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SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS
MASTER OF PUBLIC ADMINISTRATION

CAPSTONE PROJECT

**Supporting IDPs returning to the territories freed from occupation in
term of entrepreneurship and income-generating activities**

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LIST OF ABBREVIATIONS

ANAMA –Azerbaijan National Agency for Mine Action

APEA – Azerbaijan Public Employment Agency

EOD – Explosive Ordnance Disposal

GDP – Gross Domestic Product

IDPs – Internally Displaced Persons

MLSP –Ministry of Labour and Social Protection of the Population

NGOs – Non-Governmental Organisations

SAVE –State Agency of Vocational Education

SSC –State Statistical Committee of the Republic of Azerbaijan

SCRIDP – The State Committee for refugee and IDP issues

SMBDA – Small and Medium Business Development Agency

UNDP– United Nations Development Programme

UNHCR – United Nations High Commissioner for Refugees.

VET – Vocational Education and Training

WB – World Bank

WPS – Women, Peace, and Security Advisory Council

Abstract

This capstone project reflects the major obstacles that former IDPs in recently liberated Azerbaijani territory confront in their interest of entrepreneurial and income-generating activities. After the 44-day Patriotic War and afterwards liberation of these lands, the Azerbaijani government launched the "Great Return" programme. This involved implementing a series of reconstruction and development projects with the goal of reintegrating the former displaced people. The primary objective has been to provide job opportunities that align with the capabilities and demands of the local economy for the returning IDPs. However, there are still significant challenges to overcome.

Although the "I State Programme on the Great Return to the Territories Freed from Occupation" has made progress and outlined its goals, there is still a significant gap between the number of available job opportunities and the demand in the market. This disparity particularly affects women and individuals with outdated or insufficient skills. The current employment data indicates a small proportion of IDPs involved in personal business, which reflects larger problems such as insufficient market demand in poorly inhabited regions, poor infrastructure, and a major mismatch in the necessary skills. Encouraging entrepreneurship and income-generating activities can have a significant impact on solving the challenges that arise. Entrepreneurship development can play an important role in employment generation and have a greater impact on job creation, economic, local development, flexible and adaptable sustainable employment solutions.

This study will examine the fundamental causes of these problems, using survey data from ADA University to reveal the requirements for restoring basic life support. These requirements have a substantial impact on the sustainability of businesses in the region. Furthermore, the disparity in gender among returning IDPs highlights the importance of inclusiveness that specifically responds to the unique requirements of all demographic groups

including women and youth. This project intends to improve the efficiency of the "Great Return" program in Azerbaijan's liberated lands by identifying the most significant underlying reasons and presenting strategic solutions. The goal is to promote sustainable development and resilience in these areas.

Keywords: *IDPs, entrepreneurship, income-generating activities, labor market mismatch, women entrepreneurship, skills gap, market demand, sustainable development.*

CHAPTER 1. INTRODUCTION

The Armenian-Azerbaijan Nagorno-Karabakh conflict entered history as one of the most tragic conflicts of the 20th century, and its consequences had a serious impact on

millions of people's fates.

20 percent of the internationally recognized territories of the Republic of Azerbaijan have been occupied by the Republic of Armenia for nearly 30 years. During the occupation, the cities and other settlements of Azerbaijan, including infrastructure facilities, were completely destroyed in these areas, our national and cultural heritage was destroyed, our natural resources were looted, significant damage was done to the economy, and more than 1 million Azerbaijanis became refugees and internally displaced persons.

On September 27, 2020, in response to the next military provocation of Armenia, the Azerbaijani Army launched a counter-offensive operation. The 44-day Patriotic War resulted in the liberation of our lands from occupation and the restoration of our country's territorial integrity.

The long-term longing of Azerbaijani citizens who want to return to their homeland has ended (president.az, 2020, November 10).

"I State Programme on the Great Return to the Territories Freed from Occupation of the Republic of Azerbaijan" was approved by the Decree of the President of the Republic of Azerbaijan dated November 16 2022.

By liberating its lands, the Republic of Azerbaijan has entered a new stage of its historical development, characterized by large-scale restoration and construction projects, based on sustainable peace and progress, which is an example for many countries (president.az, 2023 December 06).

One of the main challenges facing the “Great Return” to the lands freed from occupation is ensuring the employment of the returning population, providing them with sustainable work according to their skills and the requirements of the local market, and contributing to the socio-economic condition of the country.

In the direction of providing employment, which is one of the main priorities, which is the focus of attention in the “State Program” and “Action Plan”, certain activities have been done, certain activities are being implemented, and the rest are planned to be implemented by 2026.

Entrepreneurship plays a vital role in employment generation and can have several benefits such as job creation, economic development, local development, and resilient employment options that are agile and adaptable.

Supporting entrepreneurship and other income-generating activities of returning IDPs in a strategically thought and coordinated manner can have a significant impact on providing employment and solve the disparities between supply and demand chain that exist in the local market of liberated territories.

However, there are significant challenges in entrepreneurship and income-generating activities that IDPs face in the territories recently freed from occupation in terms of mismatch between supply and demand, women's job opportunities, lack of competencies and skills of returning IDPs.

According to the report by the Ministry of Labor and Social Protection of the Population, till 29 February 2024, there are 3558 people among the former IDPs returned to Karabakh 5443 people who are able to work, living in 5 different residential areas: Fuzuli city, Lachin city, Zabukh village of Lachin, Aghali Village of Zangilan, and Talish village of Aghdere. Out of them, 1393 people are employed consisting of 1222 working on vacancies and getting salaries. The number of people working on their own businesses is only 45, by percentage 0,03%. (MLSP, 2024, February 24).

Due to the limited population in these areas, there is not much demand for all types of businesses in the short term, which discourages people who have business ideas and the

amount of investment in the area.

According to the survey result conducted among the entrepreneurs by ADA University, 100 people out of 284 require the restoration of basic life support systems such as electricity, water supply, natural gas etc., 89 responded for infrastructure, 48 respondents preferred the vast majority of IDPs to return these areas which would actually increase the demand for various businesses. Finally, 38 people believe that returning to their homes is a sufficient reason to invest in Karabakh. Obviously, local markets of products and services can only operate after the beginning of repatriation. Additionally, the returned IDPs are not only customers, but also potential employees for the businesses.

317 thousand (50.6%) out of 627 thousand internally displaced persons are women. This demographic factor emphasizes the importance of inclusion, as well as the needs and expectations of women in the planning and execution of the resettlement process. (MLSP, 2024, January 31).

Moreover, women IDPs are significantly underrepresented in formal employment sectors outside the home, with a majority (69%) of IDPs reporting that women's primary responsibilities lie in domestic and family care. (WB Report, 2023, p. 29)

Based on the latest statistics from The Ministry of Labour and Social Protection of Population, the gender distribution among those who moved to the liberated regions show that 2473 out of 4819 IDPs are women, which represents 51.3% of the total. The "Great Return" governmental programme prioritizes the active participation of young people, women, and those with disabilities in business endeavors.

In addition, the skills possessed by returning IDPs before the occupation do not align with the needs of the local labor market in the areas they return to, or became outdated due to technological advancements, the aging population has lost the ability to work, young

people worked for 30 years mostly in jobs according to the requirements of the big industrial city, which are not typical for the region they return.

During their displacement few IDPs were engaged with agriculture and animal husbandry. Consequently, there are few people with experience living in rural areas and working in agriculture that is critical.

According to a World Bank survey of 2,000 IDPs, 58 percent said that acquiring new skills and professions would have a positive impact on families' livelihoods (WB Report, 2023, p. 12). Although most IDPs are interested in getting new skills, they lack interest in developing sector-specific skills, skills among a variety of high-paying or modern technology sectors, including in information and communication, engineering and programming. (WB Report, 2023, p. 29)

This capstone project will cover questions such as identifying the most influential underlying causes of the problem through analysis of the current situation regarding challenges in entrepreneurship and income-generating activities that internally displaced people face, the best ways to tackle the identified causes, and what steps the main stakeholders can take to contribute to the challenges.

