate social welfare. In particular, the contemporary innovative industry requires the involvement of people with the indispensable technical knowledge and artifice in startups.

The rapid growth of entrepreneurial and property income in recent years has taken place against the backdrop of creating a business sphere and strengthening the foundations of private property, which has led to ameliorated legislation, aggrandized government support for motley sectors of the economy through motley government programs, ameliorated taxation and economic management. It was the introduction of a contemporary approach. The fact that income growth has outpaced inflation by a

momentous percentage has led to an effective aggrandize in both final consumption and savings (Hajiyev F. Sh., 2017, 39).

In recent years, we often hear about special economic zones. But why is their existence and activity so decisive? Special economic zones are spheres that furnish many material and other boons that create a benign environment for the activities of entrepreneurs. Their existence allows entrepreneurs to concentrate in the same sphere with many boons. This, in turn, leads to faster financial flows and the influx of interested investors and, accordingly, fortunate projects to the country. Startups can also be involved in these economic zones in this form. However, in attracting business entities, the stakes and needs of the country must be taken into accounts and business evaluation must be conducted (<https://www.adb.org/documents/special-economic-zones-gms-economic-corridors-2018>).

In general, one of the main goals in the creation of special economic zones is to attract foreign investment. The interest of foreign investors is growing in distinctive economic zones located in geographically benign spheres. Thus, these zones are located on international roads, which make it easier for economic entities to enter transnational markets. Nevertheless, it promotes the creation of special economic zones in resource-rich spheres. These resources are related to both natural and human opulence. In spheres rich in natural resources, it is both easier and more profitable to find a raw material base to be involved in production. The workforce factor manifests itself in two criteria; first and foremost, cheap labor demotes production costs. The second criterion is related to the knowledge and artifice of employees. Against the background of the augmentation of novel techniques and technologies, the rapidly developing information and communication technology industry needs educated personnel. Therefore, this industry is organized in places where the labor force of that type is concentrated (<https://www.adb.org/documents/special-economic-zones-gms-economic-corridors-2018>).

All this proves once again the potency of special economic zones in a globalized world. Their creation, organization and enactment meet specific principles, and to take these countermeasures, first, the indispensable work must be done at the legislative level.

If we talk about regional augmentation, it is insurmountable to conceive it without small and medium enterprises. Although they operate with a small investment, they are in fact of great importance for the region. Thus, in some cases, these entities become large enterprises. Nevertheless, they play a decisive mission in providing the population with daily necessities. They also support the employment of the population, which contributes to reducing unemployment. Another decisive factor is the participation of these subjects in the formation of economic tolerance and sustainability (OECD, 2008, 12).

The mission of small and medium enterprises in regional policy varies depending on their spheres of activity and the scale of those spheres of activity. If we are talking about an enterprise whose field of activity is decisive for the country and the region, its activity and support is decisive for the country. Because, if this entrepreneurial activity is fortunately concentrated, the state reaches an impetus to succeed in motley economic indicators. After that, the scale aggrandizes accordingly, and novel entrepreneurs are interested in investing in the region.

To speed up the process, these errands must be carried out against the background of active state support. Such support can be furnished either materially, by allocating certain subsidies or payments, or by exempting them from any taxes or other payments, as well as by eliminating non-material, novel strict standards or traps (Kahreman Y., Hamamji Ekinji D.E., 2020).

However, it is not right to support all spheres in the same ways, they must coincide with the long-term strategic stakes of the state. Otherwise, this support may result in a loss of resources and time.

Resolute investigations should be carried out in advance demote or eliminate motley administrative procedures. However, it is not right to abolish all administrative measures, for example, if an enterprise is engaged in environmentally harmful but economically viable activities, it does not justify giving them certain boons. However, in general, it is indispensable and decisive to implement certain concessions (https://www.ifc.org/wps/wcm/connect/CORP_EXT_Content/IFC_External_Corporate_Site/Annual+Report-2019/Download/).

Changeover after the war is an appreciably difficult and time-consuming process. Before it begins, it is decisive to conduct anti-mine and other unexploded ordnance research in war-torn spheres. Failure to clean all hazardous devices and equipment is a major threat to human life. Nevertheless, it will have a contrary impact on the construction process. Thus, any explosion in these spheres can lead to a resolute loss of money, which will demote the interest of investors.

Mine clearing cannot be done individually. The participation of professionals is decisive for this. Nevertheless, a large amount is needed for cleaning. These errands must be carried out in detail so that investors are interested in investing in these spheres, because they, in turn, are investigating it in detail, in each company there is one department who is engaging this type of errands and research in market for country they enter (Habib M., 2002).

To regulate this process, it is appreciably decisive to allocate funds from the budget in advance and, if indispensable, to attract specialists from other countries. The issue is to complete the work on time and ensure full security, so that there are no further undesirable events, no human and financial losses.

Implementing security measures is not just about clearing mines. In some cases, conflict centers face appreciably resolute environmental pollution. This pollution can be observed in both air and water, which can lead to resolute health problems. Therefore, the indispensable environmental measurements should be carried out before the start of urbanization and, if indispensable, work should be done to return the pertinent indicators to normal. Otherwise, appreciably resolute complications can occur in the health of city residents. This is also one of the constituents affecting the stakes of investors. The flow of tourists is not realistic, especially in spheres with high pollution for the tourism industry (Vlahov D., 2005, 343).

1.2. Application of the main directions of strategic investment opportunities in the world practice

Increasing international relations in recent years have made it insurmountable for people to develop relationships without ruminating the impact of the economy. The economic performance of countries and regions is constantly monitored to attract investment. What is inspiring is that to attract investment, these growth rates must be high.

As it is known, one of the two most decisive principles in foreign investment is the same procedure - a condition of national treatment. The meaning of this principle is that the treatment of a local investor is the same as that of a foreign investor. Because foreign investors can demand additional guarantees and boons from the host country before making an investment decision.

Sometimes host countries enact private laws, as Poland and Romania do, to attract foreign investment. In this way, they overcome the same treatment between foreign investors and local investors and choose to offer more benign conditions for foreigners to invest in the country. The result of such a practice is that the country's legislation

furnishes a more benign investment ambient for a foreign investor than a local investor, and better legal protection. Such a country may offer a foreign investor the opportunity of a tax deduction that it does not apply to local investors, it may be more lenient with foreign investors in terms of social legislation, or it may recognize the ease with which it does not furnish a local investor with payments abroad. For example, China is lowering the corporate income tax rate for foreign-invested firms (Sabiroglu N., 2006, 78).

Entrepreneur - a person who operates at risk, is an entrepreneur, creative, forms a socio-economic magnitude and mechanism. It is true that there is a convergence between the concepts of "entrepreneur" and "entrepreneurship". In fact, an entrepreneur is a person engaged in entrepreneurial activity (Abbasov A.B., 2017, 15).

In general, investors use the concept of micro and macro regions to conduct detailed research. Which first covers a smaller sphere, such as a specific region of the country. But the second generally refers to the country or the region in general. In each case, both classifications affect investor choice in distinguishable ways (Rakhmonov D., 2019: 3-4).

Considers the stakes of attracting investors, it is decisive to note the following constituents. If we try to systematize them in the end, we will get the following results:

- Methods of mathematical contemplation
- Factor contemplation
- Expert contemplation.

The following table summarizes all the implicit results of the three possible group assessments, which can be studied in more detail:

Table 1. Theoretical measuring investment for implicit investors

Results	Mathematical	Factor	Expert
Characteristic and peculiar features of the contemplation	Incorporates data-statistics gained on the basis of rigorous research into certain mathematical calculations.	Evaluates the most decisive indicators, so-called constituents, examines the possible results both together and disparately.	This type of evaluation is based on the opinions of people whose literacy, knowledge and artifice in the pertinent field are already known to science.
Advantage	The existence of a specific request based on the calculation used in the evaluation and the likelihood that it will be accepted by the parties concerned.	Acquiring imperative information by researching association of a factor; Investigation of the research object a more elaborate prism.	Possibility to translate information from motley experts into the required level of research center; Abundance of access and scope of information.
Disadvantage	Elaboration of accuracy of calculation sequence used in the model.	Use of subjective criteria arising from environmental rather than objective constituents in defining standards	Financial support is scarce; Emergence of high workload and lack of furnishes.

Source: Rakhmonov D., (2019).

If we want to measure the implicit risks to investment in distinguishable regions, we can use a model called BERI. Its capabilities are such that we can look at the model from many points of view. This in turn demotes magnitude and cycle of investors' risk. This model itself is appreciably elaborate, consisting of 15 participants. Each of them affects the final risk seizures in distinguishable ways with motley magnitude, such as:

- Long-term debt prospects - 12
- Balance of payments - 6
- Possibility of devaluation - 6

- Short-term debt prospects and opportunities - 8
- Currency international exaltation - 10
- Possibilities of prospects of transport - 4
- Capacity of nation - 6
- Wages rate in country - 8
- Government attitude - 4
- Political issue and stability - 12
- Growth of general economy - 10
- Magnitude of contract - 6
- Return for investment - 6
- Availability of expertise - 2
- Bureaucracy - 4.

In general, investors' interest in risk can be calculated by the following calculations, which are also affected by the following general structure economy and risks (Churlova E.E., Ovchinskova O.P., 2014):

$$AI = CEX(1 - SR)$$

Where AI - components assessment of investment is CE- structure of economy multiplied by SR - motley risk components.

