

SOME CONSIDERATIONS ABOUT THE NEED TO TURN THE BENEFICIARY INTO TAXPAYERS

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Abstract

The return of 70 percent of the taxes they paid last year to entrepreneurs suffering from the coronavirus is a commendable step. Only time will tell how transparent and effective this step will be, but the idea itself is quite progressive.

Introduction

Because in the current difficult situation, for the first time, a citizen can feel the benefits of being a taxpayer in his own example. The concept of the taxpayer has the potential to have a better impact on the development of the country than hundreds of thousands of educational books and propagandists. Unlike a citizen who is poorly fed from the budget, the taxpayer plays an invaluable role in the formation of democratic values, as he is interested in demanding the protection of their rights and freedoms.

The French philosopher Tom Picetti believes that the ideas that prevail in a society actually play the role of the "ideology" of that society. As the budget is the only source of national income in modern Azerbaijan, people rely on the mercy of the state, and economic ideas are usually formed on the basis of requests for assistance from the state. However, the aid programs implemented by Western countries are based on the principle of compensating the losses of taxpayers, not on the principle of mercy, except for the poor.

The main condition for political and economic development in Azerbaijan should be the transformation of citizens from the recipient to the taxpayer, for which the economic potential of Azerbaijan is very large. So far, the government has been interested in feeding the population from the budget, not from being taxpayers, in order to ensure its legitimacy. As a result of this economic policy, millions of people are now struggling to get a small grant of 190 manat from the state. It should be noted that there were opportunities to ensure that the population of Azerbaijan became active taxpayers, the formation of national income by small and medium-sized businesses, and these opportunities still remain.

Against the background of the current crisis, many are nostalgic for the USSR, pointing to the capitalist system and the market economy as the only culprits. We believe that the financial oligarchy that dominates the modern world, in a sense, has shaken the mechanism of development of capitalism, but in general, there is no alternative to a market economy, the principles of a free market. In Azerbaijan, on the other hand, if a number of necessary reforms are carried out that will lead to the application of the principles of a market economy, there are opportunities to ensure sustainable economic development over the next 20 years. We would like to briefly list some of the factors that can promote rapid development in a market economy (of course, the legislative framework and judicial reform are necessary for the implementation of these principles).

1) Azerbaijan is not integrated into any of the global and regional markets. The opening of customs borders and representation in any global or regional economic union will, on the one hand, reduce the cost of a number of consumer goods, on the other hand, will allow the emergence of local production and our country's place in the global division of labor. Azerbaijan has great prospects as a producer of light industry and agriculture for large markets such as Europe and Russia. Honestly, the excellent infrastructure created by the government, the relatively educated and active population, access to energy sources, and favorable climatic conditions allow for low-cost industrial and agricultural production.

2) Carrying out tax reforms, and at the same time shifting the main focus of taxes from business to property, can lead to major changes. In addition to collecting large sums of money in the budget, the property tax is very useful in terms of reducing the tax burden on business, stimulating the development of production and service sectors by exempting small businesses from taxes, reducing the artificially inflated price of real estate.

3) Privatization of state-owned property, banks, manufacturing enterprises and large state-owned companies, which are a burden on the budget due to inefficient management, is necessary for the establishment of medium and large businesses in the country. Also, the money issued in the form of currency will remain in the country, huge amounts of money invested in real estate by businessmen and bring little income, along with reducing unemployment and poverty in the country, will bring great benefits to entrepreneurs.

As a result of the proposed reforms, it is realistic that the Azerbaijani economy will become a stable, independent state that does not depend on oil prices, but uses its hydrocarbon resources for economic development. For example, the supply of oil and gas only to industrial enterprises at discounted prices can give a great advantage to industry and agriculture in competition with countries such as Armenia, Georgia and even Turkey. The privatization of large state-owned companies will eliminate unemployment, leading to the creation of hundreds of small and medium-sized businesses that serve them in a highly competitive environment. In view of all

this, it is necessary to start reforms in the direction of a market economy immediately, and to save the state from the need to provide assistance to citizens from the budget.

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