Thus, the purpose of the paper is to investigate the problems faced by former internally displaced persons who have returned to the liberated territories of the Republic of Azerbaijan in relation to entrepreneurship and income-generating activities, and to develop useful strategies for solving these problems.

1.1 Methodology

In order to elaborate on the problem, investigate it more deeply, and later justify the policy option, within the project we have deployed a qualitative method to gather relevant primary data. Interviews were chosen as a qualitative method with the help of one expert from the State Committee for Affairs of Refugees and Internally Displaced Persons of the Republic of Azerbaijan, one independent expert who participated in different reports and conferences regarding IDPs, one expert from the Public Employment Agency of the Republic of Azerbaijan, one expert from the Agency for Vocational Education and Training, one expert from the Great Return Youth Organization, and one deputy. The interviews were conducted in online format with government officials in Azerbaijani and English and in offline format in the Azerbaijani language with independent experts within approximately 40 minutes. The interviews are semi-structured and consist of 11 questions (see Appendix: Interview Questions). Conducting interviews with experts representing government agencies, deputy and additionally independent experts on the topic was effective in gathering different positions and approaching the problem from different perspectives.

Secondary data regarding the problem was obtained from the State Committee for Affairs of Refugees and Internally Displaced Persons of the Republic of Azerbaijan. The data was gathered from several unpublished official reports that concern government bodies.

The limitations of the study are: failure to conduct a survey with the population that returned to their land of origin; inability to travel to the territories freed from occupation in order to observe them by ourselves due to constraints of authorization and time; statistics on the level of employment of the displaced people in which fields and sectors they work are not publicly available; and statistics regarding the employability of IDPs in the country for recent years were impossible to get.

The roadmap of the capstone project paper across five chapters is the following: Chapter 1 consists of the definition and context of policy problems, stakeholders related to the problem, and a description of methodology with an indication of the limitations of the research study. Chapter 2 will elaborate on the problem by describing its potential causes. In Chapter 3, the list of policy alternatives for the mentioned causes will be presented. Chapter 4 will be aimed at evaluating each policy alternative based on a set of criteria that will help to choose the best option. In conclusion, a summary of the work will be provided along with recommendations to stakeholders.

CHAPTER 2. PROBLEM DESCRIPTION

Former IDPs' involvement in entrepreneurship and income-generating activities in the liberated territories would have a significant impact on the local market and the creation of a sustainable business environment. There must be certain conditions for former IDPs to participate in entrepreneurship and income-generating activities. In this chapter, we will analyse what conditions exist, what impediments exist, as well as issues that have not received enough attention, and we will present the main reasons that negatively affect entrepreneurship and income-generating activities.

2.1. Supply-demand challenges in entrepreneurship and income-generating activities that internally displaced persons face in the territories freed from occupation.

The vast majority of the IDPs that have already returned to the liberated Karabakh work in the public sector, namely, construction, administrative jobs, education, etc., which demonstrates that there is high demand for these fields due to the ongoing revival process in these territories (Agency, 2023). According to the report by the Ministry of Labour and Social Protection of the Population, until February 29, 2024, there are 3558 people among the former IDPs returned to Karabakh who are able to work, living in 5 different residential areas: Fuzuli city, Lachin city, Zabukh village of Lachin, Aghali village of Zangilan, and Talish village of Aghdere district. Among them, 1393 people are employed, consisting of 1222 working on vacancies and getting salaries. The number of people working on their own businesses is only 45, by a percentage of 0.03%.

In order to clearly identify the proportion of employed people by the number of people returned, according to the repatriation statistics for February and March, 2245 people live in Fuzuli (APA, 2024) and 1705 live in Lachin City, which has the highest population.

Considering the statistics, media reports, and other research outcomes, one of the problems occurring from these factors is the mismatch in supply and demand between existing business areas. Due to the occupation for more than 27 years, infrastructure, facilities, residential areas, historical buildings, and communication roads were fully destroyed and looted in Karabakh and East Zangezur economic regions, which forced the Azerbaijani government to start building the whole area from scratch, starting with infrastructure, roads, bridges, communications, providing energy through stations, and so on. Besides all these ongoing reconstruction works, the return of former IDPs was also started by the Aghali smart village of Zangilan in 2021.

However, while restoring the residential areas, it is critical to consider that the surrounding areas are still destroyed, landmines are polluted, and there is no infrastructure except roads and electricity. As an example, the shortest distance from Aghali village in Zangilan to the areas where there is infrastructure and habitat is the non-occupied parts of Fuzuli district, which is approximately 65 kilometers. The problem at this point is the challenges of supplying any products, especially in case of emergencies in the village, which are time-consuming, costly, and difficult from the logistical aspects. This problem is also applicable for Lachin city and Zabukh village of the district, which are located close to the non-delimited state border with Armenia and far from the non-occupied territories of Azerbaijan, which is the only source for supplying the needs in these residential areas.

Another argument for reducing the percentage of entrepreneurship and self-employment is based on the historical background of the people who lived in Karabakh before occupation and are now preparing to return or have already returned. The majority of people, not only in Karabakh but also in all regions of Azerbaijan, were working in agriculture during the Soviet era, which is actually one of the fundamental reasons for the inability of a large portion of the population to work in other spheres. Considering the fertility of the soil in Karabakh and East Zangezur economic regions, the vast majority of people were busy with local agriculture to earn money in various districts. Undeniably, people who have already returned or are preparing to return to their villages or towns are willing to work on agriculture and use the natural resources available there efficiently.

However, there are a number of challenges that may prevent the returned IDPs from working in these areas, such as farming, cattle breeding, beekeeping, etc. The major issue regarding agriculture is that the returned IDPs were provided with houses with satisfying

living conditions and basic needs, which is considered a positive outcome of the repatriation. However, there are not final regulations about their employment in the areas that will be proportioned to all returned people with the required equipment, etc., in order to fulfil their needs for agricultural activities. As an example, based on personal observations while visiting the Aghali village of Zangilan district back in 2023, people have been living in their local village for more than a year yet to receive their additional area for farming and other activities. The actual reason for the occurrence of this problem is defined as landmine pollution. According to the report of the ANAMA about the demining operations in Karabakh, which are done by not only manual demining but also animal-supported mine detection systems, use of mechanical means, and EOD, only in the year 2023, 53081 ha of area were cleared from 23049 pieces of unexploded ordnance, 3495 anti-personnel mines, and 5034 anti-tank mines (ANAMA, 2023). Consequently, considering that Karabakh and East Zangezur cover in total approximately 18.000 square kilometres, these annual statistics demonstrate that it will take years to completely clear liberated areas from the "hidden seeds of death." Thus, considering the amount of time spent on demining, ANAMA prioritised cleaning the residential areas of Karabakh first and keeping the areas to be used for farming to the next stage of the demining process. For instance, currently there is a construction of Sarijali village in Aghdam district, which is 6 kilometres away from Aghdam city and 10 kilometres away from the unoccupied areas of Azerbaijan, namely, located in the line of contact for 27 years. The building of houses in the residential part of the village is coming to an end, and the former IDPs from that village are expected to return in December 2024. Despite the fact that the residential area of the village is completely free from landmines, which actually made it possible to start construction there, the surrounding parts, which are potentially considered to be given to the usage of local villagers for agricultural activities, are not cleaned yet. In December 2023,

while the construction was going on, the officer of the mine agency became a victim of an explosion in the surrounding area of that village, and his leg was amputated as a result of the explosion. (Report.az, 2023) These factors clearly identify what kind of danger still exists in the non-residential areas of the liberated territories and explain why people are yet to use those areas as soon as they return to their hometowns.

In terms of demand, due to the limited population in these areas, there is not much demand for all types of businesses in the short term, which discourages people who have business ideas and the amount of investment in the area.

While analyzing the reasons for the discouragement among the people, the survey project conducted by the working group for science, education, and culture and organized by ADA University among the entrepreneurs would be helpful to identify the challenges preventing individuals from opening businesses in Karabakh.

