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TRANSFORMATION OF FOREIGN ECONOMIC ACTIVITY OF THE PEOPLE'S REPUBLIC OF CHINA IN MODERN CONDITIONS

At the end of the 70s of the XX century, the policy of modernization, reforms and foreign economic openness was launched, which brought the PRC into the ranks of the economic and political leaders of the modern world, and in 2013, China turned to a qualitatively new stage in the development of foreign economic relations. This is, firstly, the publication of the initiative to build a new land Silk Road from China to various regions of Asia, Africa and Europe and the "Maritime Silk Road of the XXI century" and, secondly, the creation of the first experimental free trade zone in Shanghai aimed at mastering the best international practices of trade interaction with the outside world. These events marked a new stage in the implementation of the policy of foreign economic openness, which provides for the transfer of the center of gravity from trade in goods to trade in services, an increasingly close link between foreign economic activity and scientific and technical innovations, and the improvement of the intellectual property protection regime. The policy of foreign economic openness from the very beginning meant stimulating the formation of a new architecture of comprehensive openness, promoting the construction of an open world economy, forming new competitive advantages, increasing the place in the international division of labor, radically improving the regional structure of foreign economic openness, and thanks to filling it with concrete content and starting it practical implementation has already brought China to a leading position in the world.

Among the key features of the Chinese model of economic reform, it is necessary to emphasize the importance of the applied approaches to the introduction of new economic mechanisms, ensuring the functioning of a well-coordinated system of economic changes.

Based on the analysis of a number of literature sources [1–3], the following five most important principles can be identified, which is the basis for the development and implementation of Chinese reforms.

1. Focus on long-term goals. This principle implies a gradual modernization of the national economy during the transition to market principles.

2. Flexibility in developing formats for institutional changes. Close attention is paid to foreign and own historical experience, but not for "blind" copying of existing examples, but primarily for adapting to their own internal economic environment.

3. Using the country's economic advantages, focusing on existing opportunities. During the first period of reforms, the demographic factor was actively exploited.

4. State capitalism (as opposed to socialist planning and free market capitalism). The leading role of the state, which determines macroeconomic regulation, allows certain sectors of the economy to function on market conditions.

5. Reliance on the broad masses of the population from the beginning of the implementation of reforms. On the one hand, the first steps were focused on the primary needs of ordinary citizens: solving problems with food and consumer goods, stimulating private entrepreneurship, including in poor areas of the country – to ensure the growth of incomes of the population.

China's promising leadership is institutionalized in the country's development strategy "Made in China 2025» [3], which proposes a 10-year plan to accelerate the 4th Industrial Revolution based on the latest computer, communication, and network global technologies, the result of which should be China's global leadership in global high-tech production. The "Made in China 2025» strategy, adopted in 2015, provides for the accelerated development of high-tech industries, primarily electrical and electronic machines (and other energy mechanisms), next-generation information and telecommunications technologies, robotics and artificial intelligence. It is planned to strengthen the national economy based on the renewal of technological efficiency in the agricultural sector, aerospace and marine engineering, biomedicine, high-speed infrastructure, etc. In 2015, the Internet Plus initiative was also adopted, which provides for digitalization of leading sectors of the economy and the formation of an integrated intellectual ecosystem until 2025 [1].

Thus, on the basis of the conducted analysis, the following models of foreign economic development of the PRC can be distinguished:

1. Export orientation model: the initial stage of China's development was aimed at attracting foreign investment and exporting goods and services; low labor costs and mass production have made China one of the world's largest factories.

2. Model of transition to innovation: China actively develops domestic sources of innovation, investing in research and development of new technologies; initiatives such as "Made in China 2025» and "Internet Plus", aimed at the development of high-tech industries such as artificial intelligence, cybersecurity, biotechnology, etc., which allowed China to become a leader in the production of electronics, electric vehicles and solar panels, among other industries.

3. Domestic consumption development model: China expands the domestic market by stimulating consumer demand, which includes developing the middle class and raising salaries. This strategy is aimed at reducing dependence on exports and creating a sustainable domestic basis for development.

4. Environmentally oriented model: PRC actively implements measures to reduce environmental pollution and promotes the development of renewable energy sources. The goal is to create a more sustainable and environmentally friendly economy.

5. Geopolitical model: PRC develops foreign economic relations, in particular through the "Belt and Road" initiative, which helps expand its influence in the region and around the world. An important part of this model is geopolitical relations and trade agreements with other countries.

Each of these models has its own advantages and challenges, and China continues to adapt its development strategy based on changing conditions and global trends.

References

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