



TECHNIUM
SOCIAL SCIENCES JOURNAL

Vol. 14, 2020

**A new decade
for social changes**

www.techniumscience.com

ISSN 2668-7798



9 772668 779000

Stimulation of Small and Medium-Sized Enterprises

Aliyeva Aygun Akbar

Head of Public Relations Department, Institute of Control Systems of ANAS,
Azerbaijan, Baku

aygunaliyeva@isi.az, aliyeva1978@gmail.com

Abstract. The paper deals with the issues of stimulating small and medium-sized enterprises in Azerbaijan. The conducted analysis shows that sustainable reforms carried out in the country on the basis of international business experience are considered very effective. The existing problems in this area have also been analyzed, and the directions for their elimination have been indicated.

Keywords. market economy, economic development, economic regulation, economic reforms, economic model, integration

The large-scale, sweeping reforms successfully implemented in the Azerbaijani economy have given a strong impetus to the development of the non-oil sector. The increase in financial flows to the non-oil sector has led to the enrichment and formation of the domestic market, a gradual reduction of import dependence, and an increase in the competitiveness of the economy. The economic reforms carried out continuously in this direction have accelerated modernization in the non-oil sector, creating conditions for the introduction of innovative equipment and technologies [1].

Serious entrepreneurial development measures have been taken in Azerbaijan in recent years. The formation and development of entrepreneurial activity in our country takes place under the influence of a number of factors. The spirit of entrepreneurship, initiative and propensity for business activity has always been high in the population of Azerbaijan, even in the administrative command system. Economic reforms implemented in a market economy have intensified these processes, resulting in the creation of new private enterprises [3].

Since the development of entrepreneurial activity in our country is influenced by many factors, state support for businesses should be implemented in the form of a common program. This program should be implemented in the following areas: finance and investment activity; export assistance and protection of the domestic market; agricultural sector development; support of development of small and medium-sized enterprises, etc. [2].

The intended development program in Azerbaijan should include: financial assistance, technical assistance, creating access to information, assistance in the establishment and operation of business associations, tax benefits and incentives, assistance in creating business infrastructure, assistance in logistical support, giving government contracts to small and medium-sized entrepreneurs, etc.

In the current situation, the economic and social development of the Republic of Azerbaijan is impossible without the comprehensive development of the regions. The adopted regional development programs are producing a positive effect. Our analysis shows that solid changes have been observed in the structure of state budget revenues in the country in recent years. Thus, in 2012, the amount of state budget revenues (including revenues from all types of taxes) was 17281.5 million, whereas in 2015, it increased by 216.5 million manat, totaling 17498.0 million manat. Further, compared to 2016, it dropped by 989 million in 2017, totaling 16516.7 million manat (Fig. 1). As is obvious from the analysis, this area requires serious actions [5].

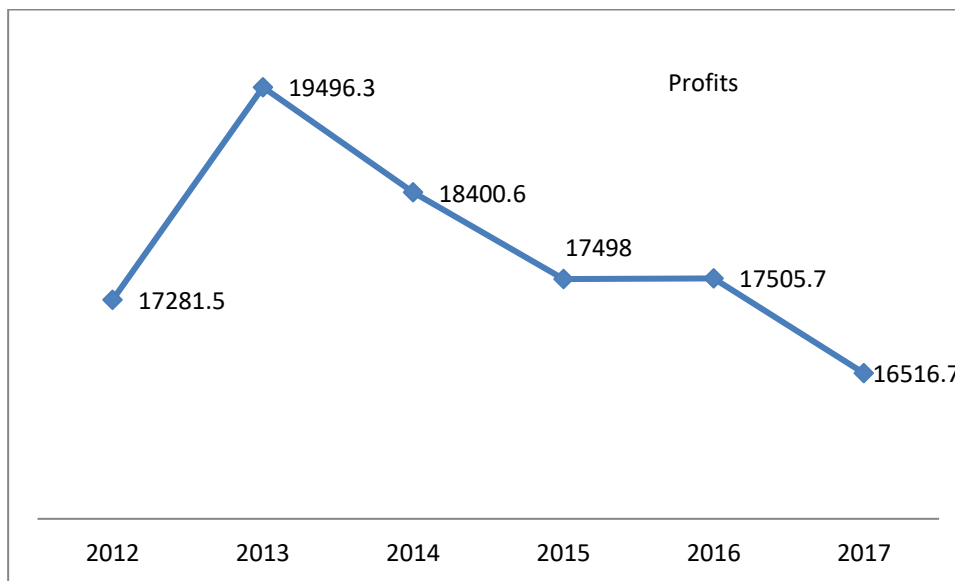


Fig. 1. The dynamics of the state budget revenues (including revenues from all types of taxes) in recent years

One of the areas of state support for entrepreneurship in the country is export assistance and protection of the domestic market. Protection of the domestic market should be based on a variety of effective mechanisms tested in international practice, taking into account the objective economic interests of local production and local needs [5]. Protection of the domestic market mainly covers tariff and non-tariff restrictions. These norms should form the legal basis for state regulation of foreign trade activity legislatively. Regulation with respect to individual types of products is regarded as protection measures: quantitative restrictions on exports and imports, state monopoly on exports and imports, restriction or prohibition of imports, technical, environmental, quality and other requirements for, control over imports, etc.

It is expected that volumes and ranges of foreign products, as well as the opportunities and, if necessary, the terms of their entry into the domestic market should be regulated on the basis of the volumes of local production and consumption, resulting in superior competitiveness of local products development of import-substituting industries. These measures should be temporary, and other incentives (preferential lending, risk insurance, etc.) for a particular area should form a complex system, resulting in a real development impetus. [2].

Taking into account all the scope of the work done and the current development of entrepreneurship in the country, one can be assured that in the future entrepreneurship will

become a key sector of the economy. To this end, it would be appropriate to consider the following suggestions:

- use of entrepreneurial experience of developed countries in the development of entrepreneurship;
- use of modern innovative technologies in order to ensure state support of entrepreneurship and to maintain a competitive environment;
- introduction of preferential tax, customs and credit rates, which will allow new enterprises to start operating in the regions and expand existing ones;
- formation of a new business infrastructure (industrial innovation centers, technology parks) in the regions and creation of favorable conditions for their effective operation, etc.

References

- [1] Manafov Q.N. Theoretical and practical issues of entrepreneurship, Baku, Elm, 2015, 255 p. (in Azerbaijani)
- [2] Shakaraliyev A.S. Economic policy of the state: The triumph of sustainable development, Baku: University of Economics, 2011, 542 p. (in Azerbaijani)
- [3] Aliyeva A.A. Issues to ensure the development of industrial enterprises in the Azerbaijan republic in modern conditions, «Инвестиции: практика и опыт», №4, 2020 DOI: 10.32702/2306_6814.2020.4.23 (in Ukraine)
- [4] Kuzmin D.V. National competitiveness, global instability and macroeconomic equilibrium, Moscow, Nauka, 2018, 222 p. (in Russian)
- [5] www.stat.gov.az/budce_2017