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The industrialization and modernization process of China – Lessons learned for Vietnam

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Abstract---The process of industrialization and modernization in China has been carried out over several decades to build a robust economy based on a foundation of modern industry and the application of advanced scientific and technological achievements. This effort has not only enabled China to achieve high labor productivity, improve production efficiency, and enhance product quality but also strongly promoted the restructuring of its economy toward modernization and sustainability. In the course of research, the combined use of historical and logical methods has made it possible to reconstruct a comprehensive and detailed picture of China's industrialization and modernization process. Through this, core and essential aspects of the process have been clarified, and valuable lessons have been drawn. These lessons not only inspire but also serve as a foundation for Vietnam to reference and apply in its current efforts to achieve industrialization and modernization in its economic and social development.

Keywords---Industrialization, modernization, China, Vietnam.

Introduction

The process of industrialization worldwide began over 500 years ago, initially in Western countries during the 17th and 18th centuries. In the East, Japan was the first country to undertake industrialization in the late 19th century, followed by countries like South Korea, China, and Vietnam. The development practices of many nations globally demonstrate that industrialization is an objective necessity to meet the demands of sustainable national development. The experiences of developed nations, such as China, reveal that successful industrialization requires clearly defined and specific development goals, ensuring the benefits are shared by all citizens and aligned with sustainable development objectives. Based on its national development goals, alongside studying, learning, and inheriting industrialization experiences from other countries including China Vietnam has introduced innovative and groundbreaking policies for industrialization and

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modernization. These are articulated in the *Platform for National Construction during the Transitional Period to Socialism* (amended and developed in 2011). The platform envisions building a society where: "People enjoy prosperity; the nation is strong, democratic, equitable, and civilized; the people are the masters; the economy is highly developed, based on modern productive forces and advanced production relations; the culture is progressive and rich in national identity; individuals live in warmth, freedom, and happiness, with opportunities for comprehensive development; ethnic groups in the Vietnamese community are equal, united, respectful, and supportive of one another for shared growth; a socialist rule-of-law state exists, of the people, by the people, and for the people, led by the Communist Party of Vietnam; and international relations are characterized by friendship and cooperation". The platform also outlines a core direction: "to accelerate industrialization and modernization in connection with developing a knowledge-based economy while protecting resources and the environment" (Communist Party of Vietnam, 2011). The above considerations highlight that the topic *The Industrialization and Modernization Process of China – Lessons Learned for Vietnam* holds profound scientific and practical significance.

Literature Review

To date, there have been numerous studies on China's path to industrialization and modernization, notable examples of which include: Cuong (2013), in *"The Practice of China's Distinctive Agricultural Modernization and Lessons for Vietnam"* argues that over the 10 years following the 16th National Congress of the Communist Party of China (CPC) in 2002, China has steadfastly pursued the modernization of its distinctive agriculture. This approach has ensured stable and prosperous agricultural development, increased farmers' incomes, and comprehensive rural advancement. The study analyzes the key elements of the "distinctive agricultural modernization" model and draws lessons to enhance the process of industrialization and modernization in Vietnam. Bon (2019), in the article *"The Developmental State Model: Perspectives from Northeast Asia"* suggests that the centrally planned state model has undoubtedly reached the end of its historical role. The developmental state model, positioned between the centrally planned and regulatory state models, is currently being applied by Northeast Asian countries, including Japan, South Korea, China, and Taiwan. In cases such as coal mining development or addressing unemployment, the developmental state plays a pivotal role in driving progress by formulating industrialization strategies and influencing the market through mechanisms and policies that encourage participation from various economic sectors to actualize these strategies.

Thanh (2019), in *"Five Years of the Belt and Road Initiative: Challenges and Prospects"* highlights that, despite emerging challenges and difficulties in implementing the Belt and Road Initiative (BRI), the global economy faces significant uncertainties and risks in the short term. Many countries share a mutual need for collaboration and joint development. Meanwhile, China requires cooperation from neighboring and developing countries to ensure the success of the BRI, elevating its role as a global strategy. Thus, the BRI remains an important channel for countries to explore and engage in partnerships with China

and vice versa. For Vietnam, the BRI offers suggestions for adjustments and adaptations to global development trends, with a focus on "soft" connectivity and flexible methods such as cooperation in production capacity and market exploitation.