According to the survey results, 100 people out of 284 respondents required the restoration of basic life support systems such as electricity, water supply, natural gas, etc.; 89 responded for infrastructure; and 48 respondents preferred the vast majority of IDPs to return to these areas, which would actually increase the demand for various businesses. And finally, 38 people consider that people's return to their homes is a sufficient reason for investing in Karabakh. (ADA University.2022) Obviously, local markets for products and services can only operate after the beginning of repatriation. Additionally, the returned IDPs are not only customers but also potential employees for the businesses.

2.2 Fewer former IDP women entrepreneurs, and women participating in income-generating activities in the liberated territories.

Based on the latest statistics from the Ministry of Labour and Social Protection of the Population, the gender distribution among those who moved to the liberated regions shows that out of 4819 individuals, 2473 are women, which represents 51.3% of the total. The "Great Return" governmental programme prioritises the active participation of young people, women, and those with disabilities in business endeavors. As an example, in the "Smart Village" project in Agali village, Zangilan district, only two women and one young individual received entrepreneurship training from SMBDA and were given resources for beauty salon and barbershop operations by the State Employment Agency (MLSP, 2023, October 2).

Even so, female IDPs who have been displaced in Karabakh encounter barriers that include not just economic challenges but also deeply embedded social norms and practices that have historically restricted their involvement in business and other sectors of the economy. Right now, the number of women's entrepreneurs in the liberated regions is limited, with the majority of women employed in the fields of education or public service.

According to the "I State Programme on the Great Return to the Territories Liberated from occupation," the involvement of women in entrepreneurship is one of the main activities (I GRP, Action Plan, Section 5.3.3, 28).). However, when we examine the regulation of this statement, we see that not only IDP women but also women entrepreneurs in general have a number of interventions in their financial opportunities.

Milli Majlis deputy, Vugar Bayramov, said in his interview with the press that "there is a need to increase access to financial resources for women entrepreneurs." Monitoring shows that women entrepreneurs have low access to loans. (Azertag, 2022.)

One of the main reasons why women among the returned people of Karabakh are not

interested in entrepreneurship and income-generating activities is the lack of knowledge of the population. The returned women who currently live in Agali village, Zabux village, or Lachin should get involved in entrepreneurship and income-generating activities through training and empowerment programmes and business-related knowledge. For example, it is necessary to teach IDP women what entrepreneurship, or income-generating activity is, and how to access financial resources for those activities. According to the statistical data, among the 4819 people who returned to Karabakh, 2473 are women. (MLSP, 2024, January 31).

Among the resettled population, the majority of women earn income in technical jobs, in the field of public services, or by running a beauty salon or baking sweets with their own business (expert interview from Great Return NGO). These fields in themselves are good examples of female entrepreneurship, and the presence of such women entrepreneurs in the liberated territories can contribute to the development of women's entrepreneurship.

In the liberated territories, "Azcake" LLC's small branch is operating in Shusha and is an example of successful entrepreneurship. But when we look over, we find that the founder of that company is not a female entrepreneur. (E-Taxes, 2024.)

But what are the factors that cause women to show less interest in entrepreneurship? Today, 22% of entrepreneurs operating in the country are women entrepreneurs (SSC, 2023). It is clear from the survey initiated by SMBDA in 2018 that one of the main obstacles for women to engage in entrepreneurship in the country is the lack of basic knowledge about how to set up a business, including the high annual interest rate of loans with financial resources or the requirement of a guarantee.(SMBDA 2018)

Let's take a look at what opportunities the state has created for women's access to

financial opportunities and supporting women's entrepreneurship. First of all, in the "I State Programme for the Great Return in Territories Freed from Occupation," the Decree No. 1957 dated January 9, 2023, of the President of the Republic of Azerbaijan approved the "rule of providing loans to business entities operating in territories freed from occupation with state guarantees and subsidized loan interest." According to that rule, the annual interest rate of the loan given to business entities should not exceed 15 (fifteen) percent, and the term of the loan should not exceed 7 (seven) years. The mentioned high annual interest rates can be considered one of the severe obstacles to accessing financial resources for women who want to engage in entrepreneurial activity.

According to the results of a survey conducted by a reliable institution among IDP women regarding the process of returning to Karabakh, "Do you have enough knowledge and experience to start a business?" 50% of the respondents answered "no," and the remaining 50% answered "yes" (WPS Study 2023). To increase their interest in income-generating areas, it is necessary to carry out large-scale training and educational activities in this field among IDP women who have resettled in liberated territories.

In this direction, more attention needs to be paid to training and basic knowledge of entrepreneurship among women. State authorities only involve women in vocational training such as tailoring, hairdressing, and cooking (from the expert interview). However, at the same time, they should be involved in financial literacy, business literacy, and training related to entrepreneurship and income-generating activities. One of the main barriers to women's entrepreneurship and income-generating activities is their lack of knowledge. Coordination through government agencies is weak and inconsistent. Of course, the responsible organisation can participate in special events or organize joint career fairs. Combining and

coordinating the work and efforts on one platform can contribute more, but in reality, each state institution deals with issues within its competences and does not show joint implementation initiatives. SAVE and APEA are presently providing vocational and skills-focused training programmes, both with their own features and results. Although both are government institutions, they have different methods and offer different types of training.

APEA's training programmes have a very short duration, often ranging from 40 to 60 days. After training, a thorough assessment is carried out, and participants are then given activities to help them in their professional pursuits. The APEA programme is specifically intended to provide applicants with both theoretical knowledge and practical skills necessary for entering the industry. In addition, APEA undertakes to monitor applicants for a year after training to ensure that they successfully implement their newly acquired abilities in their professional environment.

On the other hand, SAVE's training programmes have a longer duration, lasting from six months to one and a half years. (Article 9.8, Law of the Republic of Azerbaijan on Vocational Education, 2018) The emphasis is placed on an extended educational experience, which concludes with the provision of a diploma to the participants. This certification provides evidence of the skills and knowledge obtained during the programme.

SAVE and APEA, although having the same objective of improving vocational skills, do not collaborate or share information effectively. The lack of effective communication across institutions about shared vocational subjects exists (from the expert interview).

Moreover, APEA serves as a crucial facilitator in connecting enterprises with those seeking employment. Entrepreneurs provide APEA with details on vacancies, which APEA

subsequently aligns with unemployed IDPs, with a primary emphasis on technical and specialized expertise. Nevertheless, it is crucial to acknowledge that these vacancies frequently do not correspond with the abilities and requirements of internally displaced women, highlighting a deficiency in addressing gender-specific job necessities.

2.3. Lack of competencies and skills of returning IDPs

One of the main issues of the Great Return to the Liberated Territories is ensuring the employment of the population in line with the professions and skills of the returning population. This issue is one of the main issues in the Action Plan, which is a target for state bodies (I GRP, Action Plan, Section 2, p. 15). The returning population, which had different occupations and labor capacities before the occupation, needs to acquire new skills and capacities to catch up with the new technology.

The skills possessed by returning IDPs before the occupation do not align with the needs of the local labor market in the areas they return to or became outdated due to technological advancements; the aging population has lost the ability to work; young people worked for 30 years in jobs according to the requirements of big industrial cities, which are not typical for the region they turn to.

The activities and lifestyle of people whose occupations were animal husbandry and agriculture before becoming internally displaced changed a lot. After being displaced, IDPs typically moved away from agriculture to the formal and informal jobs of urban cities. It also means that, during the time that they did not practice agriculture, these IDPs lost skills and know-how in a key set of practical agricultural knowledge that they would need when they returned to their rural homelands.

During their displacement, a few IDPs were engaged in agriculture and animal husbandry. Consequently, there are few people with experience living in rural areas and working in agriculture who are critical for helping establish new villages with sustainable sources of food and revenue. In particular, people with agricultural experience could help ensure that returned and reintegrated communities have the skills necessary to cultivate food for consumption and livelihoods. Relatively few families have experience working in agriculture. This part of the population is more willing to return to their regions of origin and engage in agriculture (11.3% of all respondents of 2000 households) (WB Report, 2023, p. 38). Displacement impacted the socio-emotional wellbeing and skills of IDPs, which in turn played an important role in shaping the labor market.

