

MECHANISMS FOR FINANCING SCIENTIFIC RESEARCH

As a result of the development of society, science has become an independent field of human activity with its own laws and norms, development trends, working methods, technologies and techniques, principles of labor organization, as well as specially trained personnel. Innovations related to science and scientific research are an ever-evolving field. At the same time, there are certain limitations in the labor, financial and material resources allocated to the field of science. They are aimed at widespread use in the preparation of strategies and tactics for the purposeful use of limited resources in some priority areas, types of scientific and technical activities.

The progress of modern science and its development in cooperation with society have created the basis for reaching a new level of research. Science is always regarded as the driving force of revolution, as in other fields of activity, and it acquires the necessary level of knowledge and explains them with the help of theories, laws and hypotheses, not to mention various methods. Science has always been subject to certain influences in society and is systemic in nature. Thus, the influence of the technical base in society on the state of scientific research is undeniable. The purposeful conduct of fundamental sciences stimulated the development of practical fields of science, and science in modern society is based on analytical approaches based on the analysis of the problems of research conducted in experiments and their division into smaller elements. Modern scientific research strives to comprehensively cover the object of research.

At the same time, the sources of interest in science and research in the Republic of Azerbaijan during the period of independence and the funds spent on their financing were studied. Thus, during the period of independence, the legal foundations of the development of science and scientific research, their financing were thoroughly analyzed, the results of programs adopted at the expense of public funds were studied.

The sources of funding for scientific institutions and organizations in our country are as follows [1]:

1. State budget funds;
2. Extra-budgetary funds;
3. Foundation for the Development of Science under the President of the Republic of Azerbaijan;
4. Private sector funds.

Although the use of international funding is envisaged as one of the sources of funding for research institutes in the Republic of Azerbaijan, in fact, very few funds come from this source in our country. The specified source of financing can be defined as an element of extra-budgetary financing.

It should be noted that in addition to the state budget, the involvement of alternative sources in the process of financing scientific research, especially the private

sector, can create favorable conditions for the formation of Azerbaijani science in accordance with the requirements of the time. From this point of view, the issue of attracting private capital for research through venture capital is of particular interest. All this, in turn, forces us to pay attention to the direction of determining the goals of the research strategy in the scientific organizations of the Republic of Azerbaijan. The most important issue is a clear definition of the strategic priorities of scientific and technological development of the country.

One of the most important issues implemented in the field of science development is the Science Development Fund under the President of the Republic of Azerbaijan, established on the basis of the decree of the President of the Republic of Azerbaijan dated October 21, 2009 [2].

The main goal of the Science Development Fund is to protect the scientific and technical potential of our country and to ensure the development of scientific organizations and research and educational institutions through its favorable use, in order to enhance the role of science in Azerbaijan. and the solution to the natural, technical and humanitarian problems posed by the relevant institutions and individuals is to sufficiently enhance the role of science and technology. One of the main factors of the Science Development Fund is its application in the field of social sciences, which is important for the state and society, financing scientific and innovative research, programs, projects and other scientific activities, as well as stimulating scientific activity. scientists and the creation of additional creative opportunities for them. The main task of the foundation is to ensure the welfare of scientists and the development of the country, strengthen the state, define and improve the strategy for the development of science, research and education at a high level through the successful implementation of research projects of young researchers and scientists in Azerbaijan.

The draft state budget of 2023 allocated 228 million 500 thousand manats for the development of science in the country, which is 23.5 million manats or 11.5% more than this year, and 76 million 700 thousand manats or 50.5% more than this year. last year's performance indicator is % higher [9].

There have been changes in the structure of state budget expenditures for 2023. Of the expenditures allocated to science, 48.6 million manats (21.3%) were allocated for, 114.9 million manats (50.3%) were allocated to scientific institutions under the jurisdiction of a number of state bodies, including 75.6 million manats to Science and the Ministry of Education. Education, 17.1 million manats from the Ministry of Agriculture, 9.0 million manats from the Ministry of Justice, 6.0 million manats from the Ministry of Culture, 4.1 million manats from the Science Development Fund under the President of the Republic of Azerbaijan, 3.1 million manats from other fields of science are measures [10].

The need for economic growth stimulates the development of science and education. If there is no demand from the economy, it is impossible to achieve neither education, nor science, nor progress. Education, science, production, economic growth. These are questions and links connected to each other in the chain.

During the period of independence, the development of science and scientific research is ensured, the stimulation of the activities of young researchers and scientists, the development and improvement of scientific activities, the implementation of a

growth zone for the production of high-tech products. products should be reflected as a result of state policy.

Scientific research is important for developing countries, and this automatically means that all scientific information should be available as fully as possible. At the end of each research project, a comprehensive publication of the results is carried out [11].