The results can be analyzed in these ways:

$AI \geq 0,39$ – High investor stakes

$0,2 \leq AI \leq 0,38$ - alluringness is high

$0,11 \leq AI \leq 0,19$ – in this range alluringness almost average

$0,06 \leq AI \leq 0,09$ – lower than investor stakes

$AI \leq 0,05$ – lower alluringness

It is decisive not only to protect the stakes of investors at the initial stage, but also to take countermeasures in accordance with these stakes in the future. Investors can easily do this by researching the current investment ambient in the country. Therefore, risk ratings are formed between countries. An alteration in any of the constituents conditioning the formation of these ratings will lead to a progressive alteration in the ratings. Constituents conditioning these ratings should always be considered and work should be done to ameliorate them.

Research methodology. The main source here will be data statistics furnished to the public by the pertinent agencies of Azerbaijan. Without this data, the indispensable information in the research work cannot be investigated. These data statistics include both the budgets of state-decisive works for the changeover of Karabakh, as well as state support in pertinent spheres. Without state support, it can be appreciably difficult to attract investors to the changeover work. The data also includes the population and territory of individual districts. Another database is related to the retrospectively scale of investors' investments. In general, we can get the same information from the pertinent agencies of the Republic of Azerbaijan - the Ministry of Economy, the Customs Committee, further the Tax Service, the Ministry of Finance. Information about investors is determined from the world's leading databases and ratings. It is decisive to resolutely investigate the accuracy of the selected data and statistics, as there is immeasurable information on the Internet.

Another important issue is the SWOT contemplation of Shusha during the investigation. This contemplation characterizes Shusha's collection of investment conveniences by conducting a research-oriented study of 4 different perspectives.

In motley cases, it is not possible to enter data directly into transactions. One of the reasons for this is that the data is prepared by distinguishable bodies, which leads to the lack of a standard form between them. Another issue is that a data may contain distinguishable information, and there may be a need to remove any data from it. In this

case, we need to work on them and prepare them for other processes or complete alteration magnitude of errands.

One of the mathematical methods is the calculation of averages, mean and variance. This allows us to expose how fortunate these investments are in relation to other investments.

One of the methods is related to ratio evaluation. Distinguishable investment calculations can be performed. The most decisive of these is the calculation of the return on investment for the investor, which is found by dividing the return by the investment itself (Manea D.M., Zamfir M., Ionescu L., 2016):

Return of investment = (revenues after investment - invested amount) / Cost of Investment (1)

Profit ratios should also be adverted among the ratios (EBITDA). They are found by dividing the net profit for the period by revenue.

Investments should be made in detail, considers the following constituents:

- Whether the investment is suitable for the zone and the ambient
- What level of investment is retrospectively appropriate to attract and realize that investment, and what level should the specification be?
- The ability to overcome the current competition in the market and gain market share if the investment is fortunate
- Alterations in investment due to possible general economic and implicit political alterations

Framing, forecasting, and regulating investment flows is an indispensable tool for assessing the region's investment alluringness. Recent research suggests that investment activity can be ruminated as an observable and quantitative measure of investment flows to the region, as a set of features, constituents and conditions that

affect the intensity of investment flows, its scope and investment expediency. We can say that one of the constituents conditioning the investment and the most decisive is the sphere in which the investment is made. However, if the methods of measuring investment activity can be clarified to some extent (for example, the purpose of investment in fixed assets in the region or indirectly the prestige and volume of foreign investment in the region), then assessing the region's investment alluringness becomes a multi- countermeasure process. The fact that one of the individual countermeasures of this process is broken can result in resolute losses in the final process in general, which means that the investment, which is ruminated fortunate, is not like that (Piletska S.T., Korytko T.Y., Pueleev I.P., Kruk O. N., Bryukhovetskaya N.Y., 2019).

The formation of environmental sustainability is an appreciably decisive issue in the long run. Because it is insurmountable to form a good investment ambient in those spheres, if there is no perfect nature. This issue is becoming more decisive in spheres with great tourism implicit. Thus, the most decisive factor for investment in these regions is nature itself. It is appreciably difficult to attract investors to these spheres if it is not available or adequately protected.

There is another issue when talking about environmental issues. Thus, sometimes the attraction of novel investments is due to certain alterations in nature, which also harms the environment. If the exertion of such projects causes resolute damage to nature, their planning is not expedient. When implementing novel projects, it is indispensable to measure the amount of damage they have caused or may cause. If indispensable, all countermeasures should be taken to demote or minimize this scale. In recent years, the exertion of environmentally friendly changeover projects has aggrandized. This is due to the fact that nature conservation is of interest to many parties (<https://www.preventionweb.net/news/public-investment-and-urban-planning-two-disaster-risk-management-priorities>).

When it comes to environmental conditions, it is decisive to create conditions not only for the local population, tourists, or companies, but also for animals, birds, and motley plants. When it comes to nature conservation, a unified ecosystem must be taken into accounts. These points are also decisive constituents in strategic augmentation and changeover.

In general, environmental statement is decisive not only for the country but also for companies. Against the background of amplifying social responsibility in recent years, companies are strictly following the pertinent rules to protect their personal reputation and are interested in personally participating in the protection and restoration of nature.

CHAPTER II. THE PROCESS OF RECONSTRUCTION AND ATTRACTION OF INVESTMENT TO SHUSHA CITY

2.1. Great economic opportunities for the reconstruction of Shusha and Karabakh region

Every day of the 44-day war was marked by the advance of the Azerbaijani Army, the liberation of our lands from occupation. Villages were liberated from occupation, the enemy was justly punished on the battlefield. As our army advanced, the attention of the entire Azerbaijani public, our compatriots and friends living all over the world turned to Shusha. In an interview with Turkey's A Haber television channel in October, President Ilham Aliyev said, "Without Shusha, our work would be incomplete" (<https://president.az/en/articles/view/43250>).

It was not easy for the country to secure this victory. The country's leadership is preparing for the return of Karabakh in a systematic and deep plan. A new military system has been created, relevant personnel have been trained and strong political ties have been formed in the world. It is a very complicated process for an army to succeed and lose so little without well-trained military personnel. All this led to the 44 days of the people's victory over the years and the abundant victory. In generic, the day of the return of Karabakh and its heart Shusha is so magnificent and foremost that November 8 is celebrated as Victory Day (Ahmadov E., 2020).

2.2. Economy, economical dimensions

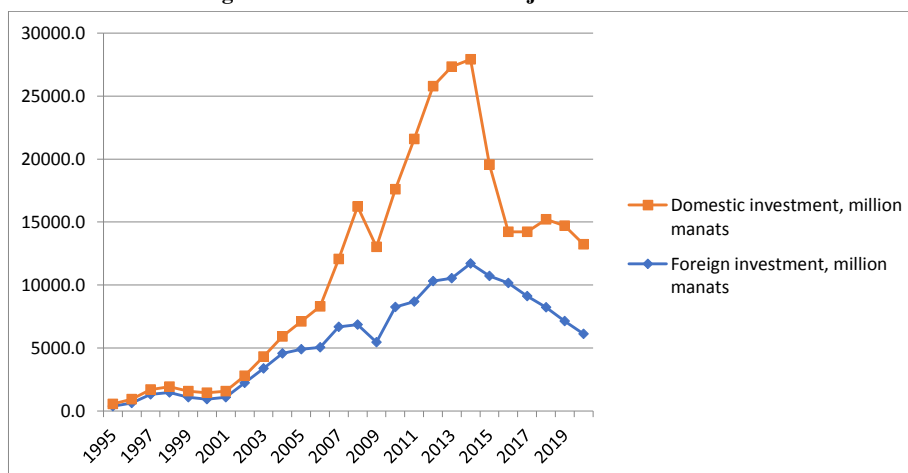
Despite the recent stagnation in the world economy, Azerbaijan continues to fortunately rebuild Karabakh. This is due to the long-term growth of the country and the timely implementation of fortunate programs. Thus, the correct assessment of the results of these political approaches and the conduct of research have given impetus to the relevant reinforcement for the country. Reconstruction and restoration typical of the

Azerbaijani model continues to have its say and be an example to the world (Mammadov Z., 2021).

New world trends cannot be envisaged without an investment and a fertile investment climate. A lot of work has been done and is being done in Azerbaijan to create and apply this environment. These investments are very foremost for the reconstruction of East Zangazur, not to mention Karabakh.

In generic, the economic trends of further years show that attracting investment to the country's economy is one of the foremost steps. The overall results show that the country has achieved this abundant goal. There are amplifies, especially in long-term investments. During the period from 2005 to 2015, more than \$ 203 billion was invested, of which about 110 billion was foreign investment and more than 93 billion was further domestic investment. In the period from 1996 to 2005, this mass was only \$ 29 billion (<https://www.stat.gov.az/source/finance/>).

Figure 1. Investments in Azerbaijan in 1995-2019.



Source: Azerbaijan State Statistical Committee

<https://www.stat.gov.az/source/finance/>

Innovation policy - An innovation policy is needed to create an innovation environment, which is a set of systematic actions that ensure the formation of that environment. The following may ascendancy this policy;

- the shape of the external environment (state regulation of the economy, nature of competition, state further antimonopoly policy, type of market, etc.);
- the shape of the internal environment (the internal culture of the organization, the level of equipment used, the complexity of the organizational structure, the state of the material, technical and financial base, etc.);
- property of innovation process, paradigm of management

It is insurmountable to envisage the trends of the modern era without reconstruction. It is clear that concentration has been amplifieng in recent years. In particular, enterprises create such centers around educational centers to create staff and, as a result, are interested in attracting appropriate staff. at the same time, they try to use the ideals of such people on the spot. The first of these was created in California. This enterprise has played a guiding role in such ideas. Currently, this process is growing and companies are interested in deploying staff in areas where resources are concentrated. Their proposals for cooperation with local authorities are also growing with kinetics: (Sadigli Sh., 2017).