The lack of skills of the majority of IDPs, the interruption of education, profession, and other activities of the people who were displaced from their native land in the first years of the occupation, and then living in tent cities for a long time and being away from education, had a negative impact on their profession and knowledge. It is clear that the population aged 40 and older has fewer occupations and less knowledge.

Then, the education of refugees, the availability of education, and the exemption from tuition fees have had a positive effect on the education of refugees, respectively. Thus, the skills and competencies of IDPs in the age range of 20–40 are higher.

In fact, more than 30 years have passed, and the demands of the labor market for skills and occupations have changed. Besides, there is a greater demand for various professions, especially those developing specific sectors of modern technology, including programming, finance, information and communication, and engineering.

In line with the changing demands of the local market, IDPs lack the training and vocational education that prevent them from having relevant skills for employment and generating income.

This skill mismatch makes it difficult for IDPs to find suitable employment or engage in entrepreneurial activities.

Thus, the returning IDPs need to acquire new skills and capacities to catch up with the new technology and demand of the local market (from the interview with experts).

According to a World Bank survey of 2,000 IDPs, 58 percent said that acquiring new skills and professions would have a positive impact on families' livelihoods (WB Report, 2023, p. 30). Although most IDPs are interested in getting new skills, they lack interest in developing sector-specific skills among a variety of high-paying and/or modern technology sectors, including programming, finance, information and communication, and engineering. (WB Report, 2023, p. 44)

Additionally, in order to improve living conditions and increase economic self-reliance, provide empowerment and financial stability for IDPs, stimulate local market and community development in liberated territories, and promote entrepreneurship and income-generating activities among returning IDPs,.

After 30 years of occupation, there are a number of challenges for the population returning to the liberated lands to engage in entrepreneurial activities and income-generating activities.

The returning IDPs lack different entrepreneurship and income-generating skills and

competencies. Lack of context-related entrepreneurial knowledge and skills and lack of market knowledge, skills, and confidence of most IDPs deter them from entrepreneurial initiatives leading them to public service and more stable jobs to support the family. That could impact the unemployment rate and the development of the private sector (from the interview with experts).

Returning IDPs may have good ideas for entrepreneurship, but there is a mismatch between the skills they possess and the skills required in their intended income-generating field, and they do not know the processes required for the entrepreneurial activity they want to pursue (from the interview with experts).

Thus, obtaining financial resources for entrepreneurial activity, and if it is not successful or due to various possible reasons, the high risks, time, and financial loss also discourage the population returning to their lands from engaging in more entrepreneurial and income-generating activities (from the interview with experts).

To support and develop small and medium business activities, various programmes are implemented by the Small and Medium Business Development Agency.

At the same time, the APEA provides assets and necessary equipment for the involvement of returning IDPs in intensive training according to their skills and for engaging in small income-generating activities, as well as initial vocational training programmes through intensive programmes implemented by the SAVE. However, the activities of the above-mentioned three institutions are not closely related and do not converge on one platform.

SCRIDP sends the information and the list of the population whose migration is

planned to the APEA after the population has migrated. The agency meets the already returned displaced population at their places, prioritises first the family members of martyrs and war veterans, then other populations, and engages them in the employment project to provide training and assets according to market needs or informs them about vacancies. Connects the job seeker with an employee seeker accordingly. The latter is more preferable. (from the interview with experts).

As a result of the implementation of the project after the population has migrated, certain difficulties arise in targeting and planning. Considering that the population is small, sometimes one tailor is needed for a village. It creates difficulties in effectively using and directing the knowledge, skills, and experience of the population.

Moreover, the essence of entrepreneurship for returning IDPs must not be economic survival or engaging in petty trade. Returning IDPs most often focus on sectors with low entry requirements and qualifications where they can provide value based on their cultural background, skills, or experience. Typically, entrepreneurship in sectors such as food, small-scale trade and retail, guidance services, and beauty services is preferred (according to the expert). This type of entrepreneurial activity qualifies as subsistence entrepreneurship or self-employment, characterised by necessity-based motives.

Subsistence entrepreneurship may not require the necessary skills, knowledge, and education to effectively manage businesses or adapt to changing market conditions, is less resilient, and results in thin profit margins. Typically, entrepreneurship is associated with the creation of a new and opportunity-driven business. Necessity-driven microenterprises that tend to be informal and have limited capacity or intent to grow.

On top of that, there is a big information gap regarding existing opportunities for entrepreneurship. Lack of information about the available support for refugee entrepreneurs, the failure to unite the activities of the relevant state institutions working in this field on a single platform, and the failure to carry out extensive information work also reduce interest in entrepreneurship and income-generating activities.

The returning population returns to their homeland after a very long period of time and requires socio-emotional adjustment in parallel with adapting their skills and knowledge to the modern demands of the local market in order for most people to return to the homeland they left as children or at a very young age and engage in income-generating activities.

CHAPTER 3. POLICY OPTIONS

Following the analysis of the main causes that hinder former IDPs' engagement in entrepreneurship and income-generating activities in their places of origin, in this chapter we will cover those policy options that have the potential to tackle the above-described destructive reasons. Here, each policy option tackles one relevant cause.

3.1 Matching supply and demand to encourage entrepreneurship endeavors

The former IDPs returning to Karabakh need support mostly from government agencies due to the lack of several resources to have self-employment and generate income, at least for the first few months or years, due to a number of challenges in almost fully destroyed and looted areas. In order to address the challenges that returned IDPs face, the government focuses on stimulating small businesses and entrepreneurship by providing access to capital and targeted support, which is planned by the Ministry of Economy, namely, exemption from profit (income), property, land, and the simplified tax regime for 10 years; dividend income of shareholders (shareholders) of legal entities tax exemption for 10 years; provision of loans with state guarantee and subsidisation of loan interest, etc. (Ministry, 2023)

Considering the major reasons for the mismatch between supply and demand, such as time and limited resources, some temporary measures by the government may be efficient for reducing this issue. As an example, one of these measures may be modular-type stores or markets where people may find more necessary goods supplied. This method may be implemented based on the previous experience from the COVID-19 pandemic quarantine period. In 2020, during the pandemic, the Azerbaijani government provided several modular-

type hospitals for the people when there was a scarcity of beds for the sick, which was not only happening in Azerbaijan but also more challenging for some developed countries. Instead of spending more money and areas for the building of new hospitals, these modular-type places became much more useful and less time- and money-wasting for the government. Accordingly, various modular-type retail stores, markets, and shops would be efficient from the point of view of increasing the employment rate among returned IDPs and extending the supply in order to meet the demand of those people.

Additionally, developing strategies for improving market access and supply chain efficiency in liberated territories and supporting partnerships between businesses and larger investing companies to increase the market reach for local productions in the larger markets would be efficient for accelerating the income generation of people. Public-private partnerships might be an efficient method to speed up the development of necessary infrastructure in the liberated areas. Encouraging the private sector to invest in projects such as irrigation systems and storage facilities for agriculture can also help make the access of locals to the markets easier. Despite there being some already planned projects by the government to encourage the private sector to invest in the reconstruction in Karabakh, the government is willing to spend a large amount of money on other areas that are non-profitable, such as villages, houses, sport centers, museums, schools, cultural centres, etc., and tries to attract the private sector to invest instead of spending from the budget. However, this initiative has not been possible yet as the PPP is a newly implemented option in Azerbaijan. There is only one ongoing project, which is the desalination of the sea water of the Caspian Sea, which is aimed at producing 100 million m³ of potable water annually in the city of Sumgait (Unit, 2024), which demonstrates the lack of experience in the country in this field.

Regarding the usage of lands for farming, beekeeping, cattle breeding, etc., the government may provide the citizens with temporary lands freed from occupation, which may be a bit far away from the residential areas of the people for a while considering the demining process in the areas that may actually be considered to be allocated accordingly. Additionally, accelerating the demining in these areas may be possible by expanding the usage of EODs by ANAMA, which are perfectly capable of being used in these areas rather than residential parts.

