

Migration Processes in Azerbaijan and their Effects on the Sustainable Development of the Enterprise Economy

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Abstract – In the course of studying the theoretical and practical consequences of migration processes in the context of socio-economic and political crisis in the world, the concept of "migration" was clarified. Due to the large number of approaches to the definition of this term, it is substantiated that during the study, it is advisable to consider the regional context, i.e., to rely on the definition consolidated in the national legislative framework of Azerbaijan. The types of migration were revealed and the importance of such a type as labour migration was emphasised. The need for legal protection and regulation of migration processes was substantiated, both from the standpoint of economic considerations and considering the needs of migrants themselves. The main provisions of some international documents regulating migration processes are disclosed (Global Compact on Safe, Orderly and Regular Migration A/RES/73/195, International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Durban Declaration) and other human rights mechanisms are described (Special Rapporteur on the Human Rights of Migrants, Committee on Migrant Workers). The role of migration processes in the sustainable development of the enterprise economy is emphasised by defining sustainable development goals that correlate with both migration and the development of the enterprise economy. The positive role of migrant workers in the economic development of countries is confirmed by determining the benefits of migration and supporting the results obtained with statistical indicators.

The study of the Ease of Doing Business Index values confirmed that Azerbaijan has created a favourable environment for entrepreneurial activity. As a result of the analysis, recommendations were developed for further expanding opportunities for immigrants to strengthen their positive impact on the enterprise economy in Azerbaijan.

Keywords – Migration, Labour Migrants, Entrepreneurship, Sustainable Development, Innovation, Ease Of Doing Business, Investment Climate

I. INTRODUCTION

1.1. Normative Legal Basis Of Enterprise Economy Development In Azerbaijan

Both during the Soviet era and after gaining independence, Azerbaijan was a country where emigration significantly outnumbered immigration. After gaining independence, the country's population began to leave not only for the former Soviet republics, but also for other countries in Europe, Asia, North America

and Australia. Among the countries of the former USSR, Azerbaijan was the first country to face the problem of refugees due to Armenia's aggressive policy. However, its favourable geographical location, as well as dynamic development due to the implementation of effective government policies, led to an increasing flow of immigrants into the country, and since 2005, the country has been turning into an immigration country. All of these factors have led to the need to develop an appropriate migration policy that would promote international cooperation and take into account Azerbaijan's national interests.

The year 2004 was marked by the adoption of the “Concept of State Migration Policy”, which outlined the key tasks in the field of migration for state bodies. For the period from 2006 to 2008, the State Migration Programme was approved, which contained a set of necessary measures in the field of migration to develop a system of migration management, regulation, migration forecasting, improvement of legislation and ensuring the rights of migrants, etc. Until 2007, the year the State Migration Service (SMS) was established, migration regulation was carried out by separate ministries. The newly created body helped to coordinate the activities of state bodies in the field of migration. In 2009, the Service was granted the status of a law enforcement agency, which is primarily responsible for monitoring compliance with migration legislation. The establishment of the SMS simplified the application process for foreigners and stateless persons, as they no longer need to apply to several state bodies. An important step was the introduction of the Unified Migration Information System and the Interagency Automated Information and Search System “Entry, Exit and Registration” (2010). In 2011, the SMS started providing electronic services (SADIQOVA, 2022). Along with the SMS, the Ministry of Labour and Social Protection, the Ministry of National Security, the Ministry of Internal Affairs, and others have powers in the field of migration.

In addition to these domestic measures, the intensification of migration processes and the need to introduce clear rules for their regulation and monitoring have led to the need for international coordination of efforts in the field of migration. The state joined a number of international organizations, including the International Labour Organization (ILO) in 1992, and ratified a number of conventions (Figure 6).

