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TRANSFORMATION OF THE EDUCATION SYSTEM AS A CATALYST FOR INNOVATION IN MODERN CHINA

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It is impossible to understand modern China without reconstructing the logic of its development in the twentieth century, finding out what steps and decisions helped it to reduce the material and technical gap with the European peoples, and, finally, without understanding how it managed to overcome the destructive consequences of revolutions and transform their energy into a progressive impulse of development [1]. His current achievements are inextricably linked with modernization, which over the course of a century alternately took the form of conservative reforms, revolutions, socialist, and then market transformations. All of them, in their

own way, convincingly confirmed that the true reasons for Chinese success lie in selective borrowing and the subsequent synthesis of Western innovations and Chinese traditions, which, as it has now become clear, have never lost their relevance [2]. Modernization, therefore, has become a new phase in the development of Chinese civilization, which has found an answer to the challenges of scientific and technological progress and the global assertion of its cultural norms by the West.

By the beginning of the XXI century, the influence of scientific knowledge and high technologies on the world economy has significantly increased. They are a powerful competitive advantage and one of the most important internal reserves of national economies. New goods and services arising due to the introduction of high technologies lead to the expansion of the market. Increasing the volume of fundamental and applied research, improving the quality of education opens up new opportunities for developing countries. For many of them, the creation of their own NIS is a strategic course and an opportunity to diversify the economy in the conditions of transition to a new technological order. The results of China's seventh population census showed that the birth rate of the country's population was the lowest since 1961. According to the State Statistical Office of the People's Republic of China, conducting a population census – the largest of its kind in the world – helps China determine the size, structure and distribution of the population, as well as recent demographic changes and trends. The population of mainland China has reached 1.41178 billion people, which is 5.38 percent more than the results of the previous national population census held in 2010. This figure does not include residents of Hong Kong, Macao and Taiwan, as well as foreigners living in 31 provincial-level administrative units in the continental part of the country [3].

If the necessary measures are not taken soon, the aging of Chinese society will become extremely serious. Population policy and previous teaching methods do not meet the current needs of China's economic development. For this reason, the adjustment of the country's strategy in all aspects has begun, with the constant optimization of the population management policy and the training model in order to ensure guaranteed support for innovative potential in the future.

In recent years, China has often faced bottlenecks in key technical areas of international competition. In particular, the United States imposed sanctions on some key technical areas, as a result of which Chinese companies suffered losses. Such situations indicate a low level of China's innovation potential in many key scientific and technological fields. The

main reason for this situation is that the training model that China has been implementing for a long time lags behind the needs of the country's rapid economic development.

For a long time, in order to rapidly increase the level of higher education of the Chinese, the construction of higher education institutions was strongly supported by the state, and development proceeded very quickly, and the number of people who received higher education increased. According to statistics, since the expansion of the network of higher education institutions in 1999, the number of graduates of Chinese universities has increased dramatically: from 847,600 people in 1999 to 8.34 million in 2019, i.e. almost tenfold. According to the seventh census report published by China in 2021, as of November 1, 2020, the population of China with a university (college and higher) level of education is 218360767 people, or 15.13% of the total population of China [4]. Despite the rapid growth of Chinese universities, the development of the high-tech industry and the high-tech manufacturing industry in China is not going as fast as the increase in university enrollment. The main industry in China that attracts social workers is the service sector. In recent years, the main direction of hiring graduates of Chinese colleges has also been the service sector. Although China's industrial structure has shifted towards the middle and high level in recent years, the manufacturing services industry with a new generation of information technology and Internet economy has developed rapidly, attracting a large number of college students to work in these industries. For example, education, information services, culture and entertainment, as well as other service sectors have become important channels for college students to find work. According to the results of a sample survey of Chinese college graduates in 2019 conducted by the Huang Jing Industry Research Institute, the education industry has become the industry with the most jobs for undergraduate graduates, with 15.9% of graduates preferring to work in education [5]. These industries and jobs place low demands on technological innovation, and the industry's own capabilities and motivation for independent innovation are also low. Instead, more attention is paid to the industry experience of practitioners, as well as social resources and contacts of workers.

These factors have led to the fact that a large number of new college graduates have not been able to successfully complete their jobs in the industries corresponding to their specialty. In addition, the possibilities of scientific research of students and specialists are limited, and it is impossible to achieve a higher level of application of professional knowledge in the professional field. Graduates also cannot meet the needs

of basic production in a short time due to the lack of professional skills. China's advantage in the field of demographic dividends in labor-intensive production is gradually disappearing. The regime and methods of teaching young people are not adapted to the industrial structure and economic development of the country, which leads to a relative surplus of young people in the service sector and a noticeable shortage of them in the manufacturing industry. This has an impact not only on the continuous modernization of China's manufacturing industry, but also on China's technological innovation in manufacturing.

In addition, since most of the family income of Chinese families was directed to the education of their children, the savings of Chinese parents decreased significantly. As the phenomenon of China's aging population intensifies, China's social protection and aging system will face huge challenges. The problem of caring for the elderly in Chinese families will gradually become an important social problem and will even be directly related to the stability of China's economic and social development. Taking into account the above, high-yield finance, real estate, new media and other industries seem to be a more economical choice for current Chinese college students, which will inevitably lead to the loss of intellectual potential in the field of fundamental scientific research and innovation.

Compared to the pace of economic development, social education in China is relatively lagging behind. Whether you are a graduate of a vocational school or a graduate of a higher educational institution, there are no mechanisms for continuous training and advanced training after graduation. As soon as young people enter an industry incompatible with their specialization, the knowledge they have gained soon becomes forgotten or lags behind the needs of productivity improvement. The constant innovative abilities of these workers to master the innovative achievements of the industry will gradually weaken. This situation will not promote new technological innovation achievements or increase the costs of promoting new technologies.

In conclusion, it should be noted that within the framework of scientific, theoretical and applied economic thought, there is no single approach to assessing the effectiveness of the role of the national innovation system (NIS) in economic growth [6; 7]. This is due to the fact that the mechanisms and tools regulating the creation and improvement of NIS are highly differentiated in different countries. In conditions of instability to global crises and multipolarity of the world economy, the experience of China's NIS development is of great importance for understanding modernization

processes in developing countries and countries with economies in transition

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THE ROLE OF DIGITAL ECONOMY IN MODERN BUSINESS MANAGEMENT

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Introduction

This article is about the creation of new forms of modern business in our country, the further growth of new economic views, the penetration of technical and technological systems discovered in the process of globalization to the root of all industries, the rapid growth of the