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ECONOMIC REINTEGRATION OF THE LIBERATED TERRITORIES AND STRATEGIC DEVELOPMENT DIRECTIONS OF THE NON-OIL SECTOR

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The article examines the development potential of Azerbaijan's non-oil sector in the liberated territories, with a focus on economic diversification. Using comparative, systematic, and statistical methods, it assesses agriculture, tourism, energy, logistics, and industry. Infrastructure projects, green energy zones, transport development, IDP return, and employment growth contribute to sustainable regional economic development.

Keywords: *liberated territories, non-oil sector, Karabakh, Eastern Zangezur, economic development, agriculture, tourism, logistics, green energy.*

ЕКОНОМІЧНА РЕІНТЕГРАЦІЯ ЗВІЛЬНЕНИХ ТЕРИТОРІЙ ТА СТРАТЕГІЧНІ НАПРЯМИ РОЗВИКУ НЕНАФТОВОГО СЕКТОРА

С.Я. Мамедова

У статті розглядається потенціал розвитку ненафтового сектора на звільнених територіях та його значення з точки зору диверсифікації економіки Азербайджану. Потенціал розвитку звільнених територій у сільськогосподарському, туристичному, енергетичному, логістичному та промисловому секторах оцінювався на основі доступних наукових джерел та

офіційних даних. Реалізовані в регіоні проекти відновлення та реконструкції, будівництво сучасної інфраструктури, застосування концепції «зеленої енергетичної зони» та реалізація транспортно-комунікаційних проектів створюють широкі можливості для розвитку нафтового сектору. У статті також зазначається соціально-економічне значення повернення внутрішньо переміщених осіб, підвищення зайнятості та забезпечення регіонального розвитку.

У дослідженні було встановлено, що реінтеграція звільнених територій в економічний обіг зробить значний внесок у сталий розвиток Азербайджану, розширення експортного потенціалу та зміцнення регіонального економічного співробітництва. У дослідженні всебічно проаналізовано потенціал розвитку нафтового сектору звільнених територій, оцінено роль сільського господарства, туризму, енергетики та логістики в регіональному економічному розвитку. Також науково обґрунтовано вплив «зеленої енергетичної зони» та транспортно-логістичних проектів на диверсифікацію економіки.

***Ключові слова:** звільнені території, нафтовий сектор, Карабах, Східний Зангезур, економічний розвиток, сільське господарство, туризм, логістика, зелена енергетика.*

Statement of the problem. The liberated territories of Azerbaijan are considered one of the main directions of a new stage in the socio-economic development of the country [1]. As a result of the long-term occupation, settlements, infrastructure, agricultural areas and industrial facilities have been seriously damaged. At the same time, extensive mining of the territories is one of the main factors complicating the recovery and reconstruction process [2]. Nevertheless, the rich natural resources, favorable geographical location and broad economic potential of these territories create significant opportunities for the development of the non-oil sector [3].

The reconstruction of the liberated territories is of particular importance not only from an economic perspective, but also from a social and strategic perspective. The return of internally displaced persons to their native lands, the construction of new settlements and the increase in employment serve the sustainable development of the region [4].

The purpose of the article is to study the development potential of the oil sector in the liberated territories of Azerbaijan and to determine its role in economic diversification, regional development, and the strengthening of economic cooperation.

Presentation of the research material. The development of the non-oil sector in the Azerbaijani economy has been one of the main strategic priorities of the state in recent years. Global economic changes, price fluctuations in energy markets and the requirements for sustainable development have necessitated the diversification of the economy. In this regard, the rich natural resources, favorable geographical location and broad

economic opportunities of the liberated territories can play an important role in the development of the country's non-oil sector.

The reintegration of these territories into economic circulation serves not only to ensure regional development, but also to strengthen Azerbaijan's national economic security and form new sources of economic growth.

Development opportunities of the agriculture and agrarian sector. The liberated territories are considered to be strategically important regions of Azerbaijan in terms of agrarian development, with their rich soil resources, favorable natural and climatic conditions, and extensive water resources. The Karabakh and East Zangezur economic regions have historically been among the main agricultural regions of the country, where grain growing, viticulture, cotton growing, livestock breeding, beekeeping, sericulture, and vegetable growing have been widely developed [5].