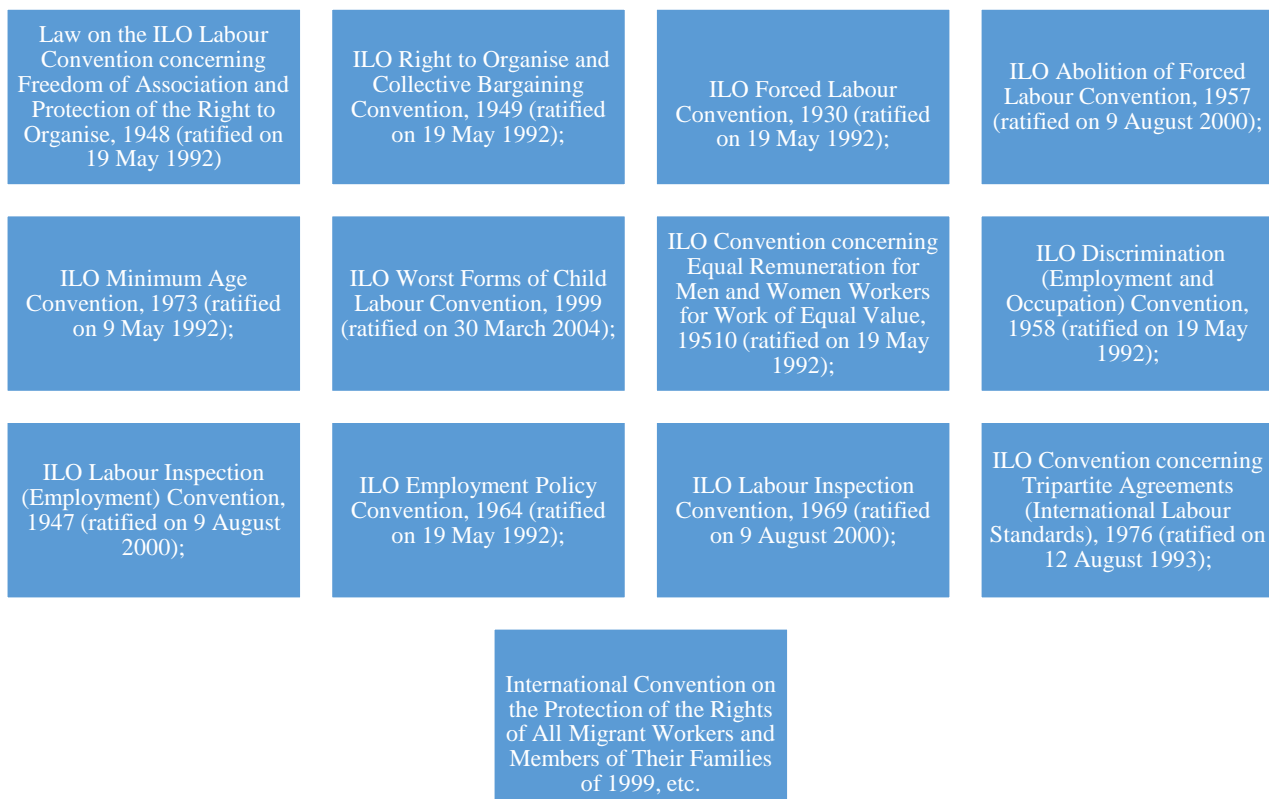


Figure 6. International conventions ratified by Azerbaijan

Accession to these documents was followed by improvements to the domestic legal framework. The main adopted state acts include:

- The Law on Labour Migration.

- The Law on Immigration.
- The Law on Registration at the Place of Residence and Place of Stay.
- The Law of the Republic of Azerbaijan “On Exit from the Country, Entry into the Country and Passports”.
- “Regulation on the State Migration Service of the Republic of Azerbaijan”.
- “Rules for Issuing Personal Permits for Foreigners to Perform Paid Labour Activities in the Territory of the Republic of Azerbaijan and a Sample of Such Personal Permit”.
- “Rules for Determining the Labour Migration Quota”, etc.

The Migration Code of the Republic of Azerbaijan was approved and entered into force in 2013. This document unifies the current legislation of the state in the field of migration and aims to implement the state policy in the field of migration, regulate the migration process, and establish norms on the legal status of foreigners and stateless persons (Azərbaycan Respublikasının Miqrasiya Məcəlləsi, 2013).

Today, migration legislation of the Republic of Azerbaijan consists of the Constitution of the Republic of Azerbaijan, the Migration Code, laws of the Republic of Azerbaijan, international treaties to which the Republic of Azerbaijan is a party, and other normative legal acts adopted in accordance with them (Azərbaycan Respublikasının Miqrasiya Məcəlləsi, 2013). The Migration Code, among other things, provides definitions of the main concepts used in the migration legislation of the state, in particular

- a person temporarily residing in the Republic of Azerbaijan is a foreigner or stateless person who does not have a residence permit in the Republic of Azerbaijan and who has arrived in the Republic of Azerbaijan on legal grounds for the purpose of tourism, personal work, business trip, etc.
- a person temporarily residing in the Republic of Azerbaijan is a foreigner or stateless person who has obtained a temporary residence permit in the Republic of Azerbaijan in accordance with this Code.
- a permanent resident of the Republic of Azerbaijan — a foreigner or stateless person who has obtained a permit for permanent residence in the Republic of Azerbaijan in accordance with this Code.
- a labour migration — a change of residence by means of legal migration of an individual from one country to another for the purpose of engaging in paid labour activity.
- a labour migrant — an individual who migrates from one country to another state on legal grounds to engage in paid labour activity (Azərbaycan Respublikasının Miqrasiya Məcəlləsi, 2013).

The document also describes the conditions for migrants to engage in labour activity, including the following:

- The state regulates labour migration by applying a labour migration quota, issuing work permits, as well as granting special consent to mediate in the employment of Azerbaijani citizens abroad.
- The relevant state authorities control the legality of the employment of foreigners and stateless persons in the Republic of Azerbaijan, ensure their social protection, and the activities of legal entities and individuals in the field of labour migration.
- The main conditions for foreigners and stateless persons to engage in paid labour activity in the Republic of Azerbaijan are the availability of vacant jobs that are not claimed by citizens of the Republic of Azerbaijan who have professional training or qualifications that meet the requirements of the job, the need of employers for labour on the part of employment service bodies and local labour resources is not recorded (Azərbaycan Respublikasının Miqrasiya Məcəlləsi, 2013).
- The main state bodies with powers in the field of migration are:

The State Migration Service of the Republic of Azerbaijan (Azərbaycan Respublikasının Dövlət Miqrasiya Xidməti, 2024) regulates relations related to the temporary stay of foreign citizens and stateless

persons in the Republic of Azerbaijan, the issuance of temporary and permanent residence permits, their registration and labour migration, and participates in determining the quota for labour migration.

The main task of the Ministry of Internal Affairs of the Republic of Azerbaijan (Daxili İşlər Nazirliyi, 2024) in managing migration processes is to issue documents certifying the identity and citizenship of a citizen. The Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan (Azərbaycan Respublikası Əmək və Əhalinin Sosial Müdafiəsi Nazirliyi, 2024) oversees the preparation and implementation of state policy in the field of labour migration, as well as the establishment of quotas for labour migration, social protection of migrants, issuing opinions on work permits and preparing agreements in the field of labour migration. In addition, the agency controls compliance with labour legislation in the employment of foreign nationals and regulates labour relations between foreign companies and employees.

The Ministry of Foreign Affairs of the Republic of Azerbaijan (Azərbaycan Respublikası Xarici İşlər Nazirliyi, 2024) is involved in the preparation and implementation of the state's visa policy, and issues visas to those who come to the Republic of Azerbaijan.

