

ON STIMULATION OF INVESTMENT ATTRACTIVENESS IN THE REPUBLIC OF ARTSAKH

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<https://doi.org/10.56243/18294898-2022.4-16>

Abstract

The introduction of a modernized, flexible economic strategy and the consistent application of that strategy are crucial to resolving the post-war Artsakh economy's current crisis. An integral component of state policy, economic policy has a direct impact on social, public, and political spheres in addition to the economy. When the challenges facing the Republic of Artsakh are examined, it becomes clear that hybrid approaches must be used to address the problems at hand. The Republic of Artsakh's economy has continued to grow in an unusual environment, which serves as the foundation for the use of hybrid approaches. The development of global political, military, and economic barriers that prevent the application of strategy and sustainable economic growth are all related to AR. The opportunity to respond to both the practical resolution of unforeseen issues and the implementation of mid-term and long-term goals through development road maps is provided by the continual development strategy.

Key words: crisis, development, crisis management, economic policy.

Intriduction

In the absence of a supportive environment and in nations with limited innovative resources, it is essential to drastically reduce the influence of current institutional barriers and to establish an appropriate legal foundation for each citizen in order to implement effective business mechanisms. Lack of faith in the future, the concentration of financing required for the implementation of developed programs, and a dearth of private capital are some institutional barriers to the efficient organization of investment programs.

Utilizing the financial and organizational resources of private enterprise within the context of state-private sector cooperation may prove to be an effective way to carry out the objectives set by the government to hasten the socio-economic development of the nation under conditions of a market economy [1].

Some authors mention the state's desire to reduce the burden of financing budget obligations. Others see state-private cooperation as a covert means of transferring some of the

state's responsibilities to the private sector [2]. This is not the best course of action, though. Those who view this type of partnership cooperation as a useful tool for interacting between the public and private sectors take the most constructive stance [3, 4].

On a number of issues, a small blockaded state management methods and strategies can be compared to city entrepreneur practices. Although the initial factors and resources present in each region vary, there are a number of common conditions - the need for high levels of trust and cooperation among local government, industry, and the populace in order to accomplish the shared objective and ensure the territory's sustainable development. The presence of few administrative incentives.

The phrase "Entrepreneurial city" is now frequently used in literature on politics and economics. According to D. Harvey, a "Entrepreneurial City" is a local economic complex whose management is actively working to improve the local economy. He cites one of its key characteristics as the draw of private resources, where the use of public resources ensures the ability to cover potential risks associated with projects. In this situation, the project's implementation may have an impact on a region that is larger than the city [5, 6].

To attract investments, it is important not only to implement state projects, but also to attract the state as a partner, especially when implementing innovative programs [7]. At the same time, there is still no answer to the question why in some cases the burden of risk is placed on the state, and in others it is transferred to partners [8]. This leads to the formation of certain distrust among colleagues. Meanwhile, the mechanism of state-private cooperation provides a soft process of regulating social and economic processes, which, along with institutional reforms, can create favorable conditions for innovative economic development [9].

It is obvious that every type of innovation implemented by the authorities causes a number of further changes in the life of local economic entities and is risky, since these changes may not be exclusively positive. For example, there is an opinion that "Cyberport" in Hong Kong is not a high-tech center, but a disguised residential real estate project, as 75% of the area is occupied by residential buildings [10].

Legislation regulating investments should reflect the state's attitude towards investments and emphasize its stimulating role in increasing economic growth and employment. The main drivers of a favorable investment environment are stability and predictability of the legislative framework that governs investments, which implies a legal commitment to complete investment protection (Decree of the Government of NKR "On approval of the concept of investment policy of NKR", 15.08.2008).

The state's attitude toward investments should be reflected in legislation governing investments, which should also highlight investments' stimulating effects on boosting employment and economic growth. The stability and predictability of the legislative base, which regulates investment, are the primary factors in the formation of a favorable investment environment, which implies a legal guarantee of full investment protection (Decree of the Government of NKR "On approval of the concept of investment policy of NKR", 15.08.2008).