Science and innovative production in Azerbaijan, etc. It would be more expedient to improve the following areas of creation and development of modern venture business of companies:

- the presence of high commercial potential of small innovative production and technology companies;
- the presence of professional managers who assess the prospects for the development of this direction and can be useful to its organizers in the capital;
- availability of capital invested by institutional investors;
- development of the securities market;
- venture capital should be associated with the large size of the product consumption market and the solvency of companies [4. Ismailova Sabina Aladdin Master's thesis on "Improving the mechanisms of financing scientific research": page-58].

In general, attracting venture capital experience to Azerbaijan and applying it in local companies, scientific and educational institutions is of great importance from the point of view of developing the country's economy, changing its structure, highlighting high-tech areas, increasing the competitiveness of local companies at the national, regional and global levels. Venture capital is important, first of all, because with its use we can accelerate the production of scientific works developed by Azerbaijani scientists over many years and have received relevant patents and copyrights. At the same time, using entrepreneurial capital, we can develop new areas of production, especially information and communication technologies, nanotechnology, biotechnology and other areas of science. To do this, it is necessary to carefully study the activities of countries and their enterprises with extensive experience and successful results in the field of venture capital, and on this basis to develop and consistently implement and develop institutional reform programs. Therefore, the definition of the main conditions for the success of developed venture capital markets and their application to the conditions of modern Azerbaijan should be considered as one of the important conditions [5, p. 69].

By his Decree of July 22, 2022, Mr. President Ilham Aliyev approved the "Strategy of Socio-economic Development of the Republic of Azerbaijan for 2022-2026" [3]. As they say, every line, every sentence of the Strategy, which is a very fundamental document, defines new tasks for science and education. We believe that the reforms in the field of science and education, which have entered a new stage of development with the Presidential Decree, will have a positive impact on a more flexible implementation of the goals set out in the Strategy [10].

Today, there is a need in the country to carry out deeper structural, scientific, organizational and personnel reforms in the field of science and education, to search for and apply optimal mechanisms for managing scientific activities, to take serious measures to ensure the real activity of science. -the education-economy chain.

This necessity implies the signing by the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, of a decree dated July 28, 2022 "On some measures related to the improvement of management in the field of science and education in the Republic of Azerbaijan". In 2023, 228 million 500 thousand manats were allocated for the development of science, which is 23.5 million manats or 11.5% more than in 2022: certain changes were also made.

As you know, as a result of the purposeful policy carried out under the leadership of the head of our state, serious reforms are currently being carried out in all spheres of our country, including in the field of science and education, and important support is being provided to the government. It is dedicated to the development of science and technology, as well as improving the reputation of scientists [6]. Currently, determining, financing and coordinating the status of science in society, as well as determining the priorities of science in Azerbaijan, the formation of a high-tech society are among the most important directions in our country. In order to integrate Azerbaijani scientists into the world science, the issue of ensuring their access to prestigious international scientific databases (WoS, SCOPUS, etc.) should be solved at the national level, within the framework of the state budget, to stimulate the work of scientists whose articles are included in prestigious international scientific databases, the organization, management and coordination of science, a number of important tasks, such as improving the management system, require the introduction of complex innovations, such as infrastructure optimization, increased transparency, introduction of new management mechanisms and more efficient use of personnel.

Much remains to be done to achieve the necessary level of scientific development: improving the development sector, freeing the economy from dependence on oil exports and organizing the transition from the knowledge economy, knowledge-intensive industries to the economy of high technology and innovation. Based on this, the only way to achieve these goals is to learn how to use innovative mechanisms, apply completely new areas based on knowledge related to energy, biotechnology, nanotechnology and other areas of scientific production. The use of innovative technologies is considered the most important source of increasing labor productivity and the development of individual sectors of the economy.

Azerbaijan must have a healthy competitive market, production and economy in order to generate demand that will lead to the development of science: "Otherwise, no matter how much money is allocated for science in the current conditions, there will be no serious result. Every dollar invested in science brings multiple returns in developed countries. There are no conditions for this in Azerbaijan.

Construction works and reforms are being carried out in all spheres of socio-political life and spiritual culture of our country. There is no doubt that it is unrealistic to build a large scientific system in small countries. Thus, local scientific research conducted in these countries becomes part of a large chain of international scientific research. In other words, the only way to do basic science in small countries is to get in touch with large research centers, to be somehow connected with them. It should also be noted that it is necessary to solve the issue of training specialists working in the field of venture business in our country, and another important issue is how to organize venture financing between research institutes and individual research groups. Taking

all this into account, it should be noted that research institutes, independent research groups created within them and individual researchers have their own positions and roles in forming their scientific opinion. All this can be characterized as inactive scientific structures and groups characterized by the quality of group activity, prone to innovation. It is especially important to spend and direct financial resources, including investment capital, to innovation-oriented structures and groups [3].

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