Furthermore, the liberated areas in Karabakh and East Zangezur economic regions have a unique potential for tourism considering the fascinating landscapes not only in the mountainous districts such as Shusha, Kalbajar, and Lachin but also other parts reviving. Beside the foreign guests, local tourists show high interest in visiting the liberated areas. Considering the high demand by local visitors to the liberated territories, there is already a portal operating under the project of the Ministry of Digital Development and Transport of the Republic of Azerbaijan and the Innovation and Digital Development Agency called "Yolumuz Qarabağa" (Transport, 2024). By using this web portal, citizens have a chance to visit Shusha city, Lachin city, and Sugovushan settlement by their own cars and spend 2 days, and to have a one-day trip to Aghdam city and Fuzuli city by bus. These projects lead to attracting more local tourists to the liberated territories and create more opportunities for the development of tourism considering that 3,486 million AZN were spent in domestic tourism, including 1,836 million manats in out-of-capital Baku (Agency, 2024), which plays a crucial role in the employment rates of the districts having tourism potential thanks to the landscape such as Guba-Khachmaz, Shaki-Zagatala, Lankaran-Astara economic regions, etc. Considering these factors, the government should focus on providing the necessary sources

for the IDPs to contribute to the tourism sector in liberated areas. The case of Gabala district might be a good example to implement in Karabakh and East Zangezur, which have attracted a high number of tourists in the last two decades to this region. For instance, according to the sources, in 2021, 83,534 tourists were accommodated in the hotels and guesthouses of Gabala, more than 70 thousand (84,5%) (Mədniyyət, 2022) being domestic tourists, which is considered an undeniably high result in Azerbaijan thanks to the number of hotels, restaurants, summer and winter tourism centers, and many other touristic places that were opened in recent years and dramatically increased the employment rate of the population of the region. Thus, building tourist attractions in the liberated territories and providing concessions to the returned IDPs will be effective in meeting the demand of the people traveling to those areas.

3.2 Promoting Women's Economic Empowerment in liberated territories

To integrate former IDP women into sustainable business and income-generating activities, a comprehensive programme called "Promoting IDP Women's Economic Empowerment" could be implemented in an effective way. This programme will be implemented in the following three main directions:

- 1) Skills development, mentoring, and support programmes for former IDP women willing to engage in income-generating activities;
- 2) Financial support projects regulating the access of women entrepreneurs to financial and other resources;
- 3) Establishment of the Karabakh Women Entrepreneurs Support Platform and the Karabakh Women Entrepreneurs Community.

Achieving women's economic empowerment requires long-term support, ownership, engagement, and collaboration by key stakeholders to be effective and sustainable. Therefore, women's economic empowerment projects should be implemented in partnerships with government institutions and the private sector (UNDP, 2024, p. 53).

The first direction, Skills Development, involves training women in entrepreneurship, financial literacy, and specialised vocational skills to improve their position in entrepreneurship and income-generating activities. Strategies for delivering financial literacy and basic entrepreneurship training can empower women to make informed financial decisions. The impact of specialised vocational skills training on increasing women's participation and success in non-traditional fields is significant. Creating mentorship through support programmes will be critical for new entrepreneurs to tackle the challenges of starting and growing a business. These resources will provide valuable insights, guidance, and connections that can help them avoid common pitfalls and accelerate their business growth.

The second component of the programme directing at establishing an exclusively financing mechanism. This involves enabling women entrepreneurs a possible access to the financial resources such as grants, subsidized loans. Such simplified policy will certainly boost former IDP women's involvement in entrepreneurship. By implementing regulatory tools which includes tax benefits and easy registration process will generate advantages for women entrepreneurs.

The third direction of the program is to create Supporting Platform for Karabakh Women Entrepreneurs and the Karabakh Women Entrepreneurs Community. It can be a holistic platform enabling all types of service and necessary information for returned IDP

women. With the help of this digital platform the government agencies also will connect easily . On the other hand returning IDP women will be enable to get information as well as enroll skill development programmes and financial literacy training. With one click they may also register and apply for financial support, subsidies, or grants from the government. Government agencies will achieve easy communication and coordination by this digital platform. Additionally this digital platform might be a market-based model, which would create a great enormous opportunity for women entrepreneurs. They can sell their crafts and products or services not only locally but also globally, like the “MADE51” model which is initiated by UNHCR.

In addition, having a society called the Karabakh Women Entrepreneurs Community could be an effective way to bring together women who are engaged in entrepreneurship and other women with similar initiatives.

In conclusion, through the platform, access to the services provided by government agencies and their availability will be more possible, communication will be easier, services will be more efficient, and the role of the platform will be greater in achieving the target indicators of the programme, as well as more women will be encouraged and united through the mentioned society.

3.3 Developing the skills of the population in accordance with the possible forms of entrepreneurship

As the skills possessed by returning IDPs before the occupation do not align with the needs of the local labor market in the areas they return to or became outdated due to technological advancements, returning IDPs would better have market-based skills that can pave the way to

long-term solutions. The potential of the digital marketplace to generate income and engage returning IDPs in entrepreneurship is one market-based solution. Relevant government agencies—such as APEA, SAVE, and SMBDA—can work with market partners for skills development and support services such as technology hubs, incubators, and accelerators. By teaching skills and providing online training and one-on-one mentoring to engage in e-commerce and sell local products or handmade patterns, it can be a profitable business for people. As a result, it is possible for returning IDPs and youth to realize high-quality services through online marketplaces. (International Trade Centre, 2018.)

Accordingly, the establishment and development of fields that can contribute to the value chain of the region and the country, meet the requirements of the modern world, and accordingly impart skills in this direction to the returning population through various programmes.

Since the returning IDPs lack different entrepreneurship and income-generating skills and competencies, different support trainings can be carried out for different aspects of entrepreneurship, such as idea generation, financial planning, operational management, business plan formation, and empowerment and capacity-building trainings for soft skills and self-efficacy.

Organising masterclasses or themed courses for returning IDPs can be part of the training—short or long courses on a specific topic. Some examples of topics include managing finances, impact measurement, soft skills, self-efficacy, storytelling, marketing strategy, social media and digital marketing, leadership development, tax and compliance, strategic planning, digital marketing, access to credit training, intellectual property, design thinking,

and business model thinking.

In order to make entrepreneurship programmes effective for returning IDPs, they should be trained to change their mindset. They must be convinced that they can have better control over their lives by engaging in entrepreneurial activities rather than depending on cash benefits. So along with entrepreneurship training, they also require training to develop their soft skills in the areas of ethics, communication, etc. If this type of training could be arranged, then the programmes would be more effective (according to the expert interview).

During their displacement, a few IDPs were engaged in agriculture and animal husbandry. Consequently, there are few people with experience living in rural areas and working in agriculture, which is critical for helping establish new villages with sustainable sources of food and revenue.

Small farmers could contribute to ensuring a sustainable and resilient agriculture sector. By increasing the quality and quantity of the agriculture sector, the local community will be able to access better work and income opportunities (from the interview with experts).

The development of agricultural skills in the returning population is based on the division of the regions specialised accordingly. The specialisation of the regions in different agricultural fields and the development of the skills of the relevant population can be the basis. For example, Agdam can specialise in viticulture and winemaking. A certain part of the population can be involved in vocational training in this direction. Training the knowledge and skills of the population to meet the requirements of modern markets and technology will pave the way to facilitate income generation in the agricultural value chain and the expansion of entrepreneurship dealing with various fruits and dried fruits. The agricultural development

programme will enable farmers to plant, harvest, and sell crops of high quality enough to increase their income and improve food security. It is possible to increase the public's interest in this field and turn it into a profitable one by connecting farmers with product buyers and various market players through a tool and facilitating access to fair product contracts (from the interview with experts).

