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THE MAİN DİRECTİONS OF İNNOVATİVE DEVELOPMENT OF THE NATİONAL ECONOMY İN THE MODERN ECONOMİC CONDİTİON

Abstract*: the article analyzes the directions of innovative development of the national economy in the Republic of Azerbaijan and different foreign countries. The analysis shows that the implementation of an effective innovation policy in developed countries leads to the development of national economic sectors. The role of modern innovative technologies in increasing the country's competitiveness and increasing export opportunities is high. The article identifies existing problems in the area under study, and puts forward proposals and recommendations for their elimination.*

Keywords*: innovation, national economy, rating, innovative technology, investment, economic growth.*

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ОСНОВНЫЕ НАПРАВЛЕНИЯ ИННОВАЦИОННОГО РАЗВИТИЯ НАЦИОНАЛЬНОЙ ЭКОНОМИКИ В СОВРЕМЕННЫХ ЭКОНОМИЧЕСКИХ УСЛОВИЯХ

Аннотация*: в статье анализируются направления инновационного развития национальной экономики в Азербайджанской Республике и различных зару-*

бежных странах. Анализ показывает, что реализация эффективной инновационной политики в развитых странах приводит к развитию национальных секторов экономики. Роль современных инновационных технологий в повышении конкурентоспособности страны и расширении экспортных возможностей высока. В статье выявляются существующие проблемы в исследуемой области и выдвигаются предложения и рекомендации по их устранению.

***Ключевые слова**: инновации, национальная экономика, рейтинг, инновационные технологии, инвестиции, экономический рост.*

In modern developed countries, the application of innovative technologies plays an important role in the development of national economic sectors. The use of science-intensive technologies plays an important role in the economic development of the country. No country that strives to ensure economic development, increase the standard of living and life expectancy of its citizens can achieve these goals by using its scientific, technical and intellectual potential to the maximum extent possible [1, c. 45].

The main direction of the state innovation policy of Azerbaijan is considered to be the development of a modern national innovation system. It should be borne in mind that an important part of the national innovation system is the use of the latest technologies. The development of innovative entrepreneurship in this area is considered one of the main goals [2, s. 706].

Innovation entrepreneurship plays a key role in the innovative development of high-tech industries. For the rapid development of small innovation entrepreneurship, it is necessary to create a modern innovation infrastructure. The financial infrastructure of the national innovation systems of the economically developed countries of the world contributes to the development of innovation activity subjects.

In the postsoviet countries, the financial infrastructure in the field of innovation has wider opportunities. Its component is the system of scientific, technical and innovation funds. In developed countries, there are various financial funds that finance innovation projects at any stage from fundamental research to mass production of new goods and services [3, s. 11].

When forming a system of funds, it is necessary to ensure the continuity of financing of business projects that go through all stages of the innovation cycle.

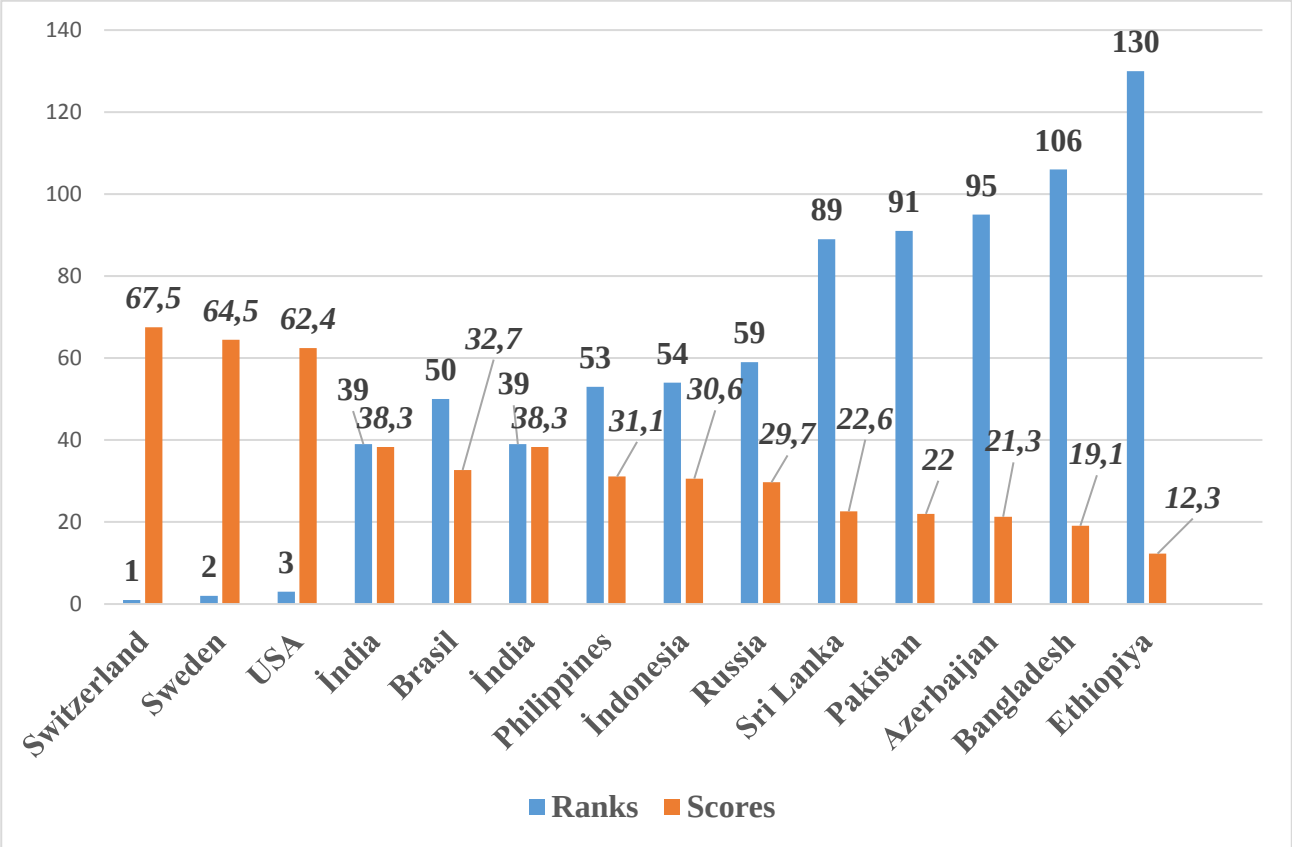
It is necessary to increase the competitiveness of innovative products, expand and strengthen their market positions, and enter new sales markets for products. Enterprises are trying to create a competitive advantage in various fields through effective innovations. Innovation has long been used in the management practice of industrial enterprises. The effective use of innovations is an important resource for increasing economic growth. At the same time, it is closely related to successful development strategies and the competitiveness of firms. Innovative activity is carried out in the system of scientific research, design, scientific-production organizations or in the relevant departments of production enterprises [4, c. 211].

