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THE NECESSITY AND ESSENCE OF STATE REGULATION OF THE ECONOMY

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State regulation of the economy is a set of measures, tools and actions of the state to change or transform the main economic processes. In modern conditions, political leaders and economists in many countries recognize the need to strengthen the role of the state to ensure the prerequisites for long-term economic growth and maintain social stability. Only the state can create conditions for economic growth and increase the competitiveness of the national economy.

The role of the state in different countries differs in the scale, forms and methods of influence on the economy. This is caused by many factors of an objective nature, as well as the influence of traditions in society. Methods of state regulation can be divided into the following groups: administrative, direct and indirect economic regulation. Various measures to control income, prices, interest rates on loans, licensing, subventions or direct subsidies, grants, etc. are administrative methods of regulation.

Some scientists consider indirect economic regulation to be more promising. The most effective levers of indirect influence are: the creation of modern technologies, the formation of national priorities for scientific and technological development, the promotion of competition and demand for high-quality products.

A review of scientific articles, materials of periodicals, and Internet resources allows us to do some conclusions. China's 30 years of explosive growth has been based on a mixed economy. It included limited capitalism and a command economy. This has led to the widespread use of administrative and direct methods of regulation. But at present, the main accelerator of economic growth in China is the private sector. The combination of numbers 60/70/80/90 is often used to describe the private sector's contribution to the Chinese economy: they contribute 60 % of China's GDP, and are responsible for 70 % of innovation, 80 % of urban employment and provide 90 % of new jobs. Private capital is also responsible for 70 % of investment and 90 % of exports. The Chinese government prognosticates strategic development by turning innovation into the main source of future economic growth. Research centers note the need to change the measures of state regulation in the country and regions.

Economic growth was the main indicator of China's regional development. Depending on the economic and social level of development of the regions of China, different types of state management of regional development are used: stimulating, compensating, adaptive, counteracting. Each region will need its own system of measures to regulate economic development.

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INNOVATIVE INVESTMENT IS THE MOST IMPORTANT FACTOR IN INTERNATIONAL INVESTMENT COOPERATION

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China's integration into the global economy has been a major driver of its growth and development. China has become the world's largest trader of manufactured goods and a major destination for foreign investments. China has stated that it is committed to building a "community of shared destiny" and promoting an open global economy. Continued reforms to open up its economy will be critical for realizing China's aspiration to become a more productive and innovative economy.

China has experienced a remarkable period of high rates of growth over the past four decades. China is now at a crossroads, with declining returns to public investment and rapid aging. Developing new drivers of growth will require more efficient allocation of resources while reducing environmental impacts and continuously boosting productivity. Unlocking the new drivers will also require governance reforms to let market forces play a decisive role in allocating resources and a reorientation of China's innovation system.

China has rapidly improved its innovation capabilities in recent years. Nonetheless, to foster further discovery of new products and processes, proposes a recalibration of China's national innovation system. The objective of such recalibration should be to make it bottom-up, market-oriented and inclusive and to develop innovation support programs that are more demand-based. Robust market competition would incentivize enterprises to continuously innovate and upgrade [1].

China exited the financial crisis, with GDP growing above 9 %, low inflation and a sound fiscal position. However, the policies implemented during the crisis to foster economic growth exacerbated the country's macroeconomic imbalances. Particularly, the stimulus program bolstered investment, while households' consumption remained relatively low.