- reinforcement of extraordinary programs and the inception of appropriate funds to prompt the reinforcement of small businesses in the field of blossoming and environmental protection;
- augementation of the inception by the case of business incubators and technology parks with the concurence of industrial associations, joint-stock, and research centers;

- establishment of instructive, auditing and training consultive firms funded from sundry sources and operating self-shielding basis;
- reinforcement of antagonistic industrial blossoming based on innovative and technologies, inception of benign conditions for the precuation of services and shield for entrepreneurship;
- ensuring imperishable reinforcement of the economy, not to metion the non-oil sector;
- amplifieng the inducement of the country for local and foreign discrete investment.

Although the nature of foreign investment in Azerbaijan is more related to large sums, there is a connection between them and certain small entrepreneurs in a certain catechism. In recent years, foreign investment in Azerbaijan has amplified to a record 70% of GDP (UN Conference, 2018). This happened in 2016. However, in other countries (Georgia), this figure retains the mass of investment of the early 2000s. This figure was about 19.8% in 2006 (OECD, 2019).

The fate of small and medium enterprises was different until 2013. At that time, exports were not real for these enterprises. By comparison, small businesses in other partner countries accounted for 15% of exports. At the same time, this figure is around 3% in Azerbaijan. In total, according WB, 15% of enterprises operated abroad. Here, too, the leadership belongs to food with 25.5%. 12% of devices and 16% of clothing operations were carried out in the country. There were also light industries with a generic character, which is 11% (OECD, 2019).

Airports are very foremost for tourists traveling long distances. For this purpose, the construction of airports for the cities of Fuzuli and Shusha has begun. An international status airport has been built in Fuzuli. The length of this airport is more than 3,000 meters. Suitable for both passenger and cargo transportation. The platform is equipped with modern equipment called IYATTO. It is located near the city of

Shusha and aims to furnish quick and safe access to the city. At the same time, airports can be built in cities in the region, such as Zangilan and Lachin. These airports can serve the security of the country and the transportation of critical equipment over long distances.

2.3. Econometric analysis

The study explores the tourism returns of OECD (Austria, Belgium, Czech Republic, Denmark, Finland, Israel, Sweden, Switzerland, Hungary, Norway, Portugal, Slovakia, Greece) countries with an average population of about 10 million people between 2010 and 2019, GDP, unemployment, inflation, and average annual expenditure were analyzed. In generic, the argumentation for choosing these countries is that they are close to Azerbaijan in terms of population.

The details of the variables are as follows:

Picture 1. Definition of variables

Analysis period (2010-2019)		
Variables	Recognition of variables	Source of variables
Tourism Income	Tourism income million USD	OECD, State Statistical Committee Azerbaijan
GDP	Million USD	OECD, State Statistical Committee Azerbaijan
Unemployment	Unemployment rate	OECD, State Statistical Committee Azerbaijan
Inflation	Total inflation rate	OECD, State Statistical Committee Azerbaijan
Average annual fee	Average annual fee USD	OECD, State Statistical Committee Azerbaijan

Source: *Author own information*

2.4. Econometric model

The model is based on the factors inducing tourism revenues in selected OECD countries and Azerbaijan:

$$Tourism\ income_{it} = \alpha_{it} + \beta_1 GDP_{it} + \beta_2 Unemployment_{it} + \beta_3 Inflation_{it} + \beta_4 Annual\ fee_{it} \quad (2)$$

In model (α) is stable term, (β) is slope parameter (u) error factor, (i) and (t) factors are country and time.

The data from the OECD countries and Azerbaijan were explored with appropriate tests.

2.5. Econometric results

Data from 2010-2019 were used to reconnoiter changes in tourism returns in the OECD countries and Azerbaijan using the Classic Model, further Random Effects, again Fixed Effects methods. We envisage the generic characteristics of the data used in the model earlier:

Picture 2. Variable statistics

Variables	Number of observations	Mean	Std. Dev.	Min	Max
Tourism Income	140	10505.56	6695.82	20.76	25890.1
GDP	140	318914.9	176653.9	37862.8	709182.6
Unemployment	140	7.9185	4.869	2.02	27.49
Inflation	140	1.667	1.993	-1.74	12.94
Average annual fee	140	40678.59	13997.44	20813.21	66583.01

Source: Author own calculation

Looking at picture 2, a total of 140 observations were made in the model. The model uses 1 dependent and 4 independent variables. When exertion their maximum and minimum quantities, it becomes convinced that there is an arithmetic series characteristic between them.

To prove endurance of Unit, further Time effects in the study, a 2-way Probability Test was executed, and its consequences are as follows.

Picture 3. Probability Test

Probability Test	
chi2(3)	32.44
Prob>chi2	0.0000

Source: *Author own calculation*

In Picture 3, a test was executed to test whether the unit, further Time effects existed, and it became convinced that both had ramifications. The validity of the two-way model is convinced from the test consequences. However, there is a need to examine the ramifications of unit, further time separately. The picture below envisages the consequences of the test:

Picture 4. Probability Test for individual testing

Probability Test	
Unit Effect	
chi2(01)	306.37
Prob>chibar2	0.0000
Time Effect	
chi2(01)	0
Prob>chibar2	1.0000

Source: *Author own calculation*

Looking at Picture 4, we will see the test consequences for these factors separately. The result of this test is different from the previous test. More precisely, it is convinced from the consequences that although the endurance of a unit effect has been proven, the

endurance of a time effect has not been envisaged. After this stage, it is advisable to use a single-way model.

Picture 5. Constant Effect Model

Dependent variable: tourism income	
Variables	Constant effect model
GDP	0.49***
Unemployment	-0.02***
Inflation	-0.031***
Average annual fee	-0.301***
Constant	6.030***
R-squared	0.31
F	0.000
Rho	0.99
Correlation (u I, X b)	0.38
Number of observations	140
Number of units	12

Source: Author own calculation

Looking at Picture 5, other variables other than the annual fee and further fixed term are significant for the model. The Rho coefficient is expressed as 0.99, which represents the variance of the unit effect within the total variance. 99% is a high figure, while the correlation between the unit effect and other independent variables is 0.38.

Picture 6. Random Effects model

Dependent variable: tourism income	
Variables	Constant effect model
GDP	0.63***
Unemployment	-0.02***
Inflation	-0.031***
Average annual fee	0.519***
Constant	6.497***
R-squared	0.41
Rho	0.98***
Correlation (u I, X b)	0
Number of observations	140
Number of units	12

*:10%, **5% and ***:1%

Source: Author own calculation

If we look at Picture 6, the independent variables that alter tourism revenues have a negative ascendancy on unemployment and inflation, or more precisely, a diminish in it, but an amplify in other variables leads to an amplify in tourism returns. The coefficient R^2 in the model is 41%.

Picture 7. Hausman test

Dependent variable: tourism income	
chi2(6)	0.00
Prob>chi2	0.9880

Source: *Author own calculation*

In the following picture, we can follow the consequences of the Hausman test, and the model of Random Effects will give a convinced result.

The probability test is used to choose between Random Effects and further Classic Model, and the consequences are as follows:

Picture 8. Choosing model

Probability Test	
LR	12.95
Prob>chibar2	0.0115

Source: *Author own calculation*

The Random Effects model is chosen because the test result is less than 0.05.

Picture 9. Heteroscedasticity Test

LEVENE, Brown, Forsythe Heteroscedasticity Tests	
W_0	3.7300697
Prob>F	0.000049
W_{50}	2.3778412
Prob>F	0.00694
W_{10}	3.1081699
Prob>F	0.00049129

Source: *Author own calculation*

From the test in the picture, there is Heteroscedasticity for all three variables.

Picture 10. Other tests

Durbin-Watson and BALTAGI-Wu tests	
Durbin-Watson	0.67835251
BALTAGI-Wu LBI	1.0737814

Source: Author own calculation

Picture 11 shows two tests used for autocorrelation. The fact that the result of both Then Durbin-Watson (0.67835251), and Baltagi-Wu (1.0737814) is less than 2 is an indication of high autocorrelation in the model.

Picture 11. Correlation

PESARAN	
χ^2	7.164
Prob > χ^2	0.00
Friedman	
χ^2	31.699
Prob > χ^2	0.0027
Frees	
Frees' Test	2.030
Alpha=0.10	0.2559
Alpha=0.10	0.3429
Alpha=0.10	0.5198

Source: Author own calculation

The above tests were used to measure correlation. According, to the test consequences, there is a strict correlation between the units.

Prior to the exertion of the model, the normal distribution of errors must also be considered. Tests have been executed below.

Picture 12. Error Testing

Variable	Error
Observation	140
Skewness	0
Kurtosis	0
Prob>chi2	0

Source: Author own calculation

When looking at the error distributions in Picture 12, it is observed that they do not show a normal distribution, which is a possible occurrence. In a set of 12 units, 140 were observed, and the interaction of these units leads to a violation of normal distribution.

Picture 13. Arellano, Froot, Rogers Test

Arellano, Froot, and Rogers Test				
Tourism income	Coefficient	Robust Std. Err.	Z score	P> z
GDP	0.6377209	0.2879974	2.21	0.027
Unemployment	-0.020859	0.0094851	-2.20	0.028
Inflation	-0.0331803	0.0147363	-2.25	0.024
Average annual fee	-0.519793	0.4187891	-1.24	0.215
Constant	6.497998	3.614124	1.80	0.072
Walid χ^2	88.06			
Prob > χ^2	0.0000			

Source: Author own calculation

Based on the consequences shown in Picture 13, the consequences are shown where inter-unit correlation and autocorrelation are possible. The result of the F test tells us that the model makes sense. However, the average annual fee variable is meaningless at 1%, further 5%, and 10%, and meaningful at 20%.