The current stage of development of the Azerbaijani economy is characterized by both positive and negative trends, such as dependence on oil production. This is due to a number of objective and subjective reasons. Ensuring the economic security of the state has become the main and priority task. The ways to solve the tasks set are considered to be the economic development and reconstruction of the oil industry. At the same time, increasing the production volume of new technological products based on the intensification of innovation activity in other industrial sectors is the main issue [5, c. 256].

The role of industrial enterprises operating in Azerbaijan in the innovative development of the country is determined by the innovations they apply in the production of goods and services. In this regard, conducting analyses in this direction is of particular interest. The analysis of the innovative activity of industrial enterprises should be systematic. It should be noted that currently there are no normative documents on the methodology for analyzing innovation activity, and this is explained by the lack of a single generally accepted methodology in the scientific literature [6, c. 154].

In general, it is necessary for the national economy to transition to innovation-based development. At the same time, significant measures should be taken to form a modern national innovation system. For this purpose, it is necessary to develop the

field of innovative science, create a financial infrastructure for innovation activities, and expand commercial activities in the field of innovation.



Pic. 1. Comparison of the GII for different countries in modern economic condition

Source: Global Innovation Index (GII) Database, WIPO, 2024. https://www.wipo.int/web-publications/global-innovation-index 2024/assets/67729/2000%20Global%20Innovation%20Index%202024_WEB3lite.pdf, p.18.

In recent years, there have been significant changes in the indicators of countries on the Global Innovation Index. For example, in 2024, Switzerland was in 1st place among 133 countries with a score of 67.5. Among the post-soviet countries, Russia was in 59th place with a score of 29.7, the Republic of Azerbaijan was in 95th place with a score of 21.3. Bangladesh was in 106th place, and Ethiopia was in 130th place (Graph 1). It should be noted that in most countries of the world, the process of applying modern innovative technologies in all sectors of the national economy is already accelerating. A number of measures should be taken at the state level to implement innovation policy in the Republic of Azerbaijan.