In addition to these state bodies, several international organizations are involved in the migration process, including:

- The International Organization for Migration (IOM) — started its activities in Azerbaijan in 1996. Throughout the country, IOM provides a comprehensive response to the humanitarian needs of migrants, internally displaced persons, returnees, and host communities through direct humanitarian assistance, outreach activities and various other efforts (IOM. Azerbaijan, 2024).
- The United Nations High Commissioner for Refugees (UNHCR) opened a presence in Azerbaijan in late 1992 and has since supported the government in finding durable solutions for refugees, internally displaced persons, and stateless persons in the country. The agency works in partnership with the authorities and civil society to ensure adequate protection space for asylum seekers and improve local integration prospects for refugees.

In addition to providing humanitarian assistance to conflict-affected populations, UNHCR is strengthening its engagement with displaced people through awareness-raising and individual legal assistance. UNHCR is actively engaged in the development and implementation of durable solutions, with a particular focus on internally displaced persons and refugee return in a post-conflict context (UNHCR Asia Pacific, 2024).

Alongside the development of migration legislation, Azerbaijan has taken important steps to develop its entrepreneurial economy. The development of entrepreneurship is in line with the requirements of ensuring sustainable and balanced economic development and is implemented through the improvement of the legislative framework and the adoption of relevant targeted programmes within the framework of state policy.

The country has created an appropriate mechanism for state financial support of entrepreneurship, as well as mechanisms to protect the rights of entrepreneurs, and improved the regulatory system in this area. An important step in the development of entrepreneurship was the introduction of the “single window” system in 2008, which significantly reduced the procedures and time required to start a business. This has helped to increase the number of legal entities in the country.

To ensure sustainable development of entrepreneurship, an institutional organization of partnership between the state and entrepreneurs was introduced. The establishment of the Agency for the Development of Small and Medium Enterprises, the Azerbaijan Export and Investment Promotion Fund, business training centres, etc. has significantly improved relations between the state and the business sector.

In 2003, the Azerbaijan Export and Investment Promotion Fund (AZPROMO) was established. The Fund promotes the export potential of national entrepreneurs and expands investment opportunities.

In 2018, the Ministry of Economy established the Entrepreneurship Development Fund. The establishment of this fund has significantly expanded credit opportunities for entrepreneurs. To date, Azerbaijan's legal framework for entrepreneurship has been significantly expanded and improved. The 2013 Law on the

Regulation of Inspections in the Field of Entrepreneurship and Protection of Entrepreneurs' Interests is of great importance for the development of entrepreneurship. The Law is aimed, among other things, at preventing unlawful interference with the activities of entrepreneurs during inspections. Among the important steps taken to develop entrepreneurship are efforts to establish special economic zones, industrial parks, micro-districts, and agricultural parks.

In 2017, the Small and Medium Enterprise Development Agency was established. The Agency is tasked with providing numerous services to businesses and coordinating government agencies in the business sector. Thanks to government support for entrepreneurship, the number of entrepreneurs has increased by about 5 times in 17 years, the share of the private sector in GDP has reached over 85%, and its share in employment is over 76% (Azərbaycan, 2024).

1.2. The Effects Of The Migration Process On The Development Of The Enterprise Economy

The development of the enterprise economy in Azerbaijan, as well as the development of the state economy as a whole, is influenced by migration processes. This can be proved by analysing statistical indicators and identifying mutual dependencies between them. Figure 7 shows the main statistical indicators of migration in Azerbaijan.

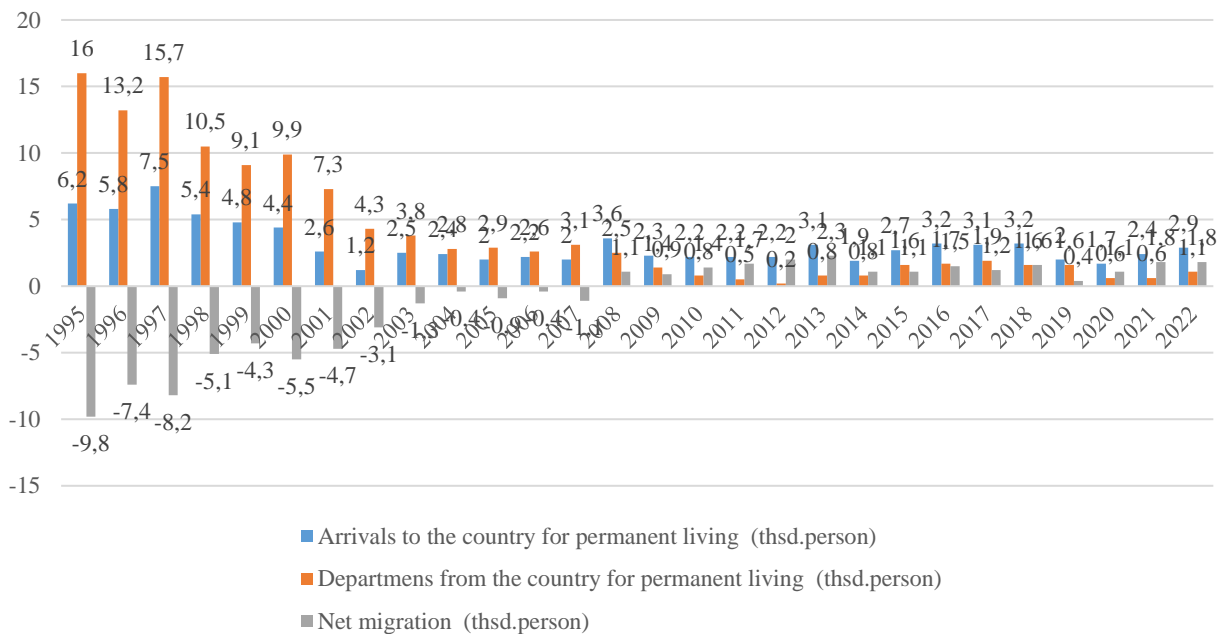


Figure 7. Key statistical indicators of migration in Azerbaijan for 1995-2022 (compiled by the author based on (ASIS, 2024))

Figure 7 shows the trends described in the theoretical part of the study. Thus, after independence, emigration from Azerbaijan significantly exceeded immigration. However, since 2004-2005, the number of people who left the country and the number of newcomers has almost levelled off, and after 2008, immigration has been dominating, as evidenced by the positive net migration figures in the country. Net migration shows the difference between the number of people entering the country and the number of people leaving.