Creating networking opportunities among returning IDPs and the business community can provide initiatives for IDPs. This can include business trips or exchange programmes, the implementation of experience programs, and best best practices sharing rams. As a continuation, establishing cooperation relations and holding regular meetings between successful business models and newly established entrepreneurs can successfully foster entrepreneurship among IDPs.

Information and support services are needed to inform refugees of their rights, existing opportunities, and possible pathways to develop their skills. To increase awareness about entrepreneurship, gather refugees living in different regions, hold public events and meetings for awareness, and provide training on entrepreneurship (most people do not know the available opportunities and how to use them). An easy-to-use information platform can be provided, such as a help desk that provides an environment or space to meet peers in the same situation as well.

Coordinating the activities of the State Agency for Vocational Education and the State Employment Agency. If the measures implemented by both institutions complement each other, it is possible to ensure the employment of refugees in a more effective and sustainable way. So, the State Agency for Vocational Education is specialized in vocational education

and is responsible for providing primary, secondary, and technical vocational education. Assessing and determining the pre-migration skills of the population returning to the liberated areas, involving them in vocational training in accordance with the required fields, providing them with experience in the framework of short-term programmes, then conducting an assessment and providing them with assets by the State Employment Agency.

In fact, the returnee population is trained by both institutions: Accelerated Vocational Training Programmes are being conducted by the SAVE; short-term training programmes for the skilled returning population are being conducted; however, the activities of the two institutions are not related (according to the expert interview).

Peer-to-peer learning can be applicable and also have a positive impact on promoting and encouraging returnees to engage in income-generating activities and entrepreneurship. For this, it is necessary to form societies that bring together the population engaged in various types of income-generating activities. Bringing businesses together in structured or unstructured ways to facilitate learning from each other's experiences and skills is key. Many entrepreneurs are eager to learn from others who are in the "trenches" of entrepreneurship. Peer-to-peer learning often works best in a non-competitive environment, in a live format, and in person, using a flexible yet streamlined format.

One of the biggest trends in the entrepreneurship arena is the increasing interest and focus on social and environmental impact. Social enterprises contribute to solutions to social and environmental problems and prioritize social impact while maximizing profit. By doing so, it may be possible to redirect the existing skills of people according to the requirements. Most social entrepreneurs act on a needs-driven business or impact model, have close

connections with disadvantaged communities, and have a better understanding of the livelihood component of entrepreneurship. Therefore, the social enterprise model is compatible with some new enterprise models and, most importantly, with the challenges of the region.

Promoting sustainable development and community development, social entrepreneurship initiatives are an effective solution in order to meet the unique challenges and needs of regions liberated from occupation, which can have positive results for the region. Agricultural projects, projects that support the development of tourism, projects that promote environmental protection, and the creation of centers in the field of education and training are potential areas for social entrepreneurship. Creation of associations among local farmers to increase agricultural productivity and implementation of innovative farming techniques suited to the local environment while protecting the environment, protecting cultural heritage, historical sites, and the natural beauty of the region to develop sustainable tourism initiatives and offering guided tours, family stays, Projects such as reforestation efforts, waste management programmes, and ecologically sound agricultural practices to protect and restore the natural environment, as well as centers or programmes that offer education, vocational training, and job placement services, can be successfully implemented within the framework of social entrepreneurship. Conducting pilot projects and competitions on start-up projects among the returning youth, rewarding the winners accordingly, and providing them with appropriate assets to support their entrepreneurial skills and efforts will lead to an increase in the interest of the youth in entrepreneurship in the region.

The returning population also returns to their native lands after a very long time, and the fact that most people return to their homelands, which they left when they were children

or very young, makes it necessary to carry out other training in parallel for their re-adaptation. It's important to provide psychosocial support alongside skills development programmes. After a predetermined period of time, results-oriented monitoring can be carried out for each implementation area.

CHAPTER 4. EVALUATION OF POLICY ALTERNATIVES

In this chapter, each of the above-proposed alternatives will be evaluated based on five criteria: effectiveness, efficiency, equity, feasibility, and flexibility. Evaluation will help

to consider options from different perspectives and highlight the most appropriate ones.

Matching supply and demand to encourage entrepreneurship endeavors

The government's support for small businesses, which has benefited from tax exemptions and subsidies, may play crucial in helping returned people grow their businesses and generate income as quickly as possible while adjusting to life in villages and smaller cities as opposed to Baku.

Given that time and limited resources are the main reasons for the mismatch between supply and demand, modular stores, modular markets, and certain business areas can be modular. Implementing modular-type stores can positively impact the process of reducing disbalance in supply and demand by providing the necessary goods to the local people in order to prevent, especially the challenges they face while starting their small and medium businesses. This option will be effective.

Considering the efficiency of the government measures for local businesses, they will have simplified procedures with fewer administrative burdens and more financial support compared to other businesses in the country. This option appears to have a very limited cost.

Modular-type retail stores may quickly and efficiently tackle a variety of obstacles that returned IDPs may potentially face in terms of employment.

Small business support policies can advance equity by giving returned internally displaced people (IDPs), particularly those with limited means, the chance to engage in the economy and enhance their standard of living.

These solutions can improve fairness by guaranteeing that all residents, despite their

location or socioeconomic class, have access to the basically needed products.

In order to identify whether this policy is feasible, it is essential to compare and calculate its positive impact on the beneficiaries as well as possible controversial issues such as time efficiency, cost efficiency, etc. Considering the numerous challenges that are faced by people currently in Karabakh, applying some privileges to the former IDPs will contribute to the future development of the territories not only because of the big projects of the government but also thanks to the new ideas and projects of local people that may further strengthen the economic conditions of the local people in various parts of Karabakh and East Zangezur economic regions.

As it was observed during the COVID-19 quarantine period, temporary modular-type objects may crucially support the people in terms of basic needs for the short term, in which the government may face several limitations due to the lack of resources and time.

The government's support for small businesses will create more flexibility and stimulate the local people to focus on more private ownership, which may foster the economic development of the region by reducing the proportion of government budget costs for the living conditions of people in the long term.

Additionally, modular-type objects such as retail stores and shops will be more widespread in various parts of the liberated territories depending on the repatriation of people throughout the years, meaning that the building of new and modernized industrial parks, workplaces, etc. will either be removed or changed to the new areas where the return of people is yet to start.

Promoting Women's Economic Empowerment in liberated territories

Effectiveness measures how well the offered policy meets the goal of enhancing IDP women's economic participation. We are considering the possibility of five criteria for all three directions of the "Promoting IDP Women's Economic Empowerment" program. The program includes skill development, financial support projects, and the creation of the Karabakh Women Entrepreneurs Digital Support Platform. Here is the detailed explanation of each the direction regarding to effectiveness factor.

Firstly, skill development, mentorship, and support programmes are crucial as they not only give women with the necessary abilities but also provides ongoing assistance for integrating these talents in order to establish and sustainable businesses.

Moreover, the Financial Support Projects programme needs to improve the institutional framework in order to make it easier for women to receive financial resources for their business ideas. This component's effectiveness is based on the simplicity with which former IDP women may obtain financial assistance, subsidies, and grants. This strategy increases their ability to establish and develop businesses by removing financial barriers.

Finally, the effectiveness of the Karabakh Women Entrepreneurs support Platform and the Karabakh Women Entrepreneurs Community will be assessed by their ability to give substantial assistance and knowledge to returning IDP women. This platform might serve as a crucial focal point for coordinating contacts between government agencies and society as a whole, ensuring that assistance is coordinated and effective. All in all, this holistic strategy not only complies to the rules' effectiveness additionally fosters an environment that is favourable to sustainable economic growth.

Financial programmes' efficiency is measured by calculating the ratio of government

spending to measurable outcomes, in other words, the number of new female-owned enterprises and economic growth resulting from it. The performance of the Women Entrepreneurs Support Platform for Karabakh and the Women Entrepreneurs Community in Karabakh is determined by their ability to facilitate users' interactions and provide services with minimal maintenance costs. Creating linkages between the various assessments implies that an overall picture forms which shows that the best way to enhance both individuals and communities benefits is by proper allocation of resources. Such a holistic method ensures that the efficiency of policy approaches is not only a goal but actual cost-effective which has an impact on the long-term sustainability of the economy. However, there are problems related to the practice of a financial help project.