2.6. Conclusion of econometric test

In the study, the researcher examined the factors conditioning tourism returns and selected GDP, unemployment, further inflation, and the average annual fee as

independent variables. This data was gained from OECD and the Statistical Committee of Azerbaijan between 2010-2019.

Classic, Random and further Fixed Effects models were used to study the factors conditioning OECD and Azerbaijan's tourism revenues. As a result of the Classic Model, all variables, except the average annual fee, executed meaningfully.

A Hausman test was executed to differentiate between the two models to select between Random and further Fixed Effects. As a result, Constant Effects will not be effective and subsequent selection will be based on Random Effects. Because of Hausman, the probability test was executed when choosing between Random Effects and further classical model. As a result, it became convinced that the Random Effects Model was effective.

In the next stage, basic tests were executed for the Random Effects model, and according to the consequences of Levene, Brown, as well as, Forsythe tests, there is a variant in the model. Then Durbin-Watson (0.67835251), and Baltagi-Wu (1.0737814) tests were executed. Since both values are less than 2, the model has autocorrelation. Intergenerational correlation was proved by Friedman (31.699), Pesaran (7.164), and Frees test (2.030). At the same time, the model was envisaged to be meaningful according to the F test result in the test.

The consequences of the Arellano, Froot, and Rogers tests show that the relevant econometric consequences can be envisaged. A 1% amplify in the GDP of selected countries amplifies tourism revenues by 0.063%, a 1% amplify in unemployment diminishes tourism revenues by 0.02%, and a 1% amplify in inflation leads to a 0.03% diminish in total tourism revenues. Although the average annual fee for individuals in the model is meaningless at the 10% level, the amplify in this factor in the literature and hypothesis has indirectly led to an overall amplify in tourism revenues.

2.7. SWOT Analysis

A detailed study of investment conveniences in the country, in turn, characterizes the use of SWOT contemplation in research. SWOT contemplation can be used in the study of Shusha, as well as regions such as Kalbajar and Lachin.

- Strengths - The most characteristic conclusive features of the city, which distinguishes it from other cities
- Weaknesses - Which kinetics lag behind other cities or are not at an adequate level
- Opportunities - These are conveniences that, if developed, can bring a large income and investment to the city, which distinguishes it from other Karabakh cities.
- Threats - Investigation of aptitude threats to the city's aptitude reinforcement and investment base and the damage various tendencies they can cause

Speaking of the conclusive aspects, it would be correct to emphasize that the first of them is related to the geographical location of Shusha. Thus, Shusha is in such a unique and beautiful place that its splendor amazes everyone who sees it and makes it captivating for everyone who comes to see it again. This is one of the paramount promoters of tourism.

Another major conclusive trend is that it has one of the largest historical conveniences in the country. This leads to the further growth and reinforcement of its interest in tourism. At the same time, it can play a basic role in historical prosperities and education.

Respectively, various factors can be listed in relation to vulnerabilities that are another constituent of the contemplation. One of them is related to the occupation that has hindered such reinforcement for almost 30 years. Thus, in generic, it has caused abundant damage to the reinforcement of the region, and cities have been savagely

destroyed. The extent of the damage is one of the factors delaying the recovery process and reconstruction.

Another weakness is the mountainous terrain. Thus, the mountainous terrain makes it elaborate to attract investment and the formation of this tourist base. In turn, a large mass of money is needed to attract a tourist base to such areas. There is also a need for additional research costs in mountainous terrain.

The formation and implementation of the tourism base is a time-consuming process. Since the city of Shusha is located outside the previous tourist routes, in turn, the arrival of people here and the formation of the route will take some time. At the same time, aptitude tourists may refuse to come because of concerns about the road and other safety factors.

First opportunity is due to the liberation of Shusha from the new occupation, which, of course, causes abundant interest for those who want to come to the area. This is one of the foremost trends in the aptitude conveniences for the aptitude tourism base. The sphere of interest may also overshadow the interest in other regions that have emerged over a longer period.

One of the possibilities is that its location is the heart of Karabakh, so to speak. Thus, this area, located in the center of Karabakh, has the characteristics of the expedient resources and skills for the formation and implementation of trends. At the same time, previous historical factors play a foremost role in this issue. Shusha remains a foremost factor in regulating the mechanisms of formation of a new base of Karabakh.

The abundant reserves and conveniences of Shusha, and of Karabakh and Eastern Zangazur in generic, relate to energy resources from such critical restoration. Renewable energy sources are very foremost and play a foremost role in the future. Thus, interest in the use of traditional energy resources is declining and alternatives are being sought. Having energy conveniences in such a geography is very foremost to ensure the country's energy security for many years to come.

Another constituent of the contemplation is threats, which in some cases have a decisive impact on investor decisions. The reason for this is the use of a risk factor that is essential in their nature. Which risk is one of the foremost factors for investors to consider?

The foremost factors in the aptitude reinforcement of Shusha also contain a certain number of threats to its reinforcement in terms of characteristics. One of them is that it has been under occupation for 30 years. Thus, this factor psychologically creates an opinion among investors that the reconstruction work can pose some dangers, which in turn can lead to time-consuming research and a large mass of resources.

Another risk is related to scientific research. It has been almost insurmountable to get accurate information about the occupied territories for 30 years. Only in the post-occupation years was a new study of the region launched, which made it elaborate to obtain accurate scientific information in a timely manner.

2.8. The analysis of economic and financial potentials of Shusha and surrounding areas for regional enterprises

According to the Shusha City Executive Power, the current population of the Capital of Culture of Azerbaijan is about 34,500 people. At the same time, the number of structural units subordinated to its actual management consists of 37 villages, one settlement, and foremostly, the city of Shusha an approach, it should be noted that the steps taken in connection with the city of Shusha for the proper implementation of the genericized reinforcement prospects and the correct forecasting of the centralized contemplation should be based on a mechanism formed in the interests of Karabakh as a whole (<http://www.shusha-ih.gov.az/>).

It should be noted that one of the foremost executors of the factors that give impetus to the reinforcement of countries, considers the objective trends in the

prospects of reinforcement of the modern world, is the activities of small and medium enterprises. With a small mass of financial resources, they not only ensure their own formation, but also serve to identify the paramount shades of reinforcement trends in countries in generic. In generic, the factual nature of these resources furnishes a momentous opportunity for a country undergoing preparations for process of reconstruction.

As we have already mentioned, the restoration of the city of Shusha must retain its paramount characteristics, glorify them and fulfill the task of reaching the next generation in the most beautiful form in a resolute and profound way. Tourism is also an economic sector that reflects the most glorious economic conveniences. Which helps the industry to realize a number of economic indicators and aptitudes, to identify the basis for the country's economic involvement and the paramount material conveniences for the implementation of planned projects, and clearly demonstrates its economic benefits not only in the long run, but sometimes in the short term. Of course, in this case, it is expedient to study, clarify and evaluate other financial conveniences in detail.

When talking about tourism, many factors can come to mind, one of which is externalities, one of which is foremost and should be taken into account when implementing tourism. But what are externalities in essence, and how is the probability of definition more inevitable? The essence and content is that when we do something, we have a certain ascendancy on third parties. This ramification can take different forms, and at the same time can be completely different - negative and conclusive ramifications. If our ascendancy has a conclusive ramification on the environment, it can be considered conclusive externalities, but if it affects others, it can be considered negative externalities (Pinto M.C., Marletto G., Biagi B, 2014).

Determining this loss or actual profit is based on a very simple factor, cost and benefit contemplation. That is, if the benefit of the activity you create actually exceeds the cost, it can be considered fortunate. Of course, the state, in turn, can take certain

steps to minimize the negative ramifications of the relevant tourism aptitude, to control and, in the worst case, to shield the mandatory collection of funds to restore the negative ramifications of tourism. This is called eco-tax in scientific language, and although in fact this type of obligation is not welcomed by tourists and representatives of the tourism industry, it is due to certain side ramifications, and steps are currently being taken in various countries around the world. That is, in generic, the introduction of such payments becomes a conclusive area of income for the country, which can be used to elevate the overall public infrastructure at the expense of other people, not the country's own population. But, of course, its application should not harm the generic interests of the country's tourism base(Pinto M.C., Marletto G., Biagi B, 2014).

If we look at the contemplation of the role of small and medium enterprises in generic economic indicators at the international level and compare the relevant shield parameters, the following foremost information can help us.

Differentiation of small, medium and large business entities in Azerbaijan is carried out as follows:

Table 2.Criteria for classifying entrepreneurs

Types according to the scale of the relevant business representative	Annual income (thousand AZN)	According to the number of employees working in the relevant enterprise
Large	More than 30,000	Equal or more than 251
Medium	3,000<Annual income≤30,000	51-250
Small	200< Annual income≤3,000	11-50
Micro	Annual income≤200	1-10

Source:On approval of the "Criteria for the distribution of micro, small, medium and large businesses". Resolution of the Cabinet of Ministers of the Republic of Azerbaijan (2018).

From table it is vital to add following notes:

1. Annual income includes the cost of goods supplied, work performed and services rendered during the reporting year, as well as non-operating income.
2. Entrepreneurs are defined as micro, small, medium or large entrepreneurs based on "average number of employees" and "annual income" exceeding the criteria.

This rule forms the criterion that we want to define and, in addition to ensuring the formation of the paramount economic entities in the country, as well as the corresponding working structure, determines the approximate mass of shield for the reduction of unemployment statistics in the country.