In particular, the presence of mountainous and foothill areas has created favorable conditions for the development of livestock breeding and pasture farming. Until the occupation period, the region made a significant contribution to the country's economy in the production and processing of agricultural products.

Currently, the restoration of agriculture in the liberated territories and its formation on a modern basis is one of the state's priorities. The construction of modern irrigation systems in the region, the implementation of land reclamation and irrigation measures will allow increasing the efficiency of agricultural production. At the same time, the application of the concepts of "smart village" and "smart agricultural economy" will accelerate the integration of innovative technologies into the agricultural sector. The establishment of agroparks and large farms will create conditions for increasing productivity in the production process, more efficient use of resources, and the production of competitive agricultural products [6].

At the same time, the establishment of agricultural processing enterprises will allow the formation of an agro-industrial complex in the region. By ensuring the local processing of raw materials, these enterprises will have a positive impact on increasing added value, creating new jobs, and increasing the employment level of the population. The development of agricultural processing and export-oriented production will make a significant contribution to expanding Azerbaijan's non-oil export potential and strengthening food security.

At the same time, there are also wide opportunities for the development of environmentally friendly and organic agriculture in the region. Land areas that have been outside the influence of industry for many years are considered favorable for the production of environmentally friendly agricultural products. This can stimulate the export of highly competitive

products in international markets. Overall, the development of the agricultural sector in the liberated territories will play an important role in the socio-economic revival of the region, providing employment, and expanding the non-oil sector.

Development prospects of the tourism sector. The liberated territories are considered one of the important tourism regions of Azerbaijan with their rich natural and landscape features, favorable climatic conditions, mineral water resources and historical and cultural heritage. The Karabakh and East Zangezur economic regions have high potential in terms of domestic and international tourism with their mountainous terrain, forest areas, rivers, lakes and numerous historical and cultural monuments [7]. The natural and geographical features of the region create broad opportunities for the development of various types of tourism here - ecotourism, health tourism, winter tourism, rural tourism and cultural tourism.

The declaration of the city of Shusha as the cultural capital of Azerbaijan has given a significant impetus to the development of the tourism sector in the region. The rich historical and cultural heritage of Shusha, architectural monuments, museums and cultural events create favorable conditions for the city to become an international tourist destination. At the same time, international festivals, cultural events and forums held here have a positive impact on the development of the service sector by increasing the tourism attractiveness of the region.

The mountainous terrain, rich forest resources, clean ecological environment and mineral springs of the Kalbajar and Lachin regions form important opportunities for ecotourism and health tourism [8]. In particular, the creation of modern medical-health and recreation centers based on the Istisu and Turshsu mineral springs can create conditions for increasing the region's tourism revenues. At the same time, the construction of winter tourism infrastructures and the organization of tourism routes in mountainous areas will allow for more efficient use of the region's tourism potential.

The development of tourism infrastructure in the region – the construction of hotels, recreation centers, transport and communication networks – will have a significant impact on the creation of new jobs and the improvement of the social well-being of the population. The development of the tourism sector will also accelerate the economic diversification of the region, increase the share of the service sector and make a significant contribution to the formation of non-oil revenues. In general, the effective realization of the tourism potential of the liberated territories acts as one of the important directions in the regional development strategy of Azerbaijan.

Mining and construction industry. The liberated territories have rich mineral resources and occupy an important place in the industrial potential of

Azerbaijan. There are gold, copper, zinc, mercury, marble, limestone and other mineral deposits in the Karabakh and East Zangezur economic regions [9]. These resources create favorable opportunities for the development of the mining industry and the expansion of industrial production in the region. In particular, the Soyudlu gold deposit located in the Kalbajar region is considered one of the largest and most strategically important deposits in the region. The involvement of these deposits in economic circulation can make a significant contribution to increasing the country's export potential and the development of the non-oil sector.