Equity in the execution of policies, on the other hand, is essential for achieving the goal of equal economic growth among all internally displaced women irrespective of their way of life, populations, and internally displaced areas. The very policy option can be implemented according to the principle of equity. Thus, the principal one is the issue of the inclusion of skill development programs. These projects provide a comprehensive strategy for improving skills and empowering women in different areas by guaranteeing equitable opportunities.

Furthermore, the equitable allocation of resources is of higher importance. Financial support projects can be distributed fairly and equally. This strategy guarantees equal access to important resources for all IDP women, irrespective of their personal affiliations or social standing, consequently promoting a genuinely equitable atmosphere.

As a third direction, the establishment of the Karabakh Women Entrepreneurs Support

Platform and the Karabakh Women Entrepreneurs Community also fulfills the equity criterion. So, all women entrepreneurs can use the platform and become members of the community.

Creating such an environment provides opportunities for every woman to succeed, regardless of her background or resources.

If we consider the feasibility criteria for all three directions included in the proposed policy option, we can note that this criterion is fulfilled in all three directions. Effective implementation of skills and support programmes requires a collaborative strategy involving NGOs, government agencies, and local community and private partners. Implementation of skill-oriented training for IDP women, as well as financial literacy and basic business skills, can be a useful program. For example, teaching specific skills such as making handmade souvenirs, carpets, or other national ornaments, as well as teaching women how to advertise and sell them not only in the regional market but also in the global market, can have substantial results. However, there are issues with the feasibility of the implementation of the financial support projects.

The implementation and scope of these projects are based on public-private-community partnerships and depend on the resources that the institutions can allocate. If implemented, it will benefit the state and society. For the platform to be sustainable, it is necessary to build a technological infrastructure.

Flexibility, especially in terms of the ability to adapt to changing conditions and unexpected outcomes, is an important factor to consider when evaluating policy options. Adaptability is important in several areas of policy implementation. Training programmes

should include innovations that are in line with ever-changing market demands.

Similarly, it is very important that financial support programmes have flexibility. Feasibility is possible in the direction of the mentioned policy option. Skilling and empowerment programmes for women can be implemented by the government and will be of great interest. The feasibility may be in question here, depending on the funds allocated for the second direction, Financial Support Programs. Also, feasibility and flexibility are possible for the third direction: platform and the creation of the Karabakh Women Entrepreneurs Community.

Developing the skills of the population in accordance with the possible forms of entrepreneurship.

Acquiring new skills and professions would have a positive impact on families' livelihoods. Most IDPs are interested in getting new skills (WB Report 2023). Acquiring new skills from the population in accordance with market requirements is effective from the point of view of the internal market and sustainability. When it comes to efficiency, this option is not efficient as it requires the relevant institutions to come together and invest resources and time. The instillation of new knowledge and skills in accordance with the possible interests and skills of the population is within the principle of equity.

The feasibility of training new skills and competencies will depend on the government's financial capacity as well as the cooperation of the Small and Medium Business Development Agency, the State Employment Agency, and the State Agency for Vocational Education. It may also require partnering with the private sector.

There can be issues with flexibility. The population may not be flexible enough to

acquire new skills and use them for income-generating activities. The population may find it difficult to adapt to market demands.

However, in order to engage in various agriculture and animal husbandry practices that existed before the occupation of the territories and are specific to the region, re-examining the skills of the population and conducting training in connection with the use of methods in accordance with certain modern requirements in the field of agriculture meets all the criteria, unlike the above option.

Creating networking opportunities between returned IDPs and the business community can be an example of effectiveness. Public institutions and private partnerships must be key to being efficient. Otherwise, it will not be efficient. Depending on awareness, the principle of equity can be achieved. It is justified from the point of view of feasibility; implementation is possible, and the results are successful for the development of local markets and entrepreneurial skills. Flexibility is also justified by this option.

Providing information and support services and holding public events for returning IDPs are effective. When it comes to efficiency, this option is also good. It will not cost too much and will not take much time to create a platform or help desk and share it on social media and the internet. Since our goal is to raise awareness, we will be easily able to do so through this option at a very limited cost. Most of the spending will be on creating an information platform and filming short videos.

With regard to equity, we will once again not have any problems because the platform is freely available in the country and is free for everyone to access. The feasibility of this policy can be achieved through coordination among evolved government organisations and

agencies. Flexibility of this option is possible by updating and sharing best practices.

Peer-to-peer learning, where people who have the same experience share their experiences, proves itself in terms of effectiveness. Entrepreneurs who have similar experiences will be encouraged to be more resilient and develop. Because it does not require special financial resources, it is efficient, and it will provide equal benefits to those who are engaged in entrepreneurship as well as income-generating activities. It is good in terms of equity. To be feasible, such an initiative should be launched by the relevant state agency (SMBDA) and become a recognised society for entrepreneurs. Small and medium entrepreneurs can easily become members and share experiences and challenges. It also meets the requirement of flexibility in terms of implementation and adaptability.

As a solution to the challenges and problems of the liberated territories, diverse types of social entrepreneurship can be implemented, which at the same time becomes a profitable activity for the local people.

Social entrepreneurship activity in the fields of agriculture, tourism, environmental protection and restoration, training, and education can be encouraged. It can be very useful for the region in terms of efficiency, as the challenges in the region can be addressed accordingly and the knowledge and skills of the returning IDPs can be adapted more quickly to engage the population. For example, the establishment of family businesses in the field of family stays is more in line with the skills and customs of the population. Entrepreneurial ideas should be developed and tested, and few financial and other resources should be invested in order to come to life. That is why there are not issues with efficiency. Since the conditions for free entrepreneurship are created, equity is addressed for this option.

Feasibility is highly attainable and is also related to comprehensive planning, execution, and cooperation with the relevant government bodies in the initial stages.

The policy ensures flexibility through a focus on adaptable skills.

Encouraging young people to engage in entrepreneurship through start-up projects is good in terms of effectiveness. There are challenges in efficiency; it requires resources; and it is among the returning IDP youth. That is why there may be challenges in ensuring equity. This policy is feasible, but flexibility is challenged.

Criteria					
Option	Effectiveness	Efficiency	Equity	Feasibility	Flexibility

3. Developing the skills of the population in accordance with the possible forms of entrepreneurship	+	+				
A) Acquiring new skills and professions based on the market needs	+	(+/-)				+
B) Training of the skills of the former IDPs that they had and used before the occupation					+	+
C) Creating networking opportunities between former IDPs and the business community, private companies	+	+	+		+	+
D) Providing information and support services, holding public events for former IDPs regarding existed opportunities for entrepreneurship	+	+	+		+	+
E) Peer-to-peer learning, where people who have the same experience and skills learn from similar cases	+	+	+		+	+
F) Encouraging Social entrepreneurship in the field of agriculture, tourism, environmental protection and restoration, training and education that suits more for skills of local people	+	-	-		+	-
G) Encouraging young people to engage in entrepreneurship through start-up projects	+	+				

CHAPTER 5. CONCLUSION AND RECOMMENDATIONS

Within the framework of the Capstone project, we have evaluated the current state of entrepreneurial and income-generating activities of returned IDPs in the liberated territories of the Republic of Azerbaijan based on the literature and the opinions of experts in the relevant field and evaluated the current state and the measures implemented by the competent institutions. It determined the development directions and points of entrepreneurship in the relevant field.

According to this research paper, we determined that three crucial areas need to be addressed in order to promote entrepreneurship and income-generating activities among returned IDPs in the Republic of Azerbaijan's liberated territories.

The first is the difficulties IDPs face in entrepreneurship and income-generating activities in the liberated areas. Considering statistical data, media reports, and other research results, one of the emerging problems is the mismatch between supply and demand among existing business sectors. The second is that women entrepreneurs are neglected; there are fewer women engaged in income-generating activities, and less attention is paid to this area. Finally, the lack of competence and skills of the returning IDPs with the requirements of the current market or the lack of the skills they possess that ensure sustainable entrepreneurship or income-generating activities. As long as the skills of returning IDPs are not adapted to the demands of the labor market, the employment of the population in sustainable income-generating activities and businesses will not be solved from the point of view of sustainability.