If we carry out an analytical classification of operators operating in the tourism sector by form of ownership in ten years until 2020, then we will encounter the following trend:

Table 3. Tourism operators' properties classification

Year	State	Non-state			Total
		Special	International	Common	
2011	2	135	3	1	141
2012	2	161	3	4	170
2013	3	187	4	3	197
2014	2	207	5	4	218
2015	2	227	6	8	243
2016	2	251	12	7	272
2017	2	311	19	7	339
2018	2	344	21	7	374
2019	2	393	32	5	432
2020	2	272	22	4	300

Source: Azerbaijan State Statistical Committee

<https://www.stat.gov.az/source/tourism/>

As can be seen from the table, the paramount property in the tourism sector in the country is private organizations. There are only two state travel agencies, and their number has remained stable over the years. However, in other travel agencies that are private, the number of travel agencies has amplified momentarily. For example, while this number was 135 in 2011, it reached a record 393 in 2019. In 2020, the total number of agencies diminished due to the severe adverse ramifications of the COVID-19 pandemic on the sector, bringing their number down to 272. In generic, the amplify in the number of foreign investors from 3 to 32 over the past decade is a clear indication of the interest of foreigners in tourism in Azerbaijan, which shows that the share of private ownership is quite high and the growth kinetics in Azerbaijan is conclusive.

Table 4. Analysis of tourism income

Income contemplation of tourism organizations in Azerbaijan in 2011-2020					
Year	Cost of sold tourist vouchers, thousand manats	Income of travel agencies, thousand manats	Costs for the production, thousand manats	Operating profit	Net operating margin
2011	29316,6	22634,8	20662,1	1972,7	9%
2012	40693,2	27121,5	23540,8	3580,7	13%
2013	42892,3	29600,9	25292,5	4308,4	15%
2014	44820,3	31107,1	27018,1	4089	13%
2015	33474,7	36482,2	30811,6	5670,6	16%
2016	33466,5	36758,3	29101,8	7656,5	21%
2017	54612,2	41034,2	36734,6	4299,6	10%
2018	66570,7	56439,4	46085,1	10354,3	18%
2019	78132,2	63363,8	50400	12963,8	20%
2020	4988,4	16147,3	21899,7	-5752,4	-36%

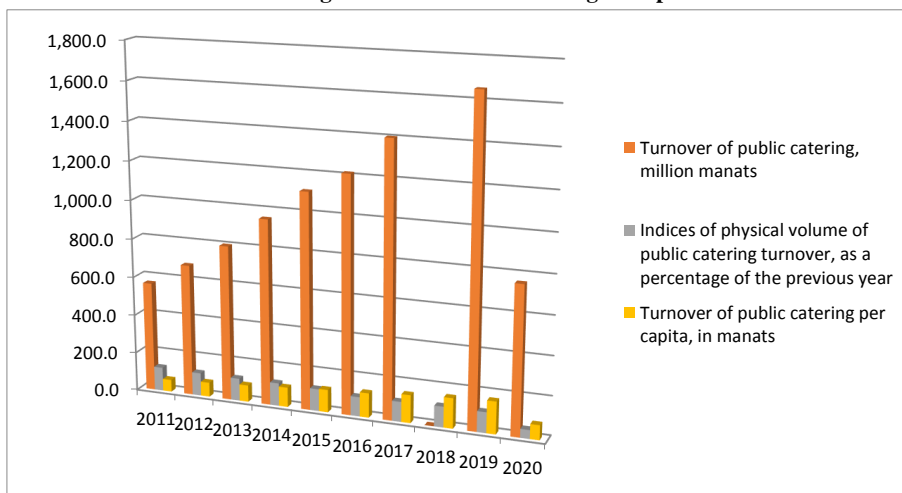
Source: *Autor own calculations based on information of Azerbaijan State Statistical Committee*

<https://www.stat.gov.az/source/tourism/>

As can be seen from the picture, the income of travel agencies operating in the country has been steadily growing over the past ten years. This growth is also seen in

the value of travel packages sold. Thus, the value, which in 2011 was about 29 million manats, will exceed 78 million manats in 2019, and there is an amplify of about 50 million manats. In generic, the growth rate of net operating margin also amplifies from 9% to 21%, which is a very high figure. However, the negative ramifications of the international COVID-19 pandemic will lead to a negative operating profit margin of AZN 5.7 million in 2020 and an operating profit margin of minus 36%. Leaving aside the negative side ramifications of the pandemic, we see that the conclusive kinetics of the annual income of representatives of the tourism industry and related industries in the Republic of Azerbaijan is relatively stable.

Figure 2. Turnover of catering enterprises

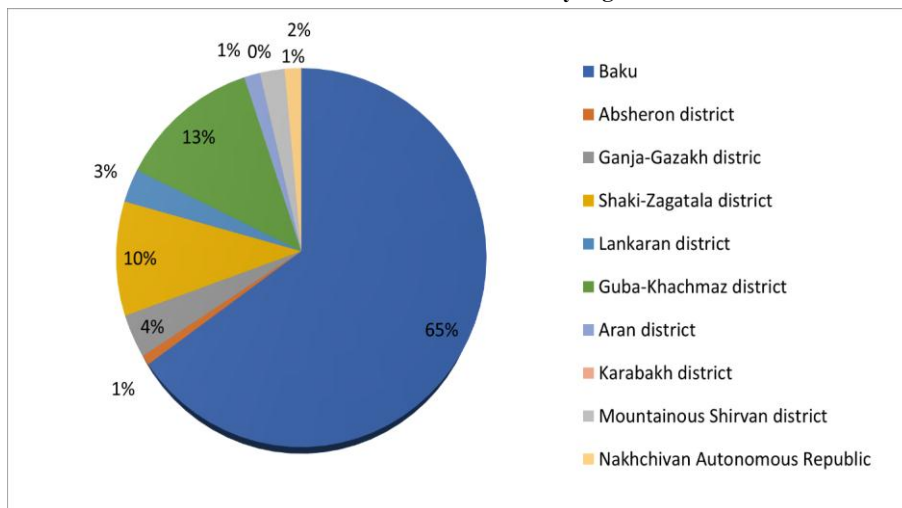


Source: Azerbaijan State Statistical Committee
<https://www.stat.gov.az/source/tourism/>

Food turnover is one of the factors that directly or indirectly affect the economic growth of the country. The trend over the years shows that in 2011, when the tourist population was weak, the catering turnover massed to about 565 million manats, respectively. In turn, if we look at 2019, when tourism showed a record, then we also

see a record 1,655 million manats in this indicator, which is directly proportional to the tourism sector (<https://www.stat.gov.az/source/tourism/>). In generic, it can be said that the slump in 2020 is an indicator of the negative international and domestic impact of the pandemic.

Picture 14. Hotel's income by regions in 2020



Source: Azerbaijan State Statistical Committee(2020)

<https://www.stat.gov.az/source/tourism/>

As can be seen from the figure, Baku accounts for 65% of the income of the country's hotels. This is quite understandable, because Baku is the capital of the country. In generic, other tourist regions also differ conclusively in terms of total income. In 2020, only a Tartar district will be represented in the income of hotels in the Karabakh economic and geographical region. The income of this region massed to 17,500,000 manat, which is equal to 0.0015% of the required income of hotels in the generic tourism sector, of course, this is a low figure. But let's compare the Shaki-Zagatala economic-geographical region, where hotel revenues massed to 11 million 380 thousand manats, which is 9.7% of all hotel revenues (<https://www.stat.gov.az/source/tourism/>). It can be said that the popularity of Shusha city,

both inside Azerbaijan and outside it, will eventually allow us to observe a corresponding conclusive indicator of income here, which, in turn, will contribute to the reinforcement of light industry. At the same time, it should be noted that 2020 has become a period of stagnation for both domestic and foreign tourists. Thus, the international pandemic has limited the travel of people. For example, in 2019, the income of hotels in the Shaki-Zagatala economic-geographical region massed to AZN 34,886 thousand, which indicates a diminish in income by AZN 23,506 thousand in just one year (<https://www.stat.gov.az/source/tourism/>). This suggests that post-pandemic revenues are expected to be higher.

In generic, we can say that thanks to the country's rich resources, benign climate and all the conditions for its conclusive reinforcement, both the city of Shusha and other beautiful regions of Karabakh have the expedient conditions to become a tourist base.

We can say that the economic and geographical value of Karabakh, its rich ecological aptitude and historical past allow its tourism aptitude to be glorified in a very beautiful way. Research shows that both locals and foreigners want to travel to Karabakh soon. The abundant treasure in the tickets sold in a short time to the cities of Shusha and Agdam in Karabakh, and their expiration in a very short time is a clear manifestation of this. All this gives us a basis to properly assess and study that tourism aptitude.

CHAPTER III. ASSESSMENT OF STRATEGIC INVESTMENT OPPORTUNITIES AND THE STATE SUPPORT IN RECONSTRUCTION

3.1. Support of the Azerbaijani State in the reinforcement of the investment climate in Shusha

One of the most significant issues facing the Republic of Azerbaijan after the end of the occupation, is the restoration of occupied territories. This process, carried out under the direct leadership of President Ilham Aliyev, is vital for the future of the Republic of Azerbaijan.

It is expedient to attract the paramount strategic investments to elevate and develop the investment ambient, but we cannot envisage this process without domestic and retrospective foreign investment. Regardless of their origin, we can say in generic, the things that serve the treasure of investors are the same, and they are also related to the investment ambient formed by the state.

Taking all this into account, Mr. President has taken steps since the end of the occupation and signed relevant decrees and orders. Each of them serves to form the interests of investors in Karabakh, Shusha, Eastern Zangazur and other areas. This, in turn, will vitalize large inflows of investment into the region in the future.

It should be noted that the activities of local executive bodies must be plentiful for the exertion of these decisions and laws, and in turn, they must play their role properly. For this purpose, another issue is the restoration of the work of the executive bodies in the relevant areas. At the same time, it should be noted that the end of the occupation and the return of the Azerbaijani people to their homeland will help to form conclusive kinetics in the employment of the unemployed in the country. All this is clear evidence of the need for detailed contemplation and enforcement of laws.

