

**TOPICAL PROBLEMS OF MANAGEMENT  
ECONOMIC MODERNIZATION**

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*Annotation. Low investment rates, a lack of innovative technologies, and outdated infrastructure are the main barriers to successful modernization. In a context of global competition, where many countries implement new technologies and management methods actively, Russia must not only recognize the importance of these changes but also develop effective strategies for their implementation. In this regard, particular attention should be paid to analyzing the current management issues surrounding economic modernization and identifying the factors affecting the investment climate in the country.*

*Keywords: economic modernization, investments, innovations, labor productivity, regional peculiarities.*

The current issues in managing economic modernization touch upon numerous aspects, among which the interaction between the state and business in a changing external economic environment is particularly significant. In recent years, the Russian economy has faced a series of unexpected challenges related to both internal and external factors. Specifically, by the end of 2023, the Russian economy demonstrated a noticeable recovery following the decline in 2022, marking a significant indicator for discussions on topics related to modernization and strategic resource management.

Internal issues that existed prior to the crisis have become more pronounced. This is partly due to a deficiency in high technologies and the necessity to implement transformational projects aimed at modernizing the industrial base, creating new jobs, and improving the quality of life. Economic reforms require a systematic approach that includes not only the activation of investment processes but also the establishment of an effective human resource management system [1].

Modern conditions for the modernization of the economy demand special attention to investment policy, which should be flexible and adaptive to rapidly changing circumstances.

To date, the depletion of traditional sources of growth makes investment activity a primary strategy for stimulating the economy. Existing strategies should focus on attracting both domestic and foreign investors.

The investment attractiveness of regions can be enhanced through the creation of «investment zones», where innovative companies, startups, and research organizations will be concentrated. Such zones can become growth drivers by providing access to necessary resources and adequate infrastructure.

Key areas for managing investments in the context of economic modernization remain: the development of a long-term strategy for attracting investments, diversification of funding sources, and the creation of mechanisms to minimize risks. It is important to ensure transparency and predictability for investors, which will also contribute to reducing investment barriers.

The negative consequences of foreign policy, such as sanctions and economic isolation, have intensified the issues of the competitiveness of domestic products in global markets. In this regard, modernization must be approached through the lens of developing a strategy aimed at achieving sustainable production growth, fostering an innovative environment, and maintaining social stability. Utilizing technological innovations that can enhance production efficiency and reduce costs is essential. For example, the automation of production processes and the implementation of digital technologies can significantly optimize existing business models and increase companies' profitability. According to analysts, Russia's external debt decreased by 11.6%, and its ratio to GDP reduced to 15%, which is the lowest level in the past 20 years. It should be noted that this can also serve as an indicator of the economy's resilience to external shocks [2].

The modern economy is becoming increasingly dependent on a dynamically developing environment, where modernization management plays a critical role. An important aspect of this process is the participation of government institutions, which can significantly affect the efficiency and effectiveness of reforms. In recent years, the creation and implementation of breakthrough technologies in Russia have required new approaches

from the state, and the implementation of the Treasury modernization program actively incorporates mechanisms of government support.

A key direction of government support is financing, which is carried out through various instruments. Subsidies and preferential loans are common schemes. For example, in 2023, small and medium-sized enterprises can expect accessible loans ranging from three to ten years for purchasing equipment and making investments [3]. Additionally, government organizations provide support in the form of subsidies for the salaries of new employees, which helps alleviate the burden on businesses in times of uncertainty [4].

The development of tax incentives is also receiving attention. Reducing insurance contribution rates for certain categories of entrepreneurs creates a more favorable environment for business growth. This is particularly relevant for IT companies and enterprises operating in special economic zones, where business conditions are inherently more favorable. This comprehensive approach to taxation not only attracts investments but also serves as an incentive for innovation and business modernization.

The program supporting individual entrepreneurial initiative is also an important tool that provides opportunities for self-development and growth.

Alongside financial instruments, government institutions monitor developments in the business environment. This monitoring helps identify effective practices and mechanisms that can be applied in the future. The Bank of Russia, for example, continues to conduct research aimed at improving the conditions in which small and medium-sized enterprises operate, providing up-to-date analytical data on the state of affairs.

Challenges typically arise in the context of economic difficulties, which require government institutions to be flexible and capable of adapting to new conditions. This is where a multi-level approach is essential, involving interaction with various sectors of the economy and regions. Thus, managing the modernization of the economy becomes not just a task for the government, but a collaborative effort between public authorities, the private sector, and research institutions, with the goal of creating conditions for sustainable growth.

New challenges demand innovative solutions. Mechanisms such as grace periods for loans for certain sectors of the economy, support for innovative startups, and the establishment of conditions to stimulate investments in high-tech projects are crucial.

In 2023, Russian researchers presented a number of innovative solutions aimed at addressing relevant issues in agriculture and healthcare. Among these developments are a hyper-realistic assistant robot and a new substrate for greening. These inventions contribute to increased productivity and efficiency in their respective sectors [5]. The volume of investments in innovative technologies in Russia reached a historic maximum of 3.5 trillion rubles, which is 25% higher than the previous year's level [6]. This indicates an activation of investment processes and confirms business interest in new technological solutions.

The complex economic situation also impacts the regional characteristics of modernization. A key aspect of regional modernization is the structure of economic sectors. The focus on structural modernization emphasizes the transformation of the components of the economy, which should lead to increased innovation and production efficiency. At the first stage, it is necessary to conduct a detailed analysis of the existing structure to identify bottlenecks and growth opportunities. The analysis shows that regions with a high degree of diversified economies often demonstrate success in implementing modernization programs [7].

The technological lag characteristic of certain regions creates a need for the development and implementation of new technologies. Import substitution has become one of the priorities in this context. Against the backdrop of global trends such as digitalization and automation, there is a demand for training personnel and attracting specialists who can effectively implement modern technologies. Forming an innovative base requires a comprehensive approach, including creating a favorable environment for startups and small innovative companies, which, in turn, will lead to job growth and new employment opportunities [8].

The sociocultural context also cannot be ignored in the modernization process. The need to adapt to social changes requires the population to be open to innovation and eager to learn. This is especially true for young people, who are the driving force behind the adoption of innovative practices. Therefore, creating educational programs aimed at training personnel that meet the demands of the new era should be an integral part of the regional modernization strategy [9].

Each region has individual problems and opportunities. Successful modernization of the region is not possible without taking into account the specifics of the local labor market, education levels, existing economic ties and readiness for change. The measures introduced should be directed

both at solving current problems and at strategic development, which will require ensuring sustainable growth and improving the quality of life of the population.

An important aspect of modernization is the removal of barriers to doing business. Despite positive changes in economic performance, the complexity of doing business remains a significant obstacle. Comprehensive work is needed to simplify administrative procedures, create a transparent taxation system and provide businesses with the necessary information on opportunities for government support. This will make it possible to use available resources more efficiently and optimize management processes.

In conclusion, it can be noted that successful economic modernization is possible only if there is a clear strategy aimed at developing high productivity, mastering innovative technologies, supporting small businesses, optimizing business processes and, of course, the interaction of all stakeholders. Only a comprehensive and flexible approach to modernization management can ensure the successful adaptation of the Russian economy to new challenges and pave the way for sustainable development. This, in turn, will contribute to improving the quality of life for people and strengthening Russia's position on the international stage.

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