

## **НАПРЯМ 4. ЕКОНОМІКА ТА УПРАВЛІННЯ ПІДПРИЄМСТВАМИ**

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### **THE ROLE OF ENTREPRENEURSHIP IN ENSURING REGIONAL DEVELOPMENT**

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In recent years, serious economic measures have been implemented in the direction of regional development in the Republic of Azerbaijan. The COVID-19 pandemic has had a huge negative impact on the country's economy. Nakhchivan Autonomous Republic, which is part of the Republic of Azerbaijan and most economically developed region. The solution of modern socio-economic problems of Nakhchivan is organized taking into account the modern economic development of Azerbaijan [1].

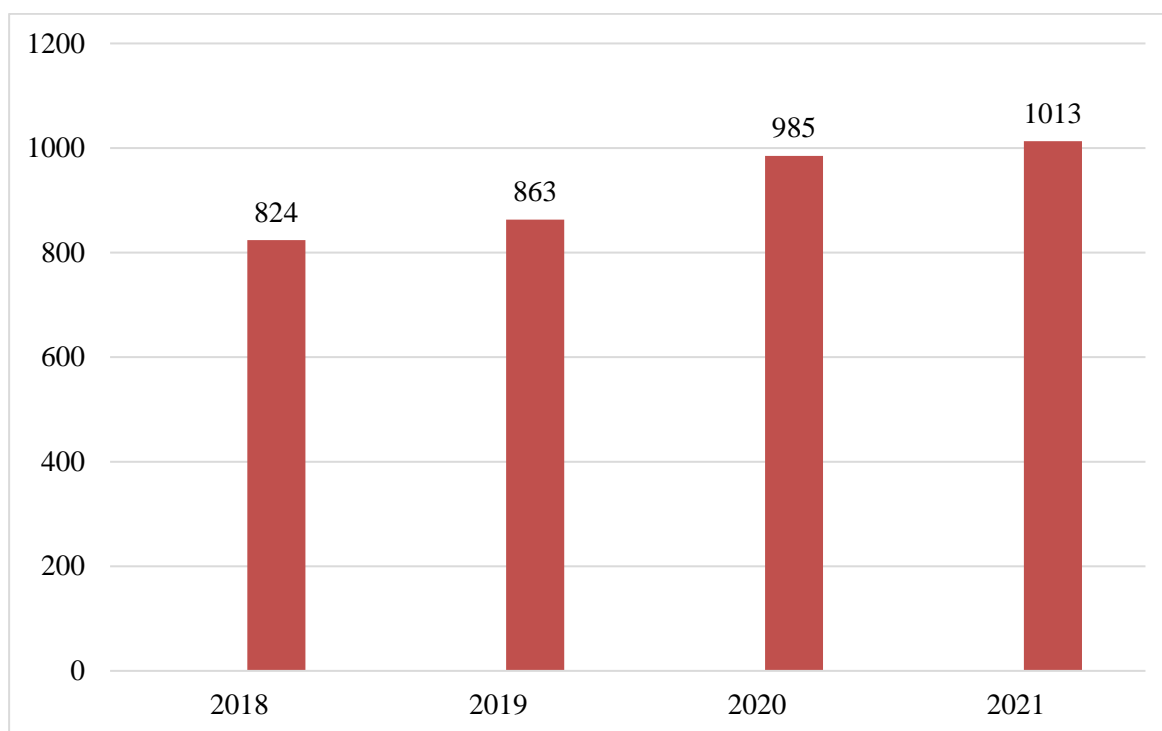
In the Republic of Azerbaijan, including the Nakhchivan Autonomous Republic, has been constantly implementing measures to expand entrepreneurial activity in economic areas and its state regulation.

In recent years, has observed the development of entrepreneurship in the field of production and services sectors and the implementation of fundamental reforms in order to create a favorable business environment in the Republic of Azerbaijan. All this is based on the economic development strategy consistently implemented by the country's leadership. An important condition is to ensure sustainable and balanced development of the national economy, acceleration of regional development. They are also one of the main priorities of the socio-economic development of Azerbaijan Republic. The mentioned is being successfully implemented within the framework of the adopted targeted state programs [2].

In recent years, has also observed a significant increase in the number of business entities in the industrial sector of Nakhchivan Autonomous Republic.