As noted above, Azerbaijan's economy has been developing dynamically since independence, along with the intensification of migration processes. Figure 8 shows the dynamics of the country's main macroeconomic indicators.

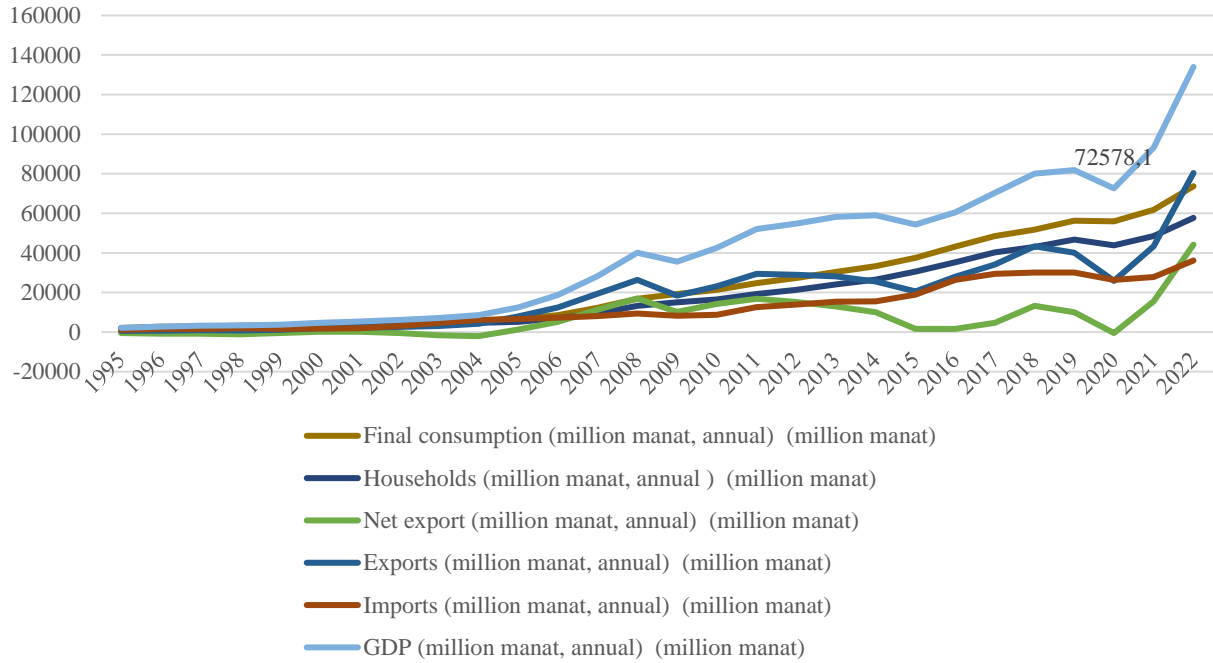


Figure 8. Dynamics of the Main Macroeconomic Indicators of Azerbaijan for 1995-2022 (compiled by the author according to (ASIS, 2024))

The data in Figure 8 confirms the thesis of rapid economic development. Thus, as of 2022, the country's GDP is expected to reach about AZN 134,000 million, having almost doubled in two years. The volume of industrial output and the number of industrial enterprises is growing significantly (Figures 9 and 10).

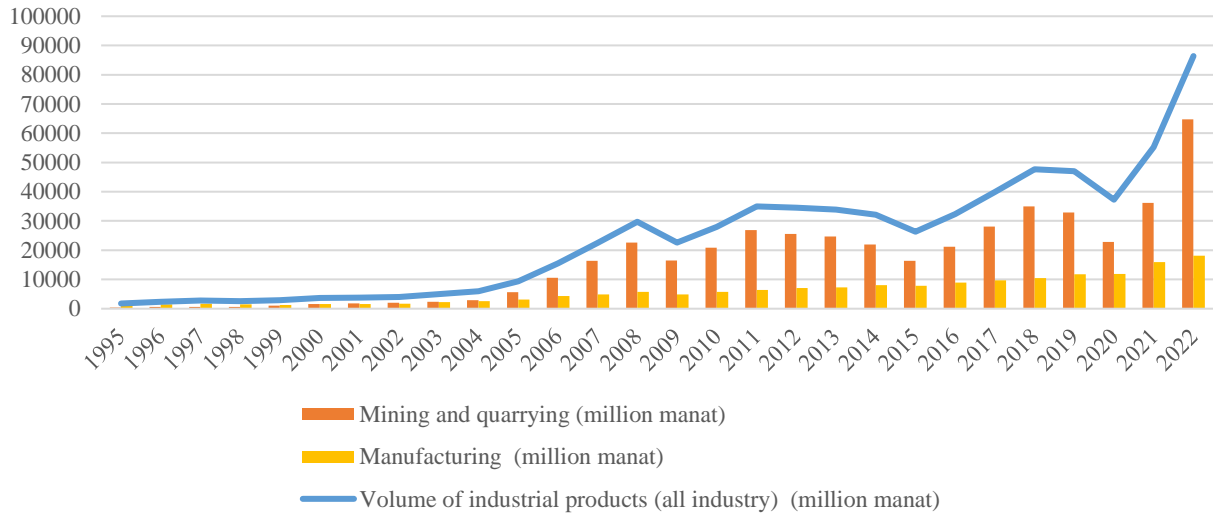


Figure 9. Industrial output of Azerbaijan in 1995-2022 (built by the author according to (ASIS, 2024))