Methodology

The article focuses on utilizing two primary methods: the historical method and the logical method, to ensure comprehensive and in-depth analysis. The historical method is employed to reconstruct a holistic view of China's industrialization and modernization process. This approach highlights the stages of development, the strategic policies implemented, and the socio-economic impacts of this process. By placing these developments within their historical, economic, and political contexts, the method underscores the key factors contributing to success.

In parallel, the logical method is applied to analyze the essence of China's industrialization and modernization. The article delves into identifying the core causes, operational principles, and interconnections among various factors within the development process. The objective of this method is to extract key lessons that can serve as valuable references for Vietnam, particularly in formulating and implementing industrialization and modernization policies tailored to its context and sustainable development goals. The integration of these two methods ensures the article achieves both accuracy in data presentation and depth in analysis, offering practical insights and actionable recommendations.

Results And Discussion

Overview of China's Industrialization and Modernization Process

China, the most populous country in the world, had a population of 1,441,159,569 by the end of 2020, accounting for 18.41% of the global population. It ranks first globally in terms of population among countries and territories. With a population density of 153 people per square kilometer and an average age of 38.4 years, China covers a total land area of 9,390,784 square kilometers. In 2019, 837,022,095 people, equivalent to 59.15% of the population, resided in urban areas (Danso, 2024).

Since its founding, the People's Republic of China faced 30 challenging years (1949–1979), struggling to escape poverty and underdevelopment. However, in the subsequent three decades (1979–2019), through reform, opening-up policies, and gradual industrialization, China emerged as a global development leader, breaking numerous records in economic growth, as noted by international experts.

Starting in 2015, Beijing's leaders embarked on an ambitious plan to position China as a global manufacturing superpower capable of competing with the United States through the "Made in China 2025" initiative. This project focuses on ten key manufacturing sectors: next-generation information technology, advanced numerical control machinery and robotics, aerospace equipment, marine engineering and high-tech ships, advanced rail transport equipment, energy-

efficient and new energy vehicles, electrical equipment, agricultural machinery, new materials, and biopharmaceuticals and high-performance medical devices.

In its efforts to drive industrialization and modernization, China has achieved significant economic milestones since entering the second decade of the 21st century. In 2017, China's GDP reached 82.7122 trillion yuan, a 6.9% increase compared to 2016 (China's Economic and Social Statistics Bulletin, 2017). From 2013 to 2017, China's average GDP growth rate was 7.1%, significantly higher than the global average of 2.6% and the 4% growth rate of other developing economies. During this period, China contributed an average of 30% to global economic growth, the largest of any country, surpassing the combined contributions of the United States, the Eurozone, and Japan (Xinhua, 2017). Notably, China's GDP in 2016 reached \$10.73 trillion, achieving the 2020 GDP target four years ahead of schedule and quadrupling the GDP of 2000. The share of China's GDP in the global total rose from 1.8% in 1978 to 15% in 2018.

China's industrialization process began with a focus on agriculture, supported by reform policies that spurred economic growth and contributed to the nation's remarkable achievements. Studying China's industrialization process provides valuable lessons and insights that can inform Vietnam's journey toward industrialization and modernization.

Some Experiences in China

Industrialization and modernization transform the economy, society, culture, and technology in a progressive direction.

China's industrialization and modernization have propelled a dramatic shift from manual to mechanized production, giving rise to numerous new industries and achieving remarkable progress in sectors such as steel, chemicals, electricity, and petroleum. This transformation is closely tied to modernization, integrating intelligent software (desktop computers, smartphones), the internet, and renewable energy, which have fueled the explosion of digital technologies.

This progress has delivered extraordinary results, including the transition from manual data storage to digital data systems, the advent of automated teller machines (ATMs), industrial robots, computer-generated imagery (CGI) in films and television, electronic music, digital signage, and video games all of which are now ubiquitous in developed nations. Additionally, cloud computing has become a prevalent technology in China, enabling millions of users to establish and manage their virtual data systems.