The development of the mining industry will create conditions for the creation of new production facilities in the region, the formation of industrial infrastructure and increasing employment. The exploitation of mineral resources based on modern technologies will allow both to increase economic efficiency and strengthen the industrial potential of the region. In addition, the processing of extracted raw materials at local processing enterprises will serve to create added value and increase the competitiveness of industrial products.

The region is also distinguished by its wealth of building materials resources. The availability of clay, cement raw materials, sand and gravel, gypsum and other building materials allows reconstruction and restoration works to be carried out mainly at the expense of local resources [10]. This is of great importance in terms of reducing construction costs and sustainable development of the construction sector. The establishment of new enterprises for the production of building materials will have a positive impact on the expansion of industrial production in the region, the development of entrepreneurship and the creation of new jobs.

At the same time, large-scale reconstruction projects carried out in the region act as one of the main factors accelerating the development of the construction industry. The construction of new settlements, roads, industrial facilities and social infrastructure increases the demand for building materials and stimulates the expansion of local production. In general, the development of the mining and construction industry will play an important role in the economic reintegration of the liberated territories, the expansion of the non-oil sector and ensuring regional economic development.

Economic importance of energy and water resources. The liberated territories are one of the strategic regions of Azerbaijan where important water and energy resources are concentrated. The Karabakh and East Zangezur economic regions play an important role in the country's energy and water supply with their rich hydropower potential, river networks and reservoirs. In particular, the Sarsang and Sugovushan reservoirs are of strategic importance in terms of agricultural development, the operation of

irrigation systems and energy supply [11]. Efficient management of these water resources can make a significant contribution to the development of the agricultural sector, strengthening food security and socio-economic development of the region.

The region's hydropower potential is also highly valued. The mountainous terrain and rich water resources create favorable conditions for the construction of hydroelectric power plants here. The operation of existing and planned hydroelectric power plants will serve to strengthen the country's energy security, increase electricity production and diversify energy supply [12]. At the same time, the implementation of hydropower projects allows for the application of more environmentally sustainable approaches to energy production.

The implementation of the “green energy zone” concept in the liberated territories occupies an important place in the energy strategy of the region. The vast potential of solar, wind and hydropower resources create favorable opportunities for the development of alternative and renewable energy sources. Projects implemented in this direction create conditions for ensuring the ecological safety of the region, reducing carbon emissions and forming sustainable economic development. At the same time, the development of alternative energy projects has a positive impact on attracting new investments and introducing innovative technologies in the region. The efficient use of energy and water resources also has a significant impact on the development of the industrial, agricultural and service sectors of the region. The creation of modern energy and water infrastructure will allow for the expansion of production activities, the development of entrepreneurship and the creation of new jobs. In general, the involvement of energy and water resources of the liberated territories in economic circulation will play an important role in the development of the non-oil sector of Azerbaijan, ensuring energy security and strengthening regional economic integration.

Infrastructure and logistics opportunities. Large-scale infrastructure projects implemented in the liberated territories play an important role in the socio-economic revival of the region and its reintegration into the country's economy. The construction of modern road, railway, airport and communication infrastructure is considered one of the main strategic directions for realizing the economic potential of the region [13]. The implementation of infrastructure projects creates favorable conditions for the expansion of interregional economic relations, improvement of the investment climate and stimulation of entrepreneurial activity.

The construction and reconstruction of highways in accordance with international standards in the liberated territories significantly contributes to the restoration of transport links. In particular, the construction of the Fuzuli,

Zangilan and Lachin international airports significantly expands the international transport and logistics opportunities of the region. These airports are of strategic importance in terms of increasing the efficiency of cargo and passenger transportation, developing tourism potential and strengthening foreign economic relations. At the same time, the development of air transport infrastructure also has a positive impact on increasing the international investment attractiveness of the region.

The restoration of railway infrastructure in the region and the creation of new transport lines play an important role in expanding transit opportunities. The construction of the Horadiz–Aghband railway line will not only ensure the integration of Azerbaijan’s main transport network with the liberated territories, but also create conditions for an increase in the volume of international freight traffic. At the same time, the Zangezur corridor project will make a strategic contribution to the expansion of regional economic cooperation and the development of international trade relations [14]. Through this corridor, Azerbaijan can become one of the important transit centers on the East-West and North-South international transport routes.