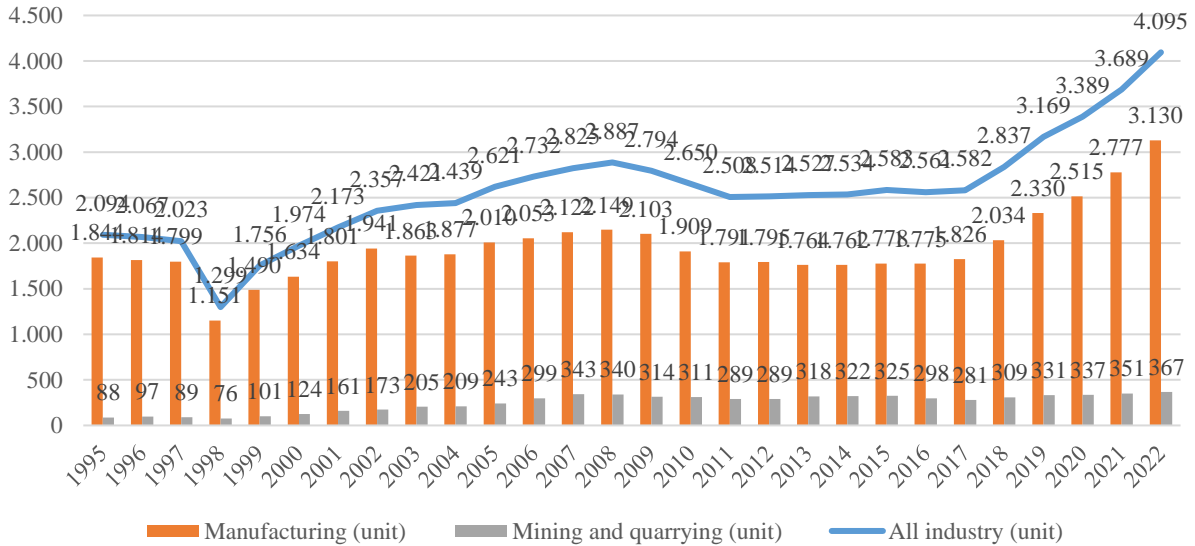


Figure 10. The number of operating industrial enterprises in Azerbaijan in 1995-2022 (built by the author according to (ASIS, 2024))

The distribution of the number of industrial enterprises by region of the country varies significantly. Figure 11 shows the approximate number of operating industrial enterprises by region of the country.

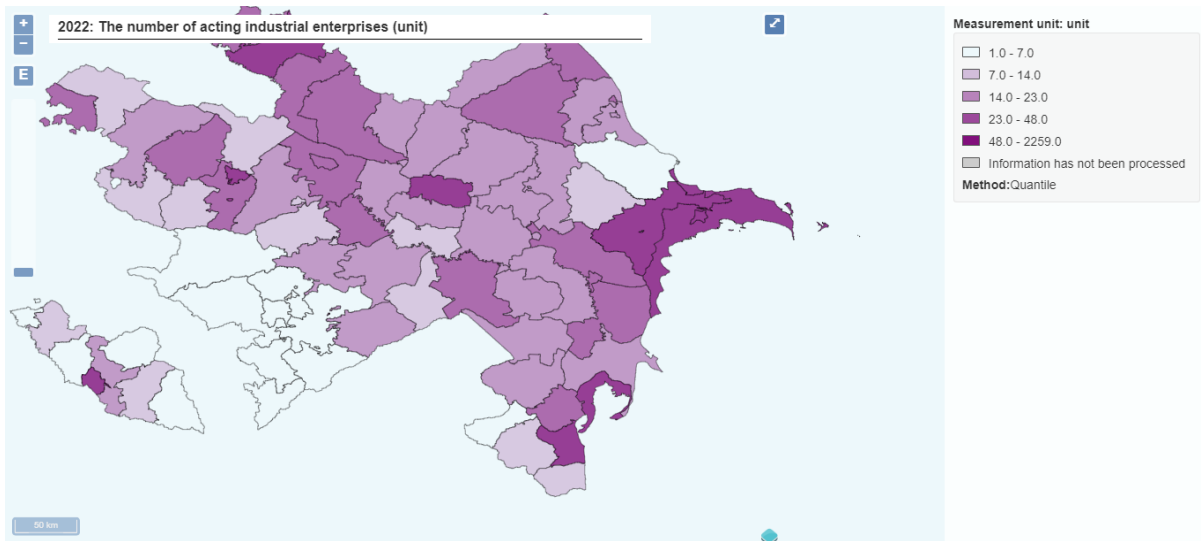


Figure 11. Number of operating industrial enterprises by regions of Azerbaijan in 2022 (built by the author according to (ASIS, 2024))

Figure 12 shows the dynamics of investments in the economy of Azerbaijan. Investments are divided into domestic and foreign investments. Figure 13 shows the industrial production indices of Azerbaijan.