Since higher education is a "supplier" of highly qualified national human capital, in the context of the economic crisis, private investors should be attracted to this sector, who should provide the business community with a real partnership result. At the same time, speaking about the interaction between the education sphere and the real sector of the economy, one should not forget the existence of a large number of other forms of cooperation between the business community and the education sphere, which do not correspond to the "public-private sector" partnership [11].

Currently, there are precedents when, in connection with environmental problems, increased food demand, and global climate changes, small countries with viable potential are

offered the transfer of scientific new technologies that help solve complex problems facing humanity. In particular, in Copenhagen in December 2009, some guiding principles that serve as the cornerstone of the strategy for transferring technology to developing nations were developed.

In the context of developing countries,, it is important to understand what they mean when they talk about "technologies" and "innovations". "Technology" is understood as an inclusive term that refers to knowledge, processes, and equipment. In particular, this includes both engineering, agricultural and production processes, as well as skills acquired during this activity [12]. Artsakh with its climatic conditions and perspective of human potential is a suitable subject for the implementation of such projects.

Regardless of the aspects of economic policy, attracting capital investment is crucial for the growth of each state's economy. It is possible to assert that without the use of hybrid approaches, it is impossible to prescribe the desired result in the investment policy when the factor of Artsakh's limited investment attractiveness as a result of the war is taken into consideration. When the hybrid model is used, the state is given the chance to play the roles of both the primary controller and regulator as well as the primary beneficiary in terms of attracting investments into the economy.

The application of the Investment Insurance model can be a solution to this issue given the critical importance of capital investments for the growth of Artsakh's economy as well as the risks associated with the military-political situation. It is advisable for the government of Artsakh to act as an insurer of investment insurance, which will contribute to increasing the level of capital protection. The proposed model can be implemented using the trust management system as an appropriate insurance fund. This strategy offers reinsurance of accepted risks via a suitable, highly rated, international company.

The establishment of expert centers is crucial for enhancing the economic strategy of Artsakh, utilizing untapped potential in the private sector, and lowering potential risks. Transferring the creation of strategic programs, concepts, and policies to expert centers can significantly affect the effectiveness of the state's personnel policy as well as the state's ability to adapt to a variety of macro-level scenarios.

Conflict Setting

Assessing the potential of untapped opportunities and focusing on those spheres that can actually attract investment with the help of the private sector in crisis management are necessary to increase the effectiveness of Artsakh's economic policy.

Research Results

In addition to macroeconomic analysis, qualitative research must receive special attention when examining the unique features of Artsakh's economy. These studies offer the chance to identify economic needs, assess them, and create development road maps based on cause-and-effect relations theories. At the same time, it's important to remember that the introduction of new technologies frequently has an adaptive nature, requiring that the already-implemented technologies be modified for use in new circumstances. And this circumstance causes significant difficulties for innovations in the ecological sphere. Meanwhile, recommendations on facilitating access to eco-innovations are still limited [13, 14].

Economic clusters can successfully play the role of investment directions in the economy of Artsakh, the creation of which should be classified according to different branches of the economy, and first of all, according to the agrarian sector.

The model of the agro-processing cluster will contribute to the development of the industry, the creation of new farms, and the improvement of the efficiency of cooperation with related industries. One of the features of the cluster model is the provision of the economic chain of value creation, from the point of view of which the creation of an effective alternative investment mechanism is also essential. Investments of venture funds are examples of such investments. Taking into account the riskiness caused by the military-political situation in Artsakh and the resulting limited credit resources, it is more appropriate to organize investments in the real sector of the economy through venture funds in the form of state equity participation, ensuring effective cooperation between the state and the private sector.

Cluster models in the agricultural sector are mainly implemented in two scenarios: small and medium enterprises (SMEs) or large capital investments.

In the case of SME, micro- and small enterprises play the main role in the economic chain of value creation. In the case of large capital investments, large business is in the main dominant position of the economic chain of the cluster.