China's industrialization and modernization have also shifted fuel usage patterns and elevated the role of renewable energy sources such as solar, wind, hydropower, geothermal, wave, and tidal energy. These advancements have supported the growth of the communications and retail industries, allowing small and medium-sized enterprises (SMEs) to thrive and enabling global corporations to coordinate and manage trade across entire value chains.

Industrialization and modernization in China have accelerated the transformation from an industrial economy to a knowledge economy.

During China's industrialization and modernization process, the emphasis on the role of science and technology (S&T) in industrial development has resulted in a more advanced production system, where technology is a fundamental driver of progress. The Chinese government has consistently prioritized the application of scientific and technological advancements, fostering innovation to propel socio-economic development. This process has inevitably led to the emergence and growth of new industries that embody scientific and technological progress.

Technological innovation has also diversified and enriched industrial structures, making them more complex. Industries with high S&T content have experienced rapid development compared to traditional sectors that consume significant raw materials and energy. Advances in S&T have improved product quality, enabled the creation of new products, expanded product variety, boosted production output, increased labor productivity, and promoted the efficient use of resources.

As a result, China's industrial economy has enhanced its competitiveness, expanded markets, accelerated growth, and improved production efficiency. S&T's progress and technological innovation have also addressed environmental protection, improved living and working conditions, reduced hazardous labor, and reshaped labor structures by increasing the share of skilled, technical, and knowledge-based workers while reducing unskilled and manual labor. Furthermore, technological advances have driven the development of social labor division, with each technological level requiring specific forms and degrees of labor specialization.

The successful industrialization and modernization process in China has inevitably led to the development of key strategic industries. These industries serve as the essential physical foundation for effectively implementing scientific and technological advancements. They not only create new production capabilities and accelerate the growth of specific sectors but also generate new demands. These industries, representing cutting-edge technology, may initially be nascent but are foundational for new technological eras, promising robust future development and high knowledge content in their products.

In short, unlike traditional industrial economies, China's transition to a knowledge-based economy (KBE) has resulted in the production of goods and services with high intellectual content, with knowledge accounting for over 70% of value in some cases.

This transition, alongside the shift from an industrial economy to a KBE, has driven structural transformations in the economy toward greater service orientation and technological sophistication. By the early 21st century, China's industrialization and modernization had significantly advanced this transition, emphasizing the development of education and research. Consequently, knowledge content has increased across products and services, marking a pivotal shift in the nation's economic trajectory.

Industrialization and modernization must invest in developing high-quality human resources

One of the key lessons learned from China's path to industrialization (CNH) and modernization (HÐH) is the investment in developing high-quality human resources. As a latecomer to industrialization compared to Western Europe, China has clearly understood that bridging the development gap is achievable by focusing on the development of high-quality human resources. Conversely, neglecting this investment could result in falling even further behind.

The success of China's industrialization and modernization lies in the success of its reform and opening-up policies. After failures with the "Soviet model," the "People's Commune" approach of "one-tier collectivism," and the "Cultural Revolution" from 1966 to 1976, the Chinese Communist Party (CCP) adopted the reform and opening-up policies at the Third Plenum of the 11th Central Committee (December 1978). This marked a shift from prioritizing class struggle to focusing on socialist modernization, based on the "Four Modernizations" (modernizing industry, agriculture, national defense, and science and technology). These reform ideas were continuously refined through subsequent CCP Congresses, including the 12th (1982), 13th (1987), 14th (1992), and 15th (1997). The goal was to build socialism with Chinese characteristics by uniting the country's ethnic groups and adhering to four fundamental principles: Continuing reform and opening up, Self-reliance, Hard work, and Striving to build a modern, prosperous, democratic, and civilized socialist country.

The philosophy of socialism with Chinese characteristics was officially introduced at the 12th Party Congress (1982). By the 19th Congress (October 2017), the CCP proposed the concept of "Socialism with Chinese Characteristics for a New Era." The 19th Congress document affirmed: "The thought of socialism with Chinese characteristics for a new era is a continuation and development of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the important 'Three Represents,' and the Scientific Outlook on Development. It is the latest achievement in the Sinicization of Marxism; it encapsulates the practical experience and collective wisdom of the Party and the people; it is a vital component of the theoretical system of socialism with Chinese characteristics, and it serves as a guiding principle for the Party and the nation in achieving the great rejuvenation of the Chinese nation" (CCP, 2017).