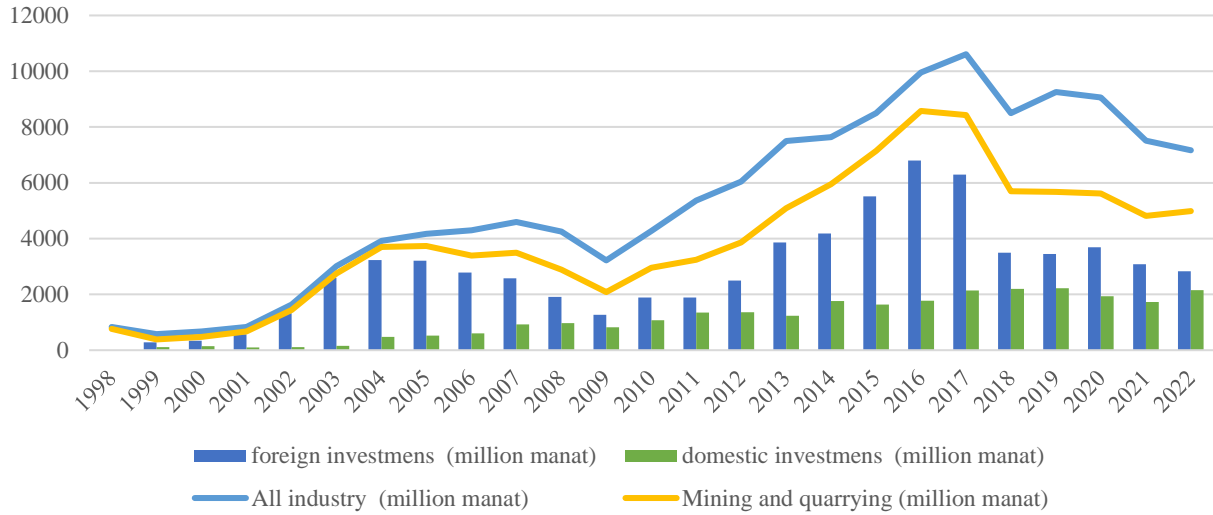


Figure 12. Dynamics of domestic and foreign investments in the economy of Azerbaijan in 1998-2022 (built by the author according to (ASIS, 2024))

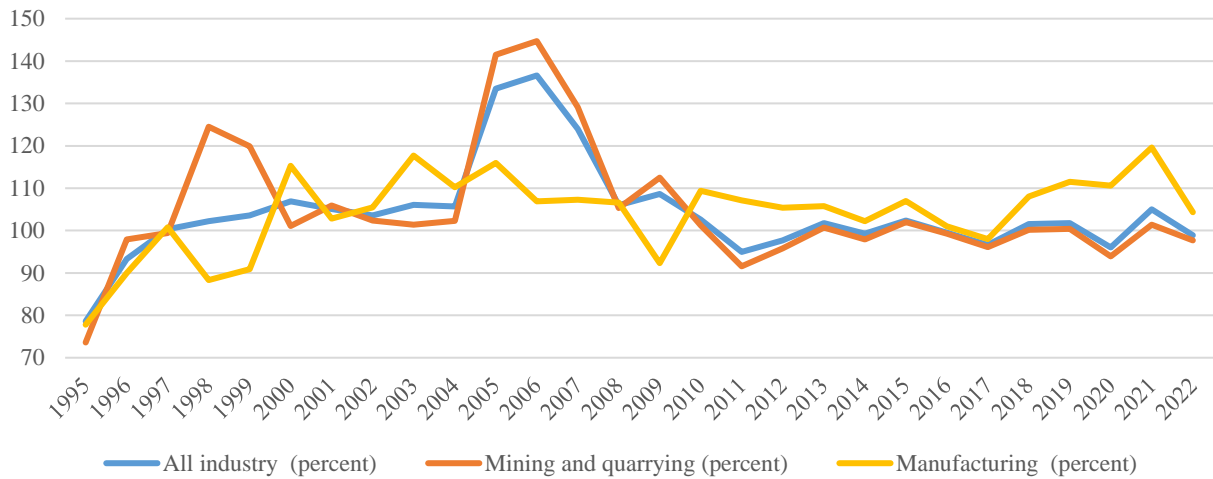


Figure 13. Indices of industrial production in Azerbaijan for 1995-2022 (built by the author according to (ASIS, 2024))

When comparing statistics on migration and economic development to identify the relationship between them, it is first worth looking at the most general indicators. Figure 14 compares the trends in Azerbaijan's GDP and net migration over the period 1990-2022.

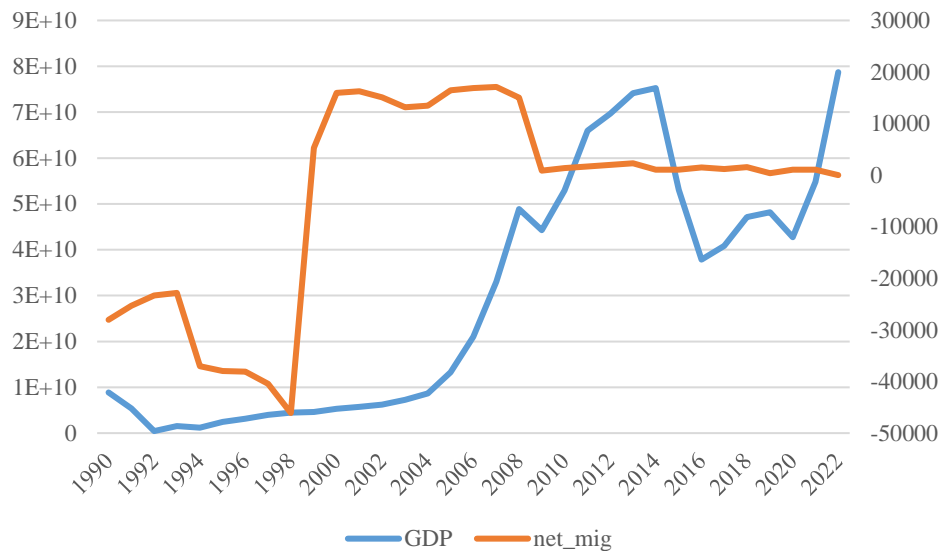


Figure 14. Comparison of trends in Azerbaijan's GDP and net migration for 1990-2022 (created by the author based on (ASIS, 2024))

As can be seen from the Figure, the trends of Azerbaijan's GDP and net migration in 1990-2022 are somewhat similar. However, it is worth noting that the “jump” in net migration occurred earlier than the jump in GDP, which may indicate a prolonged impact of migration processes on GDP. Such conclusions are confirmed in a study by S. V. Bayramov et al. that found that to ensure annual GDP per capita growth of 1 percent, the number of workers arriving in the country should exceed the number of emigrants by 2.47 times (Bayramov et al., 2021).