Depending on the specifics of Artsakh's economic policy, the support of food security and the use of cluster models in the agricultural sector may directly affect the process of moving from the stage of economic crisis to the stage of recovery.

Presentation of investment packages to potential investors can be carried out through business and economic forums. If necessary, it is possible to address specific organizations, financial structures, and other potential investors in an individual version to present the proposed investment packages. Armenian diaspora can act as potential investors.

Conclusions

In order to attract investments, in order to reach a stable stage of recovery of the economy of Artsakh, it is proposed to implement a hybrid policy using the "Investment Insurance" model. To achieve this, it is necessary to establish an investment attraction center, whose primary duties should be identifying appropriate investment niches, creating investment packages, and educating potential investors. The investment attraction center should develop into a platform that effectively facilitates interaction between investors and the government.

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ԱՐՑԱԽՈՒՄ ՆԵՐԴՐՈՒՄԱՅԻՆ ԳՐԱՎՉՈՒԹՅԱՆ ԽԹԱՆՄԱՆ ՄԱՍԻՆ

Բաղդյան Զ.Մ., Ներսիսյան Ա.Ա.

Շուշիի տեխնոլոգիական համալսարան

Հետպատերազմական Արցախում ստեղծված ճգնաժամի հաղթահարման գործում առանցքային նշանակություն ունի արդիականացված, ճկուն տնտեսական ռազմավարության ներդրումը և դրա հետևողական իրագործումը: Տնտեսական քաղաքականությունը համարվում է պետական քաղաքականության անբաժան մաս, որը տնտեսական ոլորտից բացի իր անմիջական ազդեցությունն է ունենում նաև ժողովրդագրական, սոցիալական, հասարակական ու քաղաքական ոլորտների վրա: Ուսումնասիրելով Արցախի Հանրապետության առջև ծառայած մարտահրավերները՝ ակնհայտ է դառնում դրանց լուծման նպատակով պահանջվող հիբրիդային մոտեցումների կիրառման անհրաժեշտությունը: Այն հիմնված պետք է լինի ոչ ստանդարտ իրավիճակներում Արցախում տնտեսական շարունակական զարգացման ապահովման վրա, քանի որ ձևավորված ռազմաքաղաքական և գլոբալ առկա քաղաքական խոչընդոտները անհամադրելի են կայուն զարգացման ռազմավարության կիրառման

տեսանկյունից: Շարունակական զարգացման ռազմավարությունը հնարավորություն կտա արձագանքել չալանավորված խնդիրների օպերատիվ լուծմանը և կնպաստի զարգացման ճանապարհային քարտեզների միջոցով միջնաժամկետ ու երկարաժամկետ նպատակների իրագործմանը:

Բանալի բաներ. ճգնաժամ, զարգացում, հակաճգնաժամային կառավարում, տնտեսական քաղաքականություն:

О ПОВЫШЕНИИ ИНВЕСТИЦИОННОЙ ПРИВЛЕКАТЕЛЬНОСТИ В АРЦАХЕ

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Ключевое значение в преодолении кризиса в послевоенном Арцахе имеет внедрение модернизированной, гибкой экономической стратегии и ее последовательная реализация. Экономическая политика считается неотъемлемой частью государственной политики, которая, помимо экономической сферы, оказывает непосредственное влияние также на демографическую, социальную, общественную и политическую сферы. Изучая вызовы, стоящие перед Республикой Арцах, становится очевидной необходимость применения гибридных подходов, необходимых для их решения. В его основу должно быть положено обеспечение непрерывного экономического развития Арцаха в нестандартных ситуациях, поскольку сформировавшиеся военно-политические и глобальные политические барьеры несопоставимы с точки зрения применения стратегии устойчивого развития. Стратегия непрерывного развития даст возможность оперативно реагировать на незапланированные проблемы и будет способствовать реализации среднесрочных и долгосрочных целей посредством разработки дорожных карт развития.

Ключевые слова: кризис, развитие, антикризисное управление, экономическая политика.

Submitted on 23.09.2022.

Sent for review on 26.09.2022.

Guaranteed for printing on 18.12.2022.