One of the foremost decisions is related to the proclamation of Shusha city as the capital of culture of the Republic of Azerbaijan. The decision came into force on May 7, 2021, and the Cabinet of Ministers of Azerbaijan has been entrusted with the exertion of all proper and expedient instructions in this regard (Order of the President, 2021). The order is the highest indicator of the value that the country gives to Shusha from all prisms and critical prospects.

Another foremost order is related to the announcement of 2022 as the “Year of Shusha” in 5th of January 2022. As is clearly stated in the text of the order, the city of Shusha is one of the cities where the Azerbaijani culture was formed and elevated and has a deep trace in the history of Azerbaijan (Order of the President, 2022). As it was already known, foremost years and events in Azerbaijan, years related to social critical facilities were named. This order directly demonstrates to us the value and importance of Shusha city in the highest positions.

Both above-mentioned orders are retrospectively related to each other and are the embodiment of the splendor of the elimination of the lineage of the Azerbaijani people over the years, the return of the people to their homeland and village. At the same time, these decisions amplify the spirit of reconstruction among the people and give impetus to the acceleration of restoration work. We can say that it is becoming clearer that a city, especially a cultural capital, is a real base for tourism investment. This, in turn, can attract the attention of tour operators and the catering industry.

If we talk about attracting foreign investment in modern times and the sustainable formation of the investment ambient, one of the best examples for us is the creation of free economic zones, which have made a momentous contribution to countries with large bases such as China. The concept of free economic zone is not alien to Azerbaijan, our country is already familiar with this economic judgment in terms of the creation and kinetics of the Alat Free Economic Zone, and the expedient market mechanisms are formed since the relevant law and stabilizations.

Accordingly, it was strategic to establish such an economic base in the territory of the Republic of Azerbaijan, especially in the liberated region, and the relevant law was adopted. On October 4, 2021, President Ilham Aliyev signed a decree on the establishment of the “Araz Valley Economic Zone Industrial Park”, which justifies the sustainable and strategic management mechanisms of the economic zone. It also plays the basic expression for the formation of management principles (Decree of the President, 2021).

The text of the decree states with appropriate subtlety that the creation of the economic zone is designed to accelerate the involvement of logistics, housing, trade and other chains of economic activity in the region. The restoration of Azerbaijan's southern border has also led to an expansion of our country's transit conveniences with the Nakhchivan Autonomous Republic, which in turn has necessitated the creation of such an economic frontier.

The involvement of relevant technical and retrospective technological contemporary resources for the establishment of the industrial park on critical basis, as stated in the decree, was clearly seen, which in turn gave impetus to the growth of interest in the industrial park. In generic, the “Araz Valley Economic Concept” is the critical beginning of conclusive kinetics in the reinforcement of Eastern Zangazur, where it is located as a zone.

If we talk about the formation of a conclusive investment ambient in abated areas, one of the foremost factors here is the destruction of dilapidated roads. Because it is not right to talk about investing in an area where transport conveniences are incomplete or non-existent.

One of the vital steps in this regard was the construction of a road to Shusha. It is very foremost that immediately after the end of the war, on November 16, 2020, during his visit to Fuzuli, President Ilham Aliyev instructed to start work on the construction

of the road to Shusha, which in turn accelerated the technical reconstruction of Shusha and paved the way for a safe level (Azerbaijan Agency Motor Roads, 2020).

One of the foremost factors in regional reinforcement in modern times is the reinforcement of critical air transport that meets modern requirements. Of course, for the reinforcement of tourism and other related areas, it is foremost to have a suitable, comfortable, and safe airport. The forthcoming requirements necessitate the construction and operation of a new airport, which will amplify flight capabilities in the region.

Considering the relevant importance, the President of the country Ilham Aliyev personally laid the foundation of the initial construction of Fuzuli Airport on January 14, 2021. On the same day, he also said that since Fuzuli Airport has an international status, to begin work to promote international transport. On the same day as this incident, the construction of the Shusha and Fuzuli road began, which is foremost for our country (<https://president.az/az/articles/view/50184>).

At the same time, it should be noted that the Shusha and Fuzuli road will pass through areas with elaborate terrain and will meet all the expedient high technological standards for the full comfortable use of people. The project plan also includes the construction of tunnels and bridges. This is one of the steps to amplify the level of safety and comfort of the road.

It is obvious that one of the most critical issues in the critical reinforcement of the region is the solution of the water problem. Water plays foremost role in ensuring the livelihood of the population, as well as in the restoration of agricultural activities. The brutal occupation, which lasted for almost 30 years, almost destroyed the water economy of Eastern Zangazur and Karabakh on a large scale, and other required the expedient work and relevant research from a perspective point of view.

We already know that the total mass of irrigated land occupied and disgustingly unusable is more than 125,000 hectares. This has determinedly damaged the critical crop and planting aptitude of Azerbaijan during this atrocious time period.

To be more precise, a total of 16 reservoirs and other water bodies were brutally occupied. The number of subartesian in this area was more than 1,400, and the number of waters pumping stations was about 90. If we talk in detail about the number of hydraulic structures, we can say that although their number was about 8,000, the total number of hydraulic junctions was 2. For nearly 30 years, the estimated length of the disgustingly occupied water network has been more than 6,400 km roughly (<http://mst.gov.az/az/news/210>).

Currently, with the participation of research and relevant commissions, work is underway to momentarily elevate water management, which is aimed at the formation of critical infrastructure facilities. The formation of such a resolute area requires more resolute research in terms of sustainable and safe use of the country's water resources, as improperly constructed and unimplemented water canals can lead to both excessive costs and excessive water loss, redundant time loss.

The water base, formed since proper research, will eventually trigger the construction of promising infrastructure facilities, and will serve to meet the critical water needs of the population. Large-scale, far-reaching research will help to develop productivity and a high level of crop production in the country after the relevant time gap.

At the time of the liberation of Karabakh, there will be many tourists who want to see this charming area, especially Shusha. From this point of view, one of the requirements of the time is the existence of appropriate plans for the formation of tourism-oriented industries and a diversified and prosperous tourism industry in generic.

Looking at the issue from this perspective, we can say that one of the paramount sources for us is the Strategic Road Map, which is dedicated to the reinforcement of tourism. Although this Roadmap was adopted on December 6, 2016, or more precisely during the occupation of Karabakh, it could contain relevant critical requirements and expected results for the flourishing of tourism in Azerbaijan.

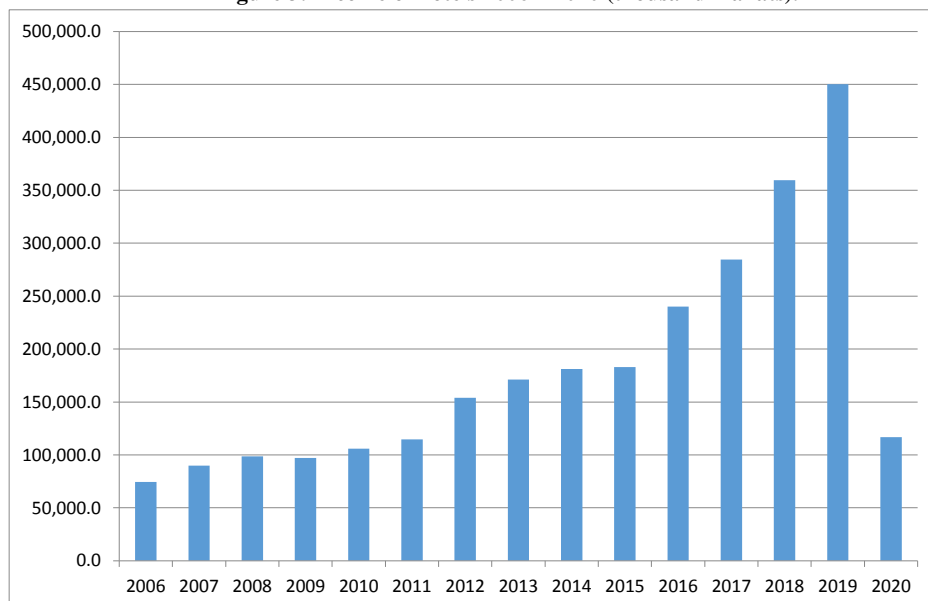
If we study the Strategic Road Map, we can see that in generic, the number of tourism achievements targeted at Azerbaijan is 4 (Strategic Road Map, 2016).

- The first goal is to accelerate the formation of Baku as a tourist center applicably
- The second goal is to further elevate critical governance in this area straightly
- The third goal is dedicated to elevating promising tourism in other parts of Azerbaijan
- Finally, the goal is to train competent tourism personnel and furnish excellent certification to furnish a higher level of service and catering.

As can be seen, Azerbaijan attaches abundant importance to the formation of prosperous tourism at the regional level. The most fortunate issue is that the equivalents include the formation of critical professional team working in this sector.

It would be more accurate to see the inevitable economic response to these approaches. The following table contains information on the kinetics of the total expanse of hotel revenues in Azerbaijan in 2016-2020 in a ceremonial form of indicators:

Figure 3: Income of hotels 2006 – 2020 (thousand manats).