1.3. Establishment of enterprises in the construction of the Karabakh economic region of Azerbaijan

The international conflict that followed the collapse of the USSR escalated into the Karabakh War. As a result, the city of Shusha was captured and a fifth of Azerbaijan's territory was occupied. However, the state did not accept this loss, and the occupied lands were liberated by the Azerbaijani army in 2020 (Suleymanly et al., 2023). The honourable victory in the Patriotic War created new opportunities for socio-economic development and the development of labour relations, including migration relations (SADIQOVA, 2022). After the victory, the state and its citizens faced the important task of restoring the territories that had been destroyed and ensuring proper socio-economic development. The reintegration of the region will require considerable effort and time, but the Karabakh Economic Region has significant resource potential and its own characteristics that will facilitate recovery (Suleymanly et al., 2023).

To date, significant recovery work has already been carried out in the de-occupied territory. One of the most important goals is to ensure the “Great Return”, which requires the construction of housing to enable IDPs to return to their homeland (Suleymanly et al., 2023). This is due to the fact that the conflict with Armenia has forced numerous citizens to leave their homes. In addition, many citizens decided to emigrate due to the difficult economic situation, which significantly increased the rate of labour migration (Adli et al., 2022).

After the de-occupation, two new economic districts were formed in Azerbaijan — Karabakh and East Zangezur (according to the Presidential Decree of 7 July 2021). Currently, these areas are still dangerous due to minefields, but work is already underway to clear them alongside urban reconstruction campaigns (Suleymanly et al., 2023). To date, the form of governance for both newly formed districts has been determined, and new and modern governance models have been identified. The development of the districts will be rational, taking into account historical, economic, resource and other features (Mareppamov, 2023). In particular, the East Zangezur Economic Region has extensive natural and economic resources. The

region has the potential to develop many sectors of the economy, including industry, tourism, agriculture, and the agricultural sector, especially crop and livestock production (Əliyev, 2021).

The city of Shusha, which is the centre of the region, will be developed primarily through the development of cultural industries. This will allow for the formation of new economic zones, access to new sources of funding, and the creation of new jobs to provide employment (Mareppamov, 2023).

Agriculture is one of the priority sectors for the development of the Karabakh region. During the Soviet era, the region grew food wheat, cotton, and grapes. The Kelbajar and Lachin districts had great potential for the development of livestock, beekeeping, and tobacco production (Magerramov, 2023).

The creation of the Araz Valley Economic Zone has begun in the Jebail district. This involves the development of the relevant infrastructure, and a number of companies have already applied for registration as residents of this zone (Magerramov, 2023).

The recovery concept also envisages the use of new smart technologies based on international experience. For example, the recovery plan for the city of Aghdam envisages the use of such technologies alongside the development of a green economy, including the introduction of energy-efficient technologies and zero-waste production. The city's development also includes an increased emphasis on the development of the processing industry and the production of construction materials, which are abundant in the region. Another important area of recovery is the development of the logistics sector. Fizuli has an international airport. Projects are underway to lay a railway and build modern roads (Suleymanly et al., 2023).

An important factor for the development of the Karabakh region should be the strengthening of investment attractiveness and the creation of a developed banking infrastructure. Among other things, this will allow business entities to implement various projects to restore the region through wider credit opportunities. The problem of insufficient funding can be solved through the establishment of an independent investment fund and the creation of independent banking structures in the region's major cities (Suleymanly et al., 2023).

In the recovery process, it is important to consider and develop the agricultural potential of the region, based on local characteristics and international best practices. New agricultural enterprises should be modern and technologically advanced, which will increase their competitiveness. The development of a network of agricultural processing enterprises and the restoration of transport and logistics corridors in the region are also worthy of attention. Along with the above recommendations, it is worth noting the need to develop tourism and recreational potential, which can be realized through the provision of special benefits, etc.

As of 2023, there are 140 registered business entities in the Karabakh region. In addition, 666 individual entrepreneurs are registered (ASIS, 2024). To date, this is a relatively small number of functioning business entities in the region, given its economic potential.

In the context of the study, it is worth noting that migration processes can play a major role in the process of creating enterprises in the construction of the Karabakh Economic Region of Azerbaijan. For example, the State Migration Service can be involved in the recovery process by facilitating investment and migration flows, as well as improving the legislative framework and developing relevant government programmes (SADIQOVA, 2022). The growth of migration flows will contribute to an increase in population, which in turn will increase the number of labour resources. The growth of the population will increase the entrepreneurial potential, which directly affects the number of enterprises in the region. As a result of cultural exchange, the region will be enriched with a workforce with new leading skills and knowledge that will ensure high competitiveness of enterprises. Finally, migration processes will stimulate demand for infrastructure and residential complexes and the development of the region's economic potential as a whole. For the Azerbaijani market, migration provides new opportunities associated with a reduction in the cost of labour and the overall costs associated with its use. Stimulating migration is advisable in the case of a negative migration flow, as it helps to compensate for the shortage of labour. This is especially true in the context of stimulating the development of small and medium-sized businesses, which can be an important engine of economic development. It is also important to stimulate the inflow of highly skilled personnel, which reduces the cost of training such workers and provides new opportunities for development due to the availability of relevant skills and knowledge. In addition, the outflow of population from the country due to emigration has a negative impact on the level of income of citizens due to a reduction in the

number of labour force skilled personnel. The study (Qeribova, 2023) found that the appropriate use of the potential of labour migration will contribute to the future development of Azerbaijan. In this context, the development of the oil and private sectors in the country is particularly important.