China's industrialization and modernization path is the realization of socialism with Chinese characteristics for the new era. Since 1980, China has pursued industrialization and modernization by accelerating the development of advanced manufacturing industries, promoting the digital economy, artificial intelligence, green and low-carbon initiatives, the sharing economy, and modern supply chains. Additionally, it has implemented agricultural and rural industrialization strategies and promoted education on the ideals of socialism with Chinese characteristics, the "Chinese Dream," and the spirit of the era and national pride.

As a result, China has achieved remarkable accomplishments. Its gross domestic product (GDP) grew from approximately \$305.4 billion in 1980 to \$13.457 trillion in 2018, a 44-fold increase. China's GDP ranking rose from 8th in the world in

1980 to 2nd in 2010. Per capita GDP has doubled every eight years and more than doubled every decade. Today, the World Bank classifies China as an upper-middle-income country. With rapid income growth, poverty rates in China have also plummeted. Rural poverty, which was around 96% in 1980, decreased 16-fold to just 6% by 2015 (OECD, 2017).

The success of China's industrialization and modernization is the skillful combination of Eastern cultural values and Western civilization.

The process of engaging with and learning from Western civilization while pursuing industrialization and modernization in China has cleverly combined Eastern cultural values with Western civilization, leading to remarkable successes.

For China, although the industrialization and modernization process began later, and was built on a backward agricultural economy, the necessity of adopting industrial civilization and Western values was inevitable. The experiences of other countries in the region, particularly Japan, have shown that learning from Western civilization, and industrial civilization, and applying scientific and technological achievements, while skillfully blending Eastern cultural values with Western civilization, has enabled countries to catch up with global trends. This approach has served as an important reference for China.

China has inherited many of the achievements of Western civilization, including the industrialization and modernization policies of capitalist countries, demonstrating an open-minded spirit in its quest for industrialization and modernization, which has propelled China to become a major economic power today. From the famous saying, "It doesn't matter if the cat is black or white, as long as it catches mice, it's a good cat," China has embraced a pragmatic approach, learning to accelerate the development of a capitalist-style economy under state management, freeing its thoughts, truly being open-minded, and shifting its focus from class struggle to building the economy as the center of its efforts to achieve industrialization and modernization.

The development of China's Special Economic Zones (SEZs) has been central to its capitalist economic development, closely linked to its industrialization and modernization efforts. The Beijing government has adopted a policy of granting local autonomy, allowing SEZs to be financially independent from the central government and to offer their incentives to investors, as long as those incentives remain within the legal framework. These SEZs compete with one another to attract investors and develop their economies. China's industrial parks are almost replicas of Western models. The Suzhou Industrial Park, established in 1994, is one of the fastest-growing and most competitive SEZs in China and globally. Suzhou has been called "one of the world's nine new high-tech cities" and a "new Silicon Valley." Suzhou focuses on attracting high-tech industries such as software, biotechnology, genetic technology, and research and development institutes. Many automotive parts manufacturers have also established operations there. The investment structure in Suzhou reflects capitalist countries: 42% from the U.S. and Europe, 18% from Singapore, 13% from Japan and South Korea, and 27% from Hong Kong, Macau, Taiwan, and other places.

For a long time, Beijing's leaders have ceased debating whether to follow the path of socialism or capitalism. Instead, they have promoted the concept of "three advantages" favorable to the development of socialist productive forces, beneficial to the country, and beneficial to the people's livelihood. They also advocate for encouraging some regions and individuals to become wealthy first, leading the way for shared prosperity (Mingyue, 2024). In their efforts not only to inherit the achievements of Western civilization but also to pursue the ambition of conquering the world, China is breaking all global development records. Since 2015, Beijing's leaders have set the ambitious goal of making China a manufacturing superpower that can compete with the U.S. through the "Made in China 2025" initiative. This plan focuses on developing ten key fields: new generation information technology; advanced machine tools and robotics; aerospace equipment; high-tech maritime construction equipment and ships; advanced transportation equipment; energy-efficient cars and new energy vehicles; power equipment; agricultural equipment; new materials; and biomedical and high-performance medical equipment.

