

Specific Aspects of State Regulation of Innovative Activities

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Annotation: All-round development of the society is related to the newly created technologies, and of course, it is created on the basis of advanced creative ideas, new approaches, and intellectual potential that is widely supported. It is no secret that the actual existence of digital relations today is several years ahead of the actual legal regulatory processes. Although the issue of legal regulation of digital relations is being analyzed in one way or another in each legal system, it still does not have universally recognized rules, principles and criteria for its status in civil law. Every new idea about the comprehensive development of society and the state is supported and encouraged by the state administration. In this regard, several positive actions have been taken by the state administration, which we discussed in detail in the introduction of this research work.

Keywords: Research centers, technology parks, research facilities, industrial research, innovation, technology transfer.

In this regard, there are several scientific views on the issue of state support and regulation of innovative activities. In particular, state regulation of innovative activity is defined as legal norms and regulatory measures adopted by state bodies to monitor innovative processes in the economy and to stimulate the production and commercialization of new knowledge, technologies and products.¹

The main features of the state regulation of innovations are the establishment of rules and incentives for innovation entities, coordination of innovation activities, risk minimization and coordination of innovation priorities with strategic national goals. The main forms of such regulation are legal regulation, institutional regulation, financial regulation and organizational regulation. The methods of regulation consist of direct administrative and indirect economic regulation.

State regulation of innovative activity differs from the regulation of other types of economic activity by the high level of uncertainty in the innovation field and the need to maintain a balance between control and flexibility. The state plays an active role in determining priorities, attracting investments in this area, creating necessary conditions and minimizing existing risks at all stages of innovation circulation or transaction.² Effective government regulation promotes technological innovation, strengthening national competitiveness, and socio-economic development. For example, the US government promotes innovation through research grants for universities, tax breaks for national companies when they conduct scientific research, as well as technology transfer programs that promote commercialization.³ China's five-year plans and industrial policies determine the direction of its innovation system⁴. Singaporean government agencies jointly fund industrial research consortia on

¹ Michael J. Smith. The concept of building and transforming a digital society // Journal Creative Education, Vol. 12 No. 9, 2021. -P.76.

² Stephen N. Johnson. The rise of Europe: institutional change and economic growth in digital relations // American Economic Review 95 (3). -P.546-79.

³ Castells M. The rise of the network society // The Informational age: economy, society and culture. Volume 1. – BLACKWELL Publishers Ltd, UK. 1996.

⁴ Communiqué of the People's Republic of China on the 2020 National Economic and Social Development, National Bureau of Statistics, February 2021. <https://research.hktdc.com/en/article>

priority technologies aligned with economic strategies⁵. It can be seen that state regulation is an important factor that ensures the successful operation of national innovation systems.

The goals and objectives of the state regulation of innovative activities define several main interrelated goals of the state regulation of innovative activities, including:

- development of human capital for innovation, which includes professional development, talent attraction and capacity building policies in the field of scientific research and design, thereby facilitating knowledge creation⁶;
- innovative infrastructure will be created by creating research centers, technology parks, coworking centers or scientific "incubators" suitable for research facilities, as a result of which it will be possible to develop ideas for creating products necessary for life⁷;
- promotes the commercialization and diffusion of innovations by ensuring adequate financing of innovations through direct research grants, subsidized loans, tax credits and other means⁸;
- formation of effective links between science, education and production through public-private partnerships, technology transfer programs, mobility schemes of researchers, etc. will increase the potential of commercialization of these areas⁹;
- protection of intellectual property rights, reduction of bureaucratic barriers in the field of entrepreneurship, creation of a favorable institutional environment for innovation by supporting entrepreneurship, reduces existing barriers and transaction costs in this field¹⁰.

One of the main goals facing the state and society today is to take the development of human capital to a new level, to create a common innovative infrastructure, to develop measures for its financing and practical implementation. In this regard, an institutional framework conducive to commercialization and expansion of the sector is also very important. The relative importance of each goal depends on the stage of development of the innovation system. These goals set before us the following specific political and social tasks:

- creation of technological parks and their prototypes available for companies of any size;
- allocation of subsidies by the state for specific purpose grants for conducting scientific and theoretical researches;
- promotion of cooperation between scientific academy and industry through joint financing systematic projects;
- protection of intellectual property rights at the national and international level;
- to further stimulate innovation by reducing bureaucratic obstacles in the introduction of innovations to industrial and social markets, and to develop policy support measures for digitization.

⁵Ministry of Trade and Industry's Economic Survey of Singapore. <https://file.go.gov.sg/rie-2025-handbook.pdf>

⁶Nicholas Bloom. Does working from home work? Evidence from a Chinese experiment," Quarterly Journal of Economics, 2015. -R.165-218.

⁷Enrico Moretti and Daniel J. Wilson. The Effect of State Taxes on the Geographical Location of Top Earners: Evidence from Star Scientists // American Economic Review-№7, 2017. - R. 1859.