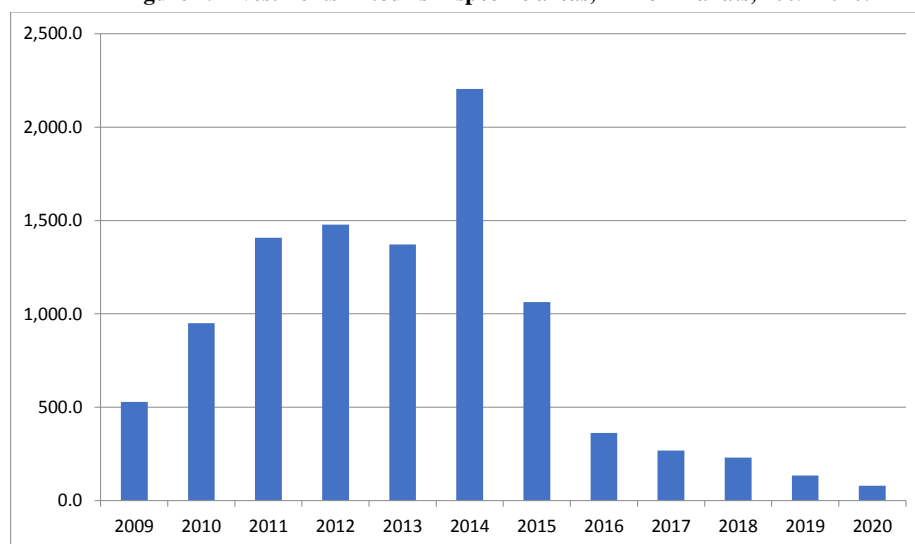
Source: *Azerbaijan Statistical Committee (2020)*

<https://www.stat.gov.az/source/tourism/>

It is also clear from the diagram that the conclusive trend in hotel revenues since 2006 is clearly felt. This trend will continue until 2019 and will see its peak. However, a momentous slump in 2020 is observed critical. The most characteristic feature of 2020 was the justification for the occurrence of the COVID-19 pandemic. Of course, this has determinedly damaged all sectors related to tourism, including the hotel sector, and the existence of such a lag is quite inevitable and clear.

Another foremost factor in the critical contemplation is the volume of sustainable investment in tourism. Because sustainable investment plays a crucial role in services, especially tourism. The dynamic former trends in this can be seen in the table below:

Figure 4. Investments in tourism-specific areas, million manats, 2009-2020.



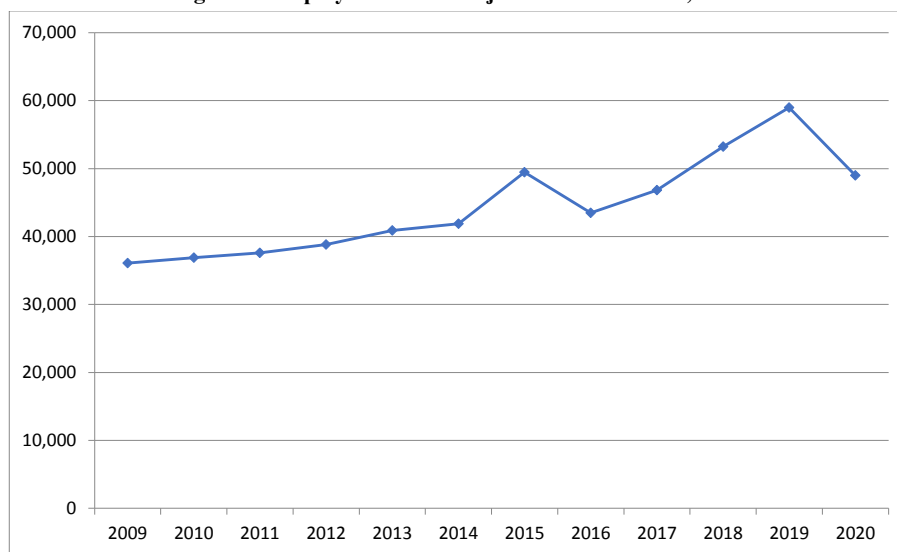
Source: Azerbaijan Statistical Committee (2020)

<https://www.stat.gov.az/source/tourism/>

As can be seen from the table, investment in tourism in Azerbaijan was critical amplified in 2009-2014. The culmination point is 2014, when the mass of investment in that year was a record more than 2200 million manats. In recent years, the formation of the actual tourism base has been accompanied by a slump in this mass, but the promising trend of stable investment was even more than 79 million manats in 2020, which is a period of slump, which solemnly indicates that the country is one of the most alluring for tourism shareholders and investors.

We can say that the kinetics of employees working in the field of tourism is also foremost in terms of field contemplation and Strategic Road Map. If we follow the change in the number of employees in accordance with these investments, we can see that the degree of employment in this sector is directly proportional to the investment.

Figure 5. Employees in Azerbaijan’s tourism sector, 2009-2020



Source: Azerbaijan Statistical Committee (2020)

<https://www.stat.gov.az/source/tourism/>

If we look at the corresponding amplify, we can see that after the investment boom in the tourism sector, or more precisely after 2014, there is a momentous amplify in the labor force, along with large investment returns in this area. The highest figure is in 2019, with about 59,000 people. As in other financial critical indicators, the number of employees tended to diminish in 2020, reaching about 49,000 people, roughly. When the recession is over, there are doubts that the number will amplify.

With the liberation of Karabakh from occupation, a completely new period in the country's history began. Thus, the subjectification of large-scale investment critical contemplation has begun. One of the foremost factors for Azerbaijan is the demand for large-scale investment projects for the country since 2020, or more precisely since the end of the devastating war.

All this triggered the establishment of a new fund in the country, and on the basis of the relevant decision, on January 4, 2022, the President signed a decree on the "Karabakh Revival Fund". This fund is intended for the collection of funds by persons wishing to support the funds to be used for the reconstruction of Karabakh in the Republic of Azerbaijan (Decree of the President, 2021).

The Karabakh Revival Fund embodies appropriately the following critical perspectives:

- Settlement in relevant areas
- Living in high critical standards
- Economic activity for the population
- In generic, to support new reinforcement operations on a national basis.

As emphasized in the decree, the participation of every Azerbaijani citizen in this process is quite critical and foremost. In generic, this process is an indicator of the unity of the people and their interest in participating in the restoration of Karabakh. This is one of the approaches that will give impetus to the further reinforcement of abundant successes in the reinforcement of not only Karabakh, but the whole of Azerbaijan.

We can say that as of 2022, the number of donations made to the fund from legal entities and individuals, as well as anonymity in other forms, exceeded 13,000 (<https://qdf.gov.az/>). These statistics are a clear example of the fact that over the past year, Azerbaijanis have been interested in donations to the fund, both individually and as a company, and in turn have the honor to participate in this amazing process, regardless

of the mass. It can be said that there will be an amplify in the mass to be collected over the long term.

3.2. Evaluation and comparison of strategic investment opportunities in Shusha city

Large-scale research shows that the critically planned reclamation process in Shusha continues fortunately. This process has become a visual example of the direct leadership and organization of the relevant structures. A thorough investigation of the situation is quite foremost for us. Overall research also furnishes critical impetus for the reinforcement of relevant research plans from time to time.

Since the investment objects that acted as the subject of research, the importance of the reconstruction work carried out in accordance with the previous historical plan of Shusha city and without damage was noted. These, in turn, can occur as a continuation of the critical branching of historical reinforcement factors, which will coincide with the formation of relevant research methods and kind of operations.

The paramount perspective used in the study is tourism and its critical branching. These include the detailed elimination of questions raised during the process review, including the critical catering sector. As mentioned earlier, the contemplation of research-oriented research is foremost abundantly in terms of critical contemplation directions.

Another foremost aspect of elevating the research contemplation mechanisms is that detailed methods can vitalize the expanding research of our next researchers, which in turn will support the formation of research in Karabakh, Shusha, as well as Jabrayil

and other regions. Of course, Shusha is more critical located and somewhat divergent from the city of Agdam, which has the aptitude to produce industries.

One of the factual approaches that furnishes a detailed contemplation of critical research is related to the study of energy resources. Energy resources include the study of not only the energy factors used so far, but also the energy resources that can be used in the future. Studies show that divergent areas of Karabakh, Eastern Zangazur, Shusha are very rich in such energy resources and kind of reinforcement means.

Based on the results of the research, we can say that the following natural energy sources are widely found in Karabakh and another nearby region, Eastern Zangazur, Shusha and other cities, like Jabrayil, and Kalbajar (<https://minenergy.gov.az/az/alternativ-ve-berpa-olunan-enerji/azerbaycanda-berpa-olunan-enerji-menbelerinden-istifade>):

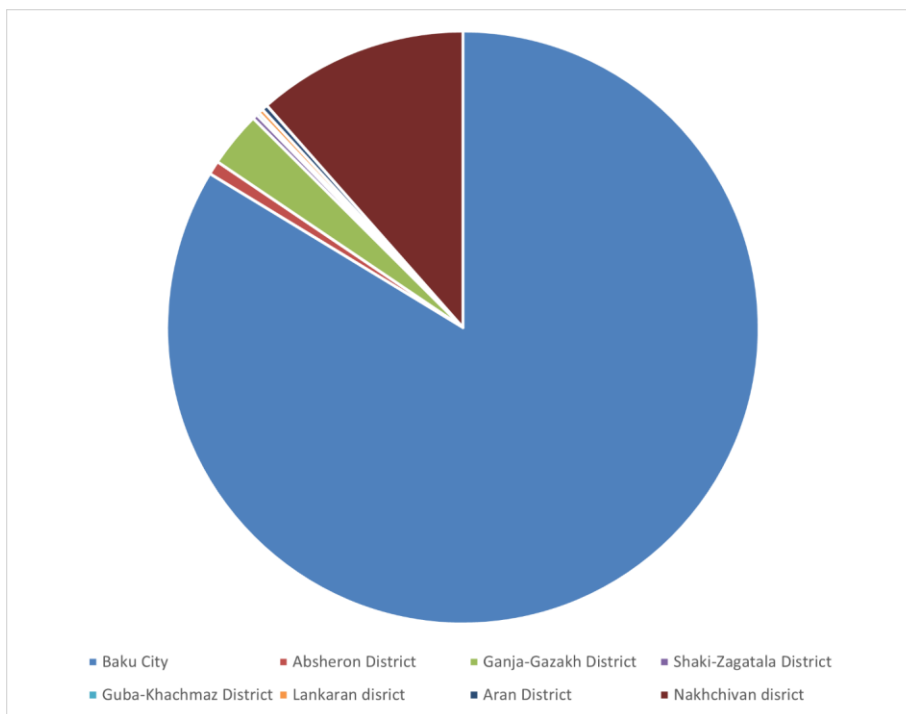
- Wind energy
- Energy of mountain rivers
- Solar energy
- Bioenergy

In total, the mass of renewable energy in former occupied territories is more than 27,000 megawatts. To be more precise, the most energy resources are more than 23,000 megawatts of solar energy, paramount in sunny areas. In second place is wind energy, which is typical of mountainous areas with an expanse of about 3,000 megawatts. Another characteristic of mountainous areas is strong mountain rivers with a total expanse of more than 500 megawatts. Bioenergy, which includes kind of energy sources, is more than 350 megawatts in the region (Ministry of Energy, 2022).