Some suggestions for Vietnam

The success of industrialization and modernization in China provides valuable lessons for Vietnam's path to industrialization and modernization. Key issues to consider include the need for a shift in the mindset of industrialization, focusing on building a real manufacturing foundation, and addressing two fundamental challenges in development: the relationship between the state and the market in resource allocation, and the balance between free trade and reasonable protectionism during the industrialization process and market liberalization. This also involves understanding the "cooperation" between the private sector and the government in the organized allocation of resources, redefining the government-industry relationship to expand government intervention in industries, adjust the concept of appropriate competition, and increasing the scale of companies through industry restructuring. Additionally, it is crucial to recognize the role of political core factors and their vision for the nation's development.

China's success in industrialization and modernization shows that Vietnam must learn from China by skillfully combining Eastern cultural values with Western civilization, advancing the country and its people, overcoming poverty and backwardness, and catching up with global trends. First, it is essential to fully utilize the human resources in Vietnam, which possess characteristics typical of Eastern cultures, such as diligence, perseverance, and a strong desire to learn, to achieve industrialization and modernization. Vietnam should gradually transition from an agricultural civilization to an industrial civilization by strengthening vocational training, investing in education, and developing science and technology.

China's experience also shows that stability in politics and social order is essential for success in industrialization and modernization. The Chinese government has always maintained strict social management, which laid the foundation for economic development. Simultaneously, the governments of China and other countries emphasize the importance of industrial and labor market restructuring, quickly adjusting structures to avoid issues such as

overproduction or shortages, and creatively inheriting and selectively adapting the experiences of advanced countries in terms of technology, management methods, and capitalizing on international opportunities to shorten the economic gap with developed countries.

The state plays a vital role in economic development at every stage. The state needs to have a strategy to guide economic development and use macroeconomic policies to manage the process of industrialization and modernization. Maximizing human factors in economic development, skillfully combining traditional and modern elements in resource use, and formulating accurate economic policies are essential lessons. Properly forecasting and implementing monetary policies, fostering balanced development, and avoiding haste in the process are also important considerations. Efficiently utilizing capital for economic development requires focusing investment on sectors that yield the quickest and highest returns, thus laying the foundation for robust development of the national economy.

Conclusion

Industrialization and modernization are seen as a fundamental and comprehensive transformation of production, business, and social activities. It involves transitioning from predominantly manual labor to the widespread use of trained labor, along with advanced technologies, tools, and methods, to increase social labor productivity and bring about qualitative changes in all aspects of societal life, particularly in material production. Today, industrialization and modernization have become an inevitable part of development, a powerful wave influencing all countries around the world and every aspect of social life. Among the countries that have successfully carried out industrialization and modernization (to varying degrees and recognized internationally), the models from East Asian countries offer valuable references for Vietnam. The process of industrialization and modernization in China has established a modern industrial economy, built on advanced science and technology, boosting productivity, efficiency, and high-quality production, while also positively transforming the economic structure. China's approach to CNH, HÐH shows the significant impact of industrialization and modernization on economic and social development in many aspects: creating the conditions for a qualitative change in the social production foundation, increasing labor productivity, enhancing human control over nature, promoting economic growth and development, improving people's living standards, stabilizing economic, political, and social conditions, and contributing to the success of socialism; strengthening the economic role of the state, improving management capacity, accumulating and developing production, generating employment, raising income, and fostering the comprehensive freedom of human development in all economic and social activities; facilitating the rapid advancement of science and technology to modern levels; bolstering material and technical forces for national defense and security; and ensuring that the political, economic, and social life of the country continues to improve. Additionally, industrialization and modernization provide the material foundation for an independent and self-reliant economy, capable of carrying out international division of labor and cooperation.

In conclusion, studying the model, characteristics, and path of industrialization and modernization in China lays the groundwork for referencing how industrialization and modernization should be implemented in Vietnam today. It opens up important points for learning and adjusting strategies to better fit Vietnam's context.

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