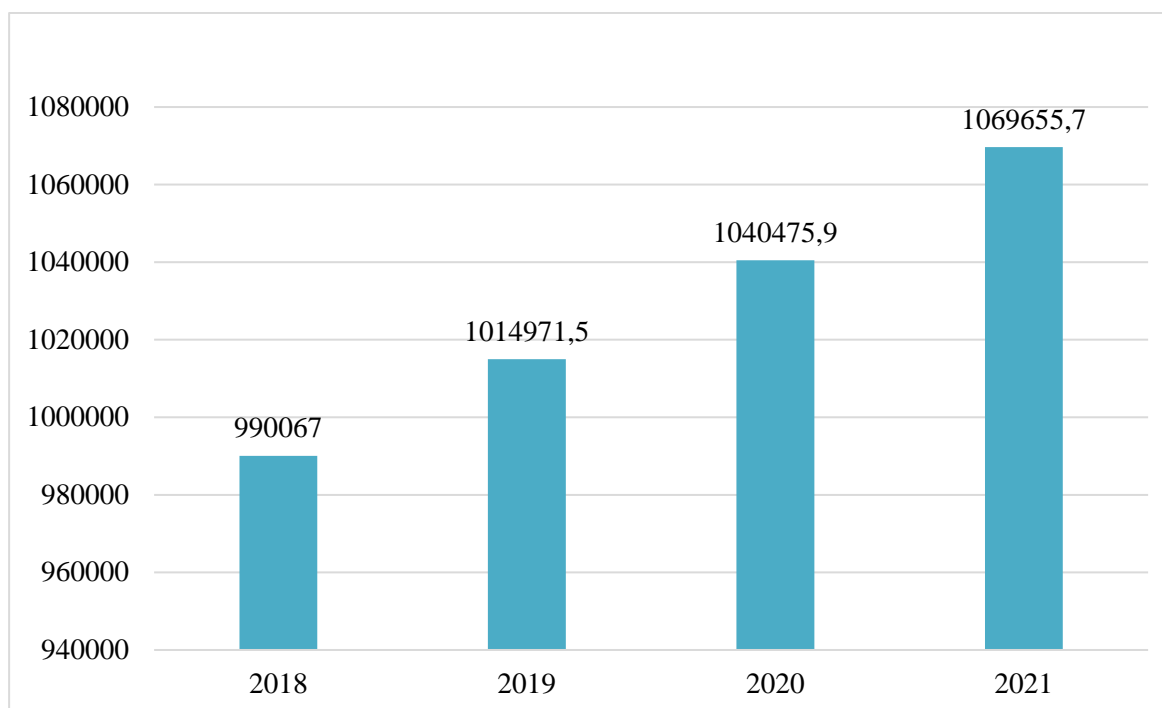
For example, if in 2018 the number of economic entities was 824 person, then in 2020 this indicator increased and reached 985 person. In 2021, the number of economic entities amounted to 1013 person (Figure 1).

The analysis shows that the activity of business entities in the field of industry is expanding in the Nakhchivan Autonomous Republic.



**Figure 1. The number of entrepreneurship in the industrial sphere of the Nakhchivan Autonomous Republic**

Source: [https://www.stat.gov.az/menu/6/statistical\\_yearbooks/Industry\\_of\\_Azerbaijan\\_2022](https://www.stat.gov.az/menu/6/statistical_yearbooks/Industry_of_Azerbaijan_2022)



**Figure 2. The cost of industrial products produced by business entities in the Nakhchivan Autonomous Republic (thousand manats, 1 USD=1.70 manat (AZN))**

Source: [https://www.stat.gov.az/menu/6/statistical\\_yearbooks/Industry\\_of\\_Azerbaijan\\_2022](https://www.stat.gov.az/menu/6/statistical_yearbooks/Industry_of_Azerbaijan_2022)

In recent years, has also observed a significant increase cost of industrial products produced by business entities in the Nakhchivan Autonomous Republic. For example, compared to 2018–2020, the cost of industrial products produced in 2021 increased and amounted to 1069655.7 thousand manats. All this testifies to the dynamic development of the private sector (Figure 2).

In general, the purpose of regulating the entrepreneurial activity of the state is to ensure the normal functioning of the country's economy and the achievement by entrepreneurs of an optimal effect in the international division of labor in the regions [3]. The analysis shows that the tasks of state regulation of entrepreneurial activity include:

- increasing control over the implementation of legislation in the interests of business entities in the regions;
- improving the efficiency of state regulation of national economy sectors by region and reducing budget expenditures;
- elimination of all problems hindering the activities of private enterprises;
- creating favorable conditions for the free activity of private entrepreneurs in the domestic market, stimulating the export of manufactured products to the world markets;
- stimulating the expansion of the use of innovative technologies in the sectors of the national economy;
- providing low-interest loans to the private sector through banks;
- ensuring the distribution of domestic and foreign investments by sectors of the economy in which private entrepreneurs operate;
- ensuring social balance in the regions and increasing the incomes of the majority of the population [6].

The tasks of state regulation aimed directly at entrepreneurial activity are noted. The economic policy constantly pursued in Azerbaijan Republic is also aimed at the development of national entrepreneurship, ultimately influencing business activities in the country [4]. Recently, the regulation of the activities of production and service industries by the state is considered as one of the main priorities. In this direction, the state should implement the following tasks:

- it is necessary to reformat the production and service sectors in the regions in terms of the introduction of modern innovative technologies. The main goal here is to create new export-oriented sectors of the economy, modernize traditional industries and adapt their products to the requirements of world markets;
- increasing the competitiveness of export products by service and production sectors in the regions;
- linking the cumulative impact on demand in the regions with the state regulation of foreign economic relations.

Nakhchivan Autonomous Republic, located in the region, has its own legislative base and organizational and economic management structure. It is separated from Azerbaijan by economic and living conditions and has its own characteristics. In recent years, the directions of Nakhchivan's socio-economic development have been solved in cooperation with a number of international and other countries. Nakhchivan Autonomous Republic differs from other regions of Azerbaijan in its existing potential, natural and climatic conditions and features of population growth.

Fundamental and constructive changes in the region are carried out with the planning and new methods [5]. Thus, in each region there are economic structures that are formed by internal and external factors.

The analysis shows that in the Republic of Azerbaijan, including in the Nakhchivan Autonomous Republic, it is necessary to expand the activities of private entrepreneurship in the areas of production and services. The expansion of entrepreneurial activity in the regions can eliminate the problem of unemployment, stimulate the attraction of foreign investment.

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