The development of communication and digital infrastructure is also of particular importance in increasing the economic potential of the region. The establishment of modern telecommunications and internet networks will allow for the development of the digital economy, the expansion of electronic services, and the promotion of innovative entrepreneurial activity. As a result of the comprehensive implementation of infrastructure and logistics projects, the integration of the liberated territories into the country’s general economic system will accelerate, and new opportunities will be formed for the development of the non-oil sector.

Conclusion. The conducted analyses show that the liberated territories occupy a special place in the future socio-economic development strategy of Azerbaijan and have significant potential in terms of expanding the country's non-oil sector. Although the economic and social infrastructure in the region has been seriously damaged as a result of the long-term occupation, the large-scale reconstruction and restoration measures currently being implemented form a solid foundation for the economic revival of the region. Development programs adopted by the state, investment promotion mechanisms and international cooperation projects accelerate the reintegration of the region into economic activity.

The research results show that agriculture is one of the main development directions of the liberated territories. Fertile land resources, the availability of water resources and favorable climatic conditions allow for the reshaping of the agricultural sector. The application of modern agricultural technologies, the implementation of smart village concepts, the creation of

agroparks and the organization of agricultural product processing enterprises will create conditions for achieving high productivity in the region. This process will both strengthen the provision of the domestic market and increase the export opportunities of agricultural products.

The tourism sector also acts as one of the priority directions in the economic development of the region. Karabakh and East Zangezur regions have great tourism potential with their rich natural and landscape features, mining relief, forest resources, mineral springs and historical and cultural monuments. The declaration of Shusha as the cultural capital of Azerbaijan has given a significant impetus to the development of cultural tourism in the region. At the same time, the development of ecotourism, winter tourism and health tourism in the Kalbajar and Lachin regions creates conditions for the expansion of the region's service sector. The development of tourism infrastructure will have a significant impact on the creation of new jobs and the increase in the social well-being of the region. The research results have shown that the mining and construction industries also occupy an important place in the economic potential of the region. Gold, copper, zinc and other mineral deposits located in the liberated territories create favorable opportunities for the development of industrial production. In particular, the Soyudlu gold deposit in the Kalbajar region is of strategic economic importance. At the same time, the wealth of building materials reserves allows for the creation of new industrial enterprises in the region, the development of the construction sector at the expense of local resources, and the optimization of reconstruction costs.

Energy and water resources also play an important role in the economic development of the liberated territories. The hydropower potential of the region is highly appreciated, and the new hydroelectric power plants being built here serve to strengthen the country's energy security. At the same time, the implementation of the "green energy zone" concept accelerates the development of alternative energy sources. The implementation of solar and wind energy projects creates conditions for the environmentally sustainable development of the region and increases energy export opportunities.

The implementation of infrastructure and logistics projects is of strategic importance in terms of the economic integration of the region. The construction of new highways, railways, airports and communication systems expands the region's access to domestic and foreign markets. In particular, the Horadiz-Aghband railway line and the Zangezur corridor project will have a significant impact on strengthening Azerbaijan's position as an international transport and logistics center. These projects will increase the transit opportunities of the region, as well as create conditions for the expansion of trade relations and the increase in non-oil exports.

At the same time, one of the main challenges facing the development of the region is the contamination of large areas with mines. The mine threat is one of the main factors hindering both the safe return of people and agricultural and construction activities. Therefore, accelerating the demining process and increasing international support are considered essential conditions for the recovery of the region.

In general, the effective realization of the economic potential of the liberated territories will accelerate the economic diversification of Azerbaijan, increase the share of the non-oil sector and make a significant contribution to balancing regional development. The reconstruction of these territories is not only of economic, but also of social, strategic and national importance. Ensuring the sustainable development of the region will play an important role in strengthening the long-term economic security and social well-being of Azerbaijan.

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