

## **Models for S&T Financing for Optimality of Intellectual Property Generating: Case of Armenia**

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Regardless of market economy condition, transition stage, operating and subjective problems, the economical development and positive movements of social environment generally coincide from optimal consequence of S&T activities. Thus, the interrelationship between economic environment and intellectual property resources is of serious value.

The strict inefficiency of S&T activities during USSR period and hasty (unprepared) transition to market system has its accelerative influence in CIS countries: there is a noticeable passivity within state scientific institutions, the main effectively working mechanism of S&T financing are foreign funds, which somewhat contradicts to internal technological development of countries. The state funds are available but not efficient.

Under the condition of market economy the state role moves to a new surface and gets a new quality against such important field as innovation – the accurate and purposeful approaches become objectively «required».

As an inheritance former USSR currently the sufficient part of S&T activities are implementing within state scientific institutional system. According to the reference books of Agency of Intellectual Property of RA around 45% of patents belong to the state scientific and research institutions of Academy of Sciences of RA. According to current mechanism mentioned institutes receiving annual state financing presenting the brief reports. The dominant point for the state decision of amount of funding from mentioned reports is the situation current works in institute and accordingly - requested sum. We find it highly subjective as the financing must be done taking into account the past detailed innovative activity and results of each institute, which will let to input high incentives among those.

The research problem is concentrated on tow staged model of optimal financing of scientific institutions within the membership of Academy of Sciences of RA. The mechanism of first model is to find optimal financing to institutions. The model variables are measures of qualitative and quantitative valuation of intellectual property, belonging to each institute in the past, expert valuation indexes of above mentioned reports and other dominant points. The second model is designed to optimally distribute to the internal scientific projects those funds which received to each institute from the first model. The variables are the results of multilateral valuation of internal institute projects. The valuation of intellectual property presented by authors is based on new multistage method and do not capture the nowadays standard methods.

The system of offered models will input strong incentives for ensuring of efficiency and innovative activity to the fundamental S&T environment in Armenia – state scientific institutions.