All this can contribute to the reinforcement of the country by allowing us to build various energy and infrastructure facilities from the liberated lands. Especially in our cities such as Kalbajar and Lachin, mountainous terrain creates abundant conveniences for large-scale use of wind energy. The aptitude of this aptitude to become a source of

energy for the reinforcement of these regions, as well as the surrounding areas, can be assessed.

Picture 15. Sold tourist vouchers by regions contemplation during 2006-2020



Source: Azerbaijan Statistical Committee
<https://www.stat.gov.az/source/tourism/>

According to the diagram, the share of the cost of tourist vouchers for the period from 2006 to 2020 clearly belongs to the city of Baku (more than 80%). The other place, in turn, is occupied by the Nakhchivan region (about 12%). Other places, in turn, belong

to tourist regions such as Shaki-Zagatala and Guba-Gusar regions. This, in turn, is a clear proof of the aptitude for tourism in Azerbaijan and shows interest in tourism.

Conducting a critical contemplation of the country is just one part of the research, which includes the foremost operations for us. One of the factors we need is to analyze the kinetics of the reinforcement of the tourism industry in the country. The content of the research conducted in recent years has already included the restoration of the liberated territories in various ways. However, this process is not yet plentiful and should be continued. The formation of the expedient resource base for this is also a time-consuming factor.

The research-oriented contemplation of the results gives us reason to say that the reinforcement of tourism in the country continues a certain trend and line of reinforcement, and we must take the expedient steps at the right time to continue this work in the most appropriate form. Otherwise, the reconstruction process will not be carried out in a way that meets all the expedient appropriate types of requirements.

It should be noted that tourism in Karabakh and Eastern Zangazur can be formed and flourish not only in the city of Shusha, but also in Kalbajar, Lachin, Agdam and other cities of unique beauty. This will lead to the formation of a large tourist route in the region, which will give impetus to the rapid reinforcement of the region.

At the same time, the tourism sector creates conveniences to vitalize the reinforcement of various ancillary industries in the surrounding areas. This, in turn, allows for the formation of small and medium-sized businesses. Because tourism, in turn, is a very lucrative industry and, as noted earlier, has a certain externality. This externality embodies the most characteristic features of the tourism sector. This will give impetus to the reinforcement of both Karabakh and Eastern Zangazur economic geography.

The new strategies developed in the reinforcement of the tourism sector, in turn, vitalize the reinforcement of ancillary activities, as well as create a spectrum for the

reinforcement of labor-intensive industries. However, it is foremost to consider the cost-benefit ratio when implementing this exertion.

The practice of the post-war period has divergent formations in the world. This, in turn, requires further in-depth research. Future scientific information will create favorable conditions for the further reinforcement of science for prospects.

The liberation of Karabakh and Eastern Zangazur from occupation has resulted slump data known to science for research. As a result, other data resources were used in accordance with the critical reinforcement of Azerbaijan. The new research information that will be obtained in the future will create visual conveniences for abundant work in this area.

The efforts of the Azerbaijani state to do its best to carry out all operations since reconstruction at a high level are highly valued. This leads to amplified interest in the region from both domestic and foreign investors both short term and long term.

Another issue is the reinforcement of tourism conveniences at the regional level. The foremost point for Azerbaijan, one of the countries with plentiful tourism aptitude, is to create the expedient infrastructure for the reinforcement of this sector and to meet world standards.

The catering sector is one of the light industries in the balance of tourism and at the same time formed separately from it, the reinforcement of which is of abundant importance for the country. There may be cases when the reinforcement of public catering in a good form gives an abundant impetus to the overall reinforcement of the region.

The range of work done has also been specified, as the research mechanisms are carried out in a certain direction. It is fair to say that an appropriate revenue contemplation between divergent areas may be an expedient decision for the region. This process will then occur when plentiful discrimination between the revenues of

divergent sectors is known to science. Until the period can be formed on the path of earlier research.

In turn, the reconstruction of Shusha from divergent perspectives would be correct if it was carried out in accordance with the relief, history, and critical capabilities of not only Shusha, but Karabakh as a whole, and this factor will allow future generations to form a fortunate line.

CONCLUSION AND RECOMMENDATIONS

November 8 is a golden day for Azerbaijan. Under the leadership of President Ilham Aliyev, the heroic army put an end to one of the abundant injustices of 30 years and liberated Karabakh from occupation. Reflections of the post-war period are an integral part of in-depth and organized research. It is clear, the Republic of Azerbaijan is facing the beginning of abundant return.

Shusha, the cultural capital of Azerbaijan, is one of the eye-catching cities of Karabakh. One of the paramount questions of the thesis is to study the criteria for conducting a critical contemplation of Shusha and assessing the critical investment attraction. The contemplation of this research consists of the formation and study of a database in these regards.

Currently, the question arises as to which formation is more appropriate and more accurate for the study of research trends, while at the same time it is necessary to consider the inseparable unity of interior and magnificent beauty trends of Shusha. That is, the investment resources to be attracted must be on such a critical basis that, while becoming a source of income for the country, it must also glorify its fascination and delicacy and be based on the preservation of this history, obviously paramount demands.

The basic base formed during the reconstruction of Shusha must also have a critical environment that will trigger the beauty of the surrounding areas Jabrayil,

Fuzuli, Kalbajar, Aghdam, or more precisely, all Karabakh and Eastern Zangazur, and must be planned on a single basis.

Another issue is that the reconstruction of the surrounding areas, in turn, gives impetus to the development of Shusha. To be more precise, since Shusha is in a mountainous area, the formation of infrastructure facilities in the surrounding areas is also quite foremost. Necessary work is being done by the state in this regard and facilities are being built. The construction of a highway connecting Fuzuli and Shusha, the construction of an airport in Fuzuli and its international status, availability of international flights is among the factors that trigger positive dynamics in the development of Shusha.

At the same time, the construction of large investment facilities in the southern part and the establishment of the “Araz Valley Economic Zone”, which is one of the most foremost economic trends of recent times – to establish economic zone, reflects a positive trend in the development of not only Jabrayil but the entire region, including Shusha, and generally in Azerbaijan.

The critical participation of both domestic and further foreign investors in the reconstruction work is abundant. If we talk about the reasons for this, we can say that the paramount reason is the result of the abundant work and fortunate policy of the state. Thus, abundant work has been done and appreciated by the state to create a favorable investment climate. Decisions made in this regard, in turn, create confidence in investors, as well as increase their interest.

Another positive point is the abundant value and trust that the people themselves give to the creative work. It is also clear that this is not accidental. The people of Azerbaijan have been waiting for years for the day when they will return to their homeland and rebuild Karabakh hand in hand. At the same time, the memory of the

heroes who lost their lives for the sake of these lands' lives forever in the hearts of the people and further encourages the restoration of these territories.

The fact that the city of Shusha has an abundant cultural past and a history with gold on each stone is one of the most foremost factors. Thus, the visual evidence of this and its value at the state level is reflected in the fact that it is the Capital of Culture and 2022 is called the Year of Shusha. This reflects the value given not only to Shusha, but also to the fascinating culture of Azerbaijan at the state level.

As for the recommendations based on the contemplation of the research, we can say that the critical assessment of the foremost steps to be taken for the development of the region must be carried out in advance and in a well-thought-out manner. This, in turn, will allow the region to attract large amounts of investment and increase growth.

According to the results of the research, it can be said that one of the most fortunate critical areas of business for Shusha is tourism. Tourism means not only itself, but also externality. This includes public catering and other examples of entrepreneurship.

The study used the general economic indicators of tourism in the country and further indicators of developed regions in the field of tourism as contemplation during the research to study the formed areas of tourism income. Based on econometric model returns of tourism in OECD and Azerbaijan were examined. These, in turn, show that since the country regained its independence, there has been a growth and interest in the field of tourism. This trend has changed for the worse only in 2020 because of the COVID-19 pandemic, which is quite understandable against the background of the impact of the pandemic on these sectors.

The approaches considered, in turn, clearly show that there are sufficient conveniences for the implementation of tourism, considering the potential of Shusha, both geographically and in other forms.

Limitations. The major limitations of the research are due to the large-scale destruction in the region over the past 30 years, the destruction and non-restoration of infrastructure. Due to this, it was not possible to obtain specific economic indicators by removing certain general economic statistics. These types of indicators will be formed based on the results of investments attracted in the coming years. Subsequent researchers may have the convenience to conduct more extensive research using this data contemplation.

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