Accordingly, policy alternatives corresponding to each of the above-mentioned areas of development have been proposed.

Matching supply and demand can be a key policy option to encourage the entrepreneurial endeavors of former IDPs. To implement this and improve the infrastructure, public-private partnership projects and the temporary installation of modular stores and markets can be the main directions.

The implementation of the three-directional "Promoting IDP Women's Economic Empowerment" project, which consists of skills development and mentoring, financial support projects, the establishment of the Karabakh Women Entrepreneurs Support Platform, and the Karabakh Women Entrepreneurs Community, will have a significant impact on the increase in the number of women entrepreneurs. Within the Skills Development Programme, providing critical education in entrepreneurship and financial literacy would effectively prepare women for active and successful participation in the economy. The programme also supports these women through mentorship, ensuring that the skills acquired are transformed into practical, real-world applications and sustained business ventures.

Access to resources has been identified as crucial for leveling the playing field, offering IDP women the financial means necessary to start and expand their businesses. This initiative not only improves their access to capital but also adjusts the regulatory framework to support their entrepreneurial ventures, providing a conducive environment for business growth.

The Karabakh Women Entrepreneurs Support Platform and the Karabakh Women Entrepreneurs Community stand out as pivotal tools of this program. By centralizing services and information, it simplifies interactions between IDP women and various support systems, making resources more accessible and enhancing the efficiency of communication and service

delivery. This digital approach aligns with modern technological trends and caters to the evolving needs of its users, ensuring that the programme remains relevant and responsive.

Developing relevant knowledge and skills in order to direct the knowledge and skills of the population to entrepreneurship and income-generating activities, conducting entrepreneurship-oriented trainings for the development of various entrepreneurship and income-generating skills and knowledge, for example, idea generation, financial planning and operational management, business plan formulation, as well as empowerment and capacity building training for soft skills and self-efficacy.

Coordinating the initiatives of the SAVE and APEA, which are responsible for the development of the skills of the population, and closely coordinating their activities with the SMB, informing the IDPs of the available opportunities and benefits before their expected time of return, creating a helpdesk system, training knowledge and skills for the population in accordance with the specialisation of the regions, and bringing IDPs having business initiatives together with small and medium-sized business entities in the relevant fields will greatly contribute to the population's employment with income-generating activities.

Finally, social entrepreneurship initiatives are an effective solution to meeting the unique challenges and needs of liberated regions, as well as matching the skills of the population, and can have positive results for the region. Agricultural projects, projects that support tourism development, environmental protection, and the creation of centers in education and training are potential areas for social entrepreneurship. To increase agricultural productivity, associations can be created among local farmers, and environmental protection can be organized. It is possible to develop sustainable tourism initiatives by applying

innovative farming techniques suitable to the local environment. Projects such as reforestation efforts, waste management programmes, and ecologically sound agricultural practices can be implemented to protect and restore the natural environment while offering guided tours and family-friendly stays, along with the protection of cultural heritage, historical sites, and the natural beauty of the region.

Policy recommendations and preferred policy alternatives

All of the evaluated policy alternatives that was described in Chapter 4, we propose to the State Committee for Affairs of Refugees and Internally Displaced Persons of the Republic of Azerbaijan and other government executives to prioritize the following policy options for increasing entrepreneurship and income-generating activities in the territories:

- Given that time and limited resources are the main reasons for the mismatch between supply and demand, This factor has a negative impact on the entrepreneurial activity of internally displaced persons who have already returned. Modular stores, modular markets, and certain business areas can be modular, where people can find the goods they need. The introduction of modular stores can have a positive effect on the process of reducing the supply and demand imbalance by providing the local population with the necessary goods to avoid the difficulties they face when setting up their small and medium businesses. Also, it would encourage more former IDPs to engage in entrepreneurial activities.
- Implementing specific programmes specifically designed for female entrepreneurs to enhance the capabilities of internally displaced women by providing them with training in essential abilities, providing financial support, and establishing a platform should be carried out by relevant government institutions.
- In order to involve the former IDPs in entrepreneurship and income-generating activities, the activities of SAVE, APEA, and SMBDA in the relevant field should be coordinated and united on one platform. If the measures implemented by all three institutions complement each other, it is possible to involve former IDPs in income-generating activities more efficiently and sustainably.

Social entrepreneurship is the most suitable among the policy options mentioned in the relevant direction because it is more suitable to the region, people's character, and skills. Social enterprises contribute to solving social and environmental problems and prioritise social impact to maximise profits. Promoting sustainable development and community development, social entrepreneurship initiatives are an effective solution to meet the unique challenges of the liberated regions and can have positive results for the region.

Those offering policy options ideas aims to promote not only sustainable economic development but also improvement of local market dynamics. Those will ultimately support the stability and progress of the liberated territories.

Concluding Remarks

One of the main issues of the Great Return is ensuring the employment of the population. This point is one of the main points in the Action Plan (Plan of Actions), which is the target of state bodies.

Supporting entrepreneurship and other income-generating activities of returning IDPs in a strategically thought and coordinated manner can have a significant impact on providing employment and solve the disparities between supply and demand chain that exist in the market.

Encouraging entrepreneurship is important for sustainable economic development and local market development, and for people to engage in income-generating activities. Development of income-generating activities and support of entrepreneurship will lead to greater economic stability, sustainable economic development, development of the local market, and will create a more positive and sustainable environment in the liberated territories.

Small business models are more robust and have more contribution to the Gross Domestic Product (GDP) (Toma et al., 2014). Entrepreneurship has been pointed out as a key contributor to sustained economic growth and development as it not only creates employment, but increased spending in markets, knowledge transfers, employment and innovation. Besides, together with the above-mentioned points, the development of women's entrepreneurship includes positive factors such as gender equity, community development, diversity, poverty reduction, social impact.

Tackling the challenges that exist in entrepreneurship and income-generating activities in the territories freed from occupation, namely disparity issues between supply and demand, drawing attention to female entrepreneurship, and solving skills mismatch of former IDPs may improve the situation and increase the revenue of the population and the share of the region in the economy.

In the rapidly-changing world, where tendencies are altering very quickly, including technology, requirements of labour market (including specialties, skills), business environment and economic actors in the liberated territories of Azerbaijan need to keep up with them in order to maintain sustained economic development. Increasing the number of former IDPs engaged in entrepreneurship and income-generating activities will lead to the rapid and effective integration of the liberated territories into the national economy and will contribute to the development of our country.

APPENDIX

Interview questions

What is the situation with entrepreneurship and income-generating activities in the territories freed from occupation? Is there any statistics by sector and specialty?

1. What specific industries or sectors show the most potential for economic development and entrepreneurship in the liberated territories?

2. What is the biggest demand in terms of the specialties and skills in the liberated territories?

3. What are the key resources for IDPs to be successfully engaged in

entrepreneurship and income-generating activities?

4. What are the critical skills and competencies that IDPs lack that hinder their ability to participate in the local economy or to establish their own businesses?

5. What types of training and educational programmes would be the most effective for IDPs?

6. Could you share insights or examples of effective training programmes or educational initiatives that have been implemented to enhance the competencies and skills of IDPs?

7. What are the most significant barriers that internally displaced people face when they attempt to engage in entrepreneurship and income-generating activities? How do these barriers differ for women entrepreneurs in these regions?

8. Based on your experience, what are effective ways to encourage and support female IDPs in becoming entrepreneurs or participating in income-generating activities?

9. How can access to finance and investment be improved to support entrepreneurs in the liberated territories? What improvements can be made to increase the attractiveness of being an entrepreneur and income-generating activities?

10. How do you engage with IDPs to raise awareness about the benefits of entrepreneurship and income-generating activities in the territories freed from occupation?

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