

## **THE ROLE OF ENTREPRENEURIAL ACTIVITY IN THE SOCIO-ECONOMIC DEVELOPMENT OF THE TERRITORIES LIBERATED FROM OCCUPATION**

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Among the main tasks in the socio-economic development of the regions, including the territories freed from occupation in modern times, consideration of the country's territorial structure, resource potential, differences in climatic conditions, transport infrastructure, population density and number is of particular importance.

Sustainable regional development, as one of the priority directions of the state's economic activity, primarily aims to develop the economy of the regions and create new jobs. As it is known, since 2004, the State programs on socio-economic development of regions have been implemented in our country. (4.page.8)

Among the goals of the socio-economic development of the regions, including the territories freed from occupation, is to increase the income of the population, as well as to bring education, health and other services to the level that meets the most modern standards.

In order to achieve the expected result in the socio-economic development of the regions, along with modern infrastructures, serious support should be provided to entrepreneurship.

As in a number of countries, the role of entrepreneurship in solving the problems faced by the world economy is undeniable in our country.

In all developed countries, the center of gravity in the implementation of the economic development strategy falls on entrepreneurial activity.

Entrepreneurial activity, which has a long history and is accompanied by the formation of capitalism, is not only a free activity, but also associated with risk. As a clear example of this, the inauguration of the "Baku SMB House" was attended by the President of the country, Mr. I. Aliyev. In addition to providing services to 5,000 entrepreneurs during the day in "Baku SMB House", the rooms and conference hall created for meetings, training, start-ups, and meditation are also designed for entrepreneurs.

It is planned to provide entrepreneurs with more than 150 services by

29 state institutions and more than 100 services by 20 private institutions at the Baku SMB House.

They can apply to "Baku SMB House" for business registration, obtaining licenses and permits necessary for entrepreneurial activity, preparing a business plan, providing preferential financial resources, connecting to tax, customs, communal services, banking, insurance and other issues.

It performs its services based on the principles of efficiency, transparency and courtesy as a single place that centrally provides state and business services to entrepreneurs. The main advantages of SMB houses are the collection of business services in one place, efficiency, time and cost savings. Currently operating Khachmaz and Yevlax Tens of thousands of different types of services have been provided to entrepreneurs in SMB houses.

Realization of economic development strategy in our country, increase of entrepreneurial activity in ensuring sustainable economic development is one of the priority directions of the implemented socio-economic policy.

The Small and Medium Business Development Agency (SMBDA), established under the Ministry of Economy by the Decree of the President of the country Mr. I. Aliyev dated December 28, 2017, can be evaluated as a part of this policy. In addition to this agency, which plays an important role in the development of micro, small and medium entrepreneurship, a stable economic legislative base, state support to businessmen in various forms, investment, insurance, formation of information funds are among the factors that determine the development of entrepreneurial activity in our country.

In addition to all this, we can attribute the establishment of market infrastructure, the implementation of appropriate tax and antimonopoly regulation to the factors that create a favorable environment for entrepreneurial activity.

As a result of all this, by the beginning of 2023, 873 or 65.2% of the applications received from entrepreneurs who want to establish a business in the territories freed from occupation are local, 465 or 34.8% are foreign investors. Among foreign investors, Turkey, Kazakhstan, Hungary and Russia dominate. 90% of the investment projects are local, 10% are investment projects of foreign entrepreneurs. 36% of these investment projects cover trade and service, 27% industry, 26% rural economy, and 11% construction, tourism, healthcare, education and culture. The

construction of all these infrastructure facilities can have a significant impact on the socio-economic development of the liberated territories, including the employment of the population.

Currently, the mechanism of state support for entrepreneurs in the successful implementation of economic activity in our country can be grouped as follows:

- direct state investments, loans and subsidies;
- protecting the interests of new product manufacturers;
- Stimulation of self-financing;
- Price and tax policy;
- Facilitating the attraction of foreign investors.

All these mentioned have been confirmed in the additions and changes to the Tax Code. According to these changes, residents of the liberated territories are exempted from profit (income), property, land and simplified tax for 10 years from January 1, 2023.

This also applies to residents' non-sales income related to their activities in that area.

In addition, dividend income of shareholders of legal entities that are residents of territories freed from occupation are exempted from taxation for a period of 10 years.

All this confirms the creation of a favorable environment for the development of entrepreneurship in our country.

Modern entrepreneurs should be flexible in any situation, take risks consciously by correctly calculating the probability of losses, and be able to choose the optimal option by combining production factors.

Currently, one of the main issues in the center of attention of the state is minimizing the impact of the oil factor on the country's economy and increasing the share of the non-oil sector in GDP production.

It should be noted that the center of gravity in the development of the non-oil sector in our country rests on increasing activity in entrepreneurial activity. In order to expand and stimulate entrepreneurial activity, a number of the above concessions have been provided for them in the liberated territories.

These concessions also include regular improvement of the legislative, organizational and economic environment, fighting against illegal interference and artificial obstacles, increasing the efficiency of the state support mechanism for entrepreneurs.

The conducted research allows to come to the following conclusions:

1. Entrepreneurial activity is of exceptional importance in ensuring

socio-economic development in territories freed from occupation. The impact of external and internal environments on entrepreneurial activity related to risk and having different directions is great.

2. Modern entrepreneurs should be flexible in any situation, take risks consciously by correctly calculating the probability of losses, and be able to choose the optimal option by combining production factors.

3. The state support mechanism for entrepreneurial activity means direct state investments, loans and subsidies, protection of the interests of new product manufacturers, stimulation of self-financing, price and tax policy, facilitating the attraction of foreign investors.

4. Realization of the economic development strategy in our country, expansion of entrepreneurial activities to ensure sustainable economic development are considered priority directions of socio-economic policy.

5. Among the goals of the socio-economic development of the territories freed from occupation is to increase the income of the population as well as to bring education, healthcare and other services to the level that meets the most modern standards.

6. Considering the country's territorial structure, resource potential, differences in climatic conditions, transport infrastructure, population density and number among the main tasks in the socio-economic development of the territories freed from occupation.

#### **Literature.**

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