The study (Tsegay, 2023) notes some negative consequences of migration, but they are identified for countries of predominant emigration. In countries where numerous working-age population emigrates, especially the highly skilled population, there is a shortage of human resources, which is especially relevant for developing countries. It is also noted that migrants, while potentially benefiting from migration in the form of improved financial situation, may face emotional problems and rejection by the local population. This situation of migrants, among other things, may affect their ability to work and their performance. To delve deeper into the issue of regulating migrant entrepreneurship, it is proposed to consider in detail the procedure for registering different types of companies in Azerbaijan. However, first, it is worthwhile to assess the investment climate in Azerbaijan, which is directly related to the success of migrants' entrepreneurial activities in the country.

In general terms, the investment climate in the country is attractive due to the following factors:

- production costs in the country are competitive, and labour costs are low.
- the country has developed ties with China and Europe.
- the business climate in the country is quite stable and favourable.
- foreign investment in the country is stimulated by a number of international agreements.
- foreign investment in the country is generally not restricted, but there are certain types of commercial activities that are not available to foreigners.

in addition to the oil and gas sector, the country is developing other attractive areas for investment (telecommunications, transport, industry, agriculture, healthcare, logistics, information technology, e-commerce). In the country, it is possible to establish a limited liability company, a public or closed joint-stock company, a general, or limited partnership, a sole proprietorship, as well as a branch, subsidiary, or representative office. There are no minimum investment capital requirements, and the minimum number of shareholders is 1. The registration period is also quite short — from 5 days. The corporate tax rate is 20%, dividend tax is 10%, and VAT is 18%. Foreign ownership is allowed in the country, and tax incentives are available for small and medium-sized enterprises and start-ups.

For investors who are not residents of the country, the following legal entities are available for establishment:

- individual entrepreneur.
- full or limited companies.
- private or public companies.
- subsidiaries and branches.

A limited liability company (LLC) is one of the best corporate types for foreign entrepreneurs, as it is suitable for any commercial purpose and has no restrictions on the number of shareholders. These members can contribute their shares to the charter capital, which has no legal minimum. The amount of investment capital is paid in full before registration. This form of company is suitable for small and medium-sized businesses. The director can be either a local resident or a foreigner, but foreign managers need a work permit. An LLC can be used for general activities in various fields, as a business based on imports and exports, as a subsidiary, and as a start-up. For large businesses, a joint-stock company is more suitable.

A sole proprietorship has one owner, has no share capital requirements, its founder is responsible for the business's liabilities without limiting his or her own assets, and can carry out certain activities (accounting, consulting, etc.). Foreign nationals planning to become an individual entrepreneur in Azerbaijan need a residence permit.

- The company registration process involves several stages:
- selecting and reserving a name in accordance with the established requirements.
- submission of a package of constituent documents to the office of the Trade Register.
- payment of the state fee.

- registration of taxes and social security contributions.
- opening a business account.

The mandatory documents to be prepared by the investor include: the charter, information on shareholders, directors and secretary, information on the name and legal address, a notarized lease agreement (if any), a bank agreement with account details, and a VAT certificate (Iq solution, 2023).

The most common type of legal entity in Azerbaijan is an individual entrepreneur. As of 2020, the number of individual entrepreneurs was six and a half times higher than the number of companies in the country. Appendix A (Figures A.1 and A.2) shows the number of individual entrepreneurs by region of the country, and Appendix B (Figures B.1 and B.2) presents the number of registered statistical units for comparison (as of 2023). Most often, individual entrepreneurs operate in the following areas: agriculture, forestry and fishing, sale and repair of cars, and other services.

Registration as an individual entrepreneur is possible at taxpayer service centres based on the territorial principle, at ASAN service centres, or through the website of the country's tax authority. The following documents are required: an application (in Azerbaijani), an identity card for local residents or a permanent or temporary residence permit for foreigners, and a power of attorney (if the registration is carried out by an authorized representative).

Foreigners who plan to register an individual enterprise in Azerbaijan have the following alternatives to carry out this procedure:

- applying to the State Tax Service with a paper application and a full package of documents.
- applying online, for which it is necessary to obtain an enhanced electronic signature in advance (available on the ASAN website).

In addition, those entrepreneurs wishing to register an individual enterprise in Azerbaijan must first obtain a mobile ID or ASAN IMZA. If you have an ID, you can get a SIM card at the service centres of mobile operators. Individual entrepreneurs have to pay the following taxes:

- land tax at the rate of AZN 0.6 per 1 point.
- property tax — from AZN 0.1 to 0.4 per 1 m² (tax is withheld if the area of the property exceeds 30 square metres).
- income tax — from 0 to 25%.
- VAT — 18% (revenue over AZN 200,000).

Governmental and advisory bodies, international organizations, chambers of commerce, business incubators, innovation centres, etc. can help to resolve problems arising from the registration of an individual enterprise in Azerbaijan. There are special companies whose activities are aimed at helping foreigners register their own businesses (International Wealth, 2023).

II. CONCLUSION

This paper characterised migration processes in Azerbaijan and their impact on the sustainable development of the enterprise's economy. The paper describes the historical development and main documents of the regulatory framework for the establishment of the entrepreneurial economy in Azerbaijan. The ratification by Azerbaijan of several international conventions and the active work of the government to develop the national legislative framework in the field of migration is noted, consisting of the Constitution of the Republic of Azerbaijan, the Migration Code, laws of the Republic of Azerbaijan, international treaties to which the Republic of Azerbaijan is a party, etc. The steps and mechanisms used by the government in the field of development and support of entrepreneurial activity in the state are revealed. In addition, the impact of migration processes on the development of the enterprise's economy is estimated using economic and statistical indicators. In particular, the economic state of Azerbaijan and migration indicators in the country as a whole are characterised, and the net migration indicator is compared with the GDP indicator. This helped to identify the likely positive impact of the growth of the net migration indicator on GDP growth. The paper also describes the current state of establishment of enterprises in the construction of the Karabakh economic region of Azerbaijan. It is established that the region has a significant economic potential, and the involvement of migrants, along with the use of innovative approaches and technologies, can contribute to the achievement of this potential.

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