⁸ Castells M. The rise of the network society // The Informational age: economy, society and culture. Volume 1. – BLACKWELL Publishers Ltd, UK. 1996.

⁹Small Business Innovation Development Act of 1982, Public Law 97-219 // URL: <http://www.history.nih.gov/research/downloads/PL97-219.pdf>

¹⁰ Michael J. Smith. The concept of building and transforming a digital society // Journal Creative Education, Vol. 12 No. 9, 2021. -P.102.

The conducted studies show that the methods and means of state regulation of innovative activity are the main methods of state regulation of innovative activity:

- first of all, creating a legal framework regulating digital relations, i.e., as a result of the implementation of innovative ideas, revising the new rules and legal framework aimed at protecting the rights of the subjects of this relationship, taking into account the results of modern technological achievements;
- to determine the legal status of objects in the dealings of subjects of digital relations and to develop new rules taking into account the modern trends in recognizing the level of their objectivity in civil dealings;
- institutional regulation by the state is the establishment of state bodies and councils for the development of innovation policy, distribution of financing, monitoring and coordination of innovation processes. This ensures centralized regulation.

Tax incentives are not the only measures of incentives for engaging in innovative activities, and among the means of influence by the state, indirect measures are distinguished, that is, measures that create conditions for choosing the directions of development that are compatible with the economic goals of the state. Because of this, it is not appropriate to perceive the measures to encourage innovative activities through taxes as sufficient measures for the development of the sector.

Today, scientists single out China as a country that is transitioning to an innovative economy based on the active promotion of technological changes by the state, and give an example of India, which is conducting an active state policy on the development of the information technology sector.

Differences in the level of development of the socio-economic environment and national-cultural characteristics have led to the formation of various types of state regulation of the innovative development of the country. It is worth noting that today there are three types of innovative development models of economically developed countries¹¹:

- countries aiming for leadership in science, implementation of large-scale targeted projects covering all stages of the scientific production process, as a rule, the share of scientific and innovative capabilities in the defense sector is much larger (USA, England, France, Russia);
- countries aiming at spreading innovations, creating a favorable innovation environment, rationalizing the structure of the economy (Germany, Sweden, Switzerland);
- countries that promote innovation by developing innovative infrastructure, ensuring exposure to the achievements of world scientific and technical development, coordinating the actions of various sectors in the field of science and technology (Japan, South Korea).

It can also be shown that the fourth type of model of scientific and innovative development of national economies is being formed. These are the countries that aim to create a developed industrial environment using the innovation factor. In this group of countries, modernization of the economy is being carried out based on the adoption of the achievements of world scientific and technical development and the creation of conditions that help to increase the sensitivity to innovations in the socio-economic environment (China, India).

All countries are on the way to form a developed socio-economic environment. Only in this way can an innovative environment be created.

In such a process, if the state does not participate in its management and innovative activity is not

¹¹Ivanov V.V. Natsionalnaya innovatsionnaya sistema kak institucionalnaya osnova ekonomiki industrialnogo obshchestva // Innovatsii. - SPb., 2004. - #5. // <http://www.mag.innov.ru>.

encouraged in the direction necessary for society, innovations that are currently widespread in all areas of human activity would have acquired completely different characteristics and would not have developed so much.¹²

Based on the field of innovation activity and the doctrinal sources of this direction, the following conclusion can be made: the development of the information-technological revolution created an opportunity for the formation of an innovative environment, where inventions and practical applications interacted, trials and errors and practical learning were tested in a repetitive process. This environment required, and still does, large-scale integration of research centers, institutions of higher learning, advanced technology companies, networks of suppliers of goods and services, and venture capital to finance new companies.

Technological innovation is a phenomenon inextricably linked with the level of development of society. It is the current state of knowledge; specific institutional and industrial environment; availability of the necessary skills to describe and solve a technological problem; the existence of the necessary economic basis to make the use of the innovation profitable; finally, it represents a network of producers and users who can cumulatively share experiences through learning by using and creating. All these collectively describe a developed socio-economic environment.

Economically developed foreign countries have managed to develop various effective innovative administrative and economic mechanisms based on the following principles. Innovations should be defined according to their characteristics, namely:

- an active and subject-thematic approach of the state in accordance with the emerging situation in order to find answers to the questions of which types of scientific, technical and technological development achievements should be considered as the most important achievements in this period;
- an approach based on legislative strengthening of economic and political support for innovation by the government;
- self-implementation of measures to support innovation by the state, regardless of the will of state officials.

Thus, relying on the world experience, to this sector of the economy it can be concluded that it is impossible to ensure the increase of investments and the effectiveness of innovative activities at the current stage of the development of our country without state management and support. The development of legislation on innovative policy issues should be carried out taking into account these directions.

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¹²Castells M. The rise of the network society // The Informational age: economy, society and culture. Volume 1. – BLACKWELL Publishers Ltd, UK. 1996.

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