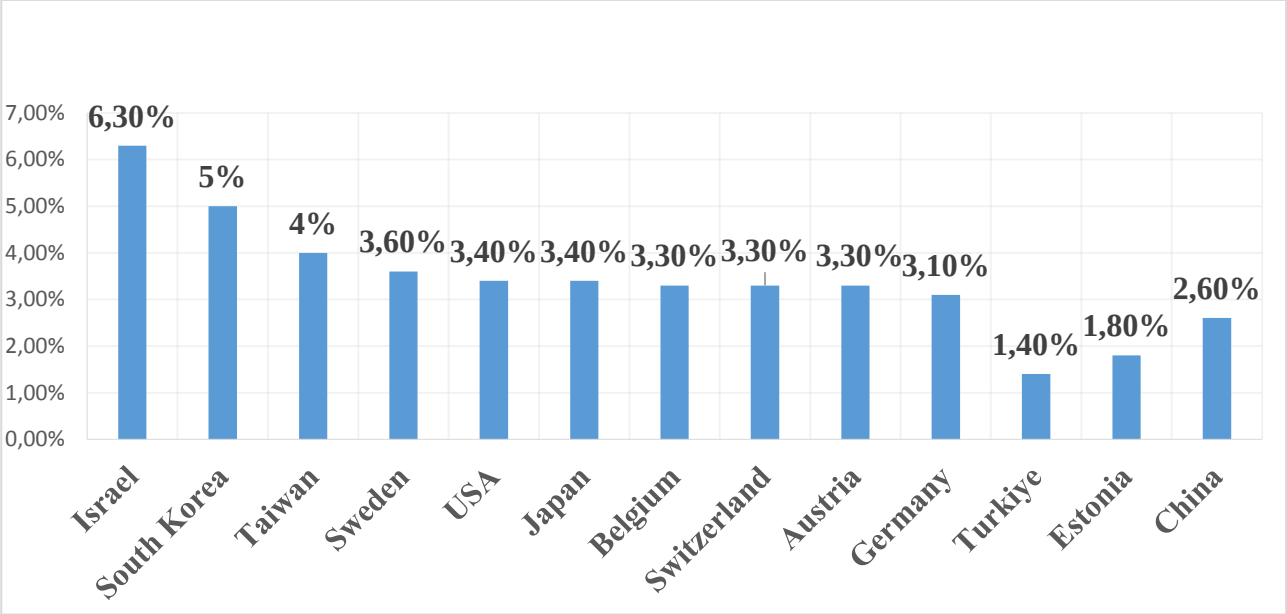
The following measures should be implemented at the state level: the formation of a modern innovation policy; the creation of a legal framework for the innovation process; the expansion of entrepreneurial activity in the field of innovation [7, c. 1902].

The expansion of modern innovation policy in the Republic of Azerbaijan is related to the solution of the above problems. To expand innovation policy, the development of innovative entrepreneurship and increasing the consumer share of innovative products require increased state support [8, c. 107].

Expanding innovation policy requires increasing the innovation activity of the population. Taking into account international experience, the innovation activity of the population should be increased in Azerbaijan, as in the countries of the post-Soviet space.

In all developed countries, in recent years, it has been observed that there are certain difficulties in attracting financial sources such as debt and borrowed funds for the innovative activities of industrial enterprises. In addition, it is known that large investments in the field of innovation from centralized state sources are sufficiently allocated [9, c. 810].

It should be noted that, first of all, there is a need to attract long-term bank loans with acceptable interest rates and develop existing mechanisms for providing long-term loans [10, c. 324]. Financial support for innovation activities at the expense of borrowed funds obtained from the placement of specially issued shares on the stock markets is insufficient due to the lack of improved legislation and the lack of a developed stock market. The difficulty of attracting funds from foreign investors is explained by a number of subjective reasons. The main reason for this is the frequent changes in the economic situation. The collected funds are traditionally divided into «portfolio» investments of investors and investments of strategic investors. Typical strategic investors of the enterprise can be investment funds, supplier companies and subcontractors. As for the attracted funds, very large innovative risks simply deter ordinary creditors and investors.



Pic. 2. Comparison the some countries investing the most in R&D (2023)

Source: https://www.visualcapitalist.com/rd-investment-by-country/

The conducted analyses show that in recent years, the expenditure allocated to innovative research in the structure of GDP in a number of countries has been increasing. For example, in 2023, the expenditure allocated to innovative research in Israel was 6.3%, in South Korea 5%, in Germany 3.1%. In Turkey, this indicator was 1.4%, in Estonia 1.8%, and in China 2.6% (Graph 2).

Leasing services, one of the most economically profitable forms of capital investment in the country, are a new form of financing in the international market and an important element in strengthening innovative development. As a modern form of investment, leasing has great potential for updating the equipment needed by the enterprise. It is necessary to form a new technical policy based on the technological restructuring of leasing machinery in the industry. Leasing services should be considered as a factor in strengthening direct contractual relations between participants in the innovation process. Leasing relations contribute to the renewal of equipment and machinery of enterprises, allow optimizing the use of existing equipment and purchasing new equipment on favorable terms. In the current economic conditions, leasing operations contribute to the mobilization of funds for innovative development. Leasing operations and their mechanisms can provide guaranteed use of investment resources for restructuring purposes. The low level of leasing use in the country is due

to the low solvency of industrial enterprises, high interest rates on loans, lack of long-term financial resources and working tools for their formation. The weak functioning of the leasing services market also affects the development of the country's economy. The use of leasing relationships is also hindered by a weak methodological base, insufficient practical experience, and imperfect legislation.

In general, it is difficult to practically use the absolute majority of sources of financing for innovative activities listed in connection with innovative restructuring. It is also important to note that various opportunities should be created at the state level to support and develop innovations in industry. In this regard, it is necessary to improve the state investment policy regarding the financing of innovations in industrial enterprises. In general, the following measures must be implemented at the state level to expand the innovation activities of enterprises producing innovative products:

– studying international experience in the field of improving modern innovation policy, taking into account international experience;

– stimulating the export opportunities of companies operating in the field of application of modern innovative technologies;

– increasing the number of modern small and medium-sized companies to produce innovative products or services;

– finding the necessary raw material resources in the regions for the production of innovative products;

– creation and export of innovative technology for the production of new products.

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