

**INDUSTRIALIZATION AND MODERNIZATION ASSOCIATED WITH THE  
DEVELOPMENT OF THE KNOWLEDGE ECONOMY IN VIETNAM**

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<https://doi.org/10.54922/IJEHSS.2025.0939>

**ABSTRACT**

In the context of globalization and international integration, along with the strong development of science and technology, linking industrialization and modernization with the development of the knowledge economy is not only an urgent requirement but also a strategic direction to enhance national competitiveness, especially for developing countries like Vietnam. Vietnam, with its abundant potential and resources, is actively implementing policies and strategies to promote this process, aiming not only to improve infrastructure and production technology but also to maximize the potential for creativity and innovation in society. Therefore, research on the relationship between industrialization, modernization and the development of the knowledge economy is an important topic, playing a decisive role in forming a solid foundation for the country's sustainable development.

**Keywords:** Industrialization, Modernization, Knowledge Economy, Vietnam.

**1. INTRODUCTION**

**1.1. Statement of the problem**

The 13th National Congress of the Communist Party of Vietnam stated its development perspective on the economy: “Rapid and sustainable development relies mainly on science and technology, innovation and digital transformation. It is necessary to renew thinking and action, proactively grasp and effectively exploit the opportunities of the Fourth Industrial Revolution associated with the international integration process to restructure the economy, develop the digital economy and digital society, considering this a decisive factor to improve productivity, quality, efficiency and competitiveness”<sup>1</sup>. The 13th Congress set the goal: “By 2030, we strive to become a developing country with modern industry and high average income; with a modern, competitive, effective and efficient management system; a dynamic, fast and sustainable economic development, independent and self-reliant on the basis of science, technology, innovation associated with improving the effectiveness of foreign affairs activities and international integration”<sup>2</sup>.

**2. CONTENT**

**2.1. *Carrying out industrialization and modernization associated with the development of the knowledge economy is a way to quickly escape backwardness***

Industrialization began with the industrial revolution at the end of the 18th century, which

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Communist Party of Vietnam, Documents of the 13th National Congress. National Political Publishing House, <sup>1</sup>  
Hanoi, 2021, Volume I, p.214.

Communist Party of Vietnam, Documents of the 13th National Congress. National Political Publishing House, <sup>2</sup>  
Hanoi, 2021, Volume I, p.217.

is the inevitable path for every country that wants to develop and escape poverty and backwardness. Industrialization creates an economy based on a modern industrial foundation, advanced science and technology, promoting production to achieve high productivity, efficiency, quality and shifting the economic structure in a positive direction. Modernization has only just begun to be implemented and is closely linked to the scientific and technological revolution from the mid-20th century to the present. In essence, modernization is the process of using modern scientific and technological achievements and historical experiences to comprehensively and thoroughly innovate all areas of social life, promoting the development of society to a new state of quality, making it more modern and advanced.

In the era where the knowledge economy is the common property of mankind; information and communication technology plays a key role in all fields; industrial products with high knowledge content account for the majority; invisible investment in human education, science and culture is greater than tangible investment in facilities; technology innovates very quickly, the life cycle of technology is shortened, in the future in the 21st century there will be no more direct manual workers because the production is completely automated, then the application of scientific and technological achievements to the industrialization and modernization process is something that no country can miss. Industrialization and modernization, according to our Party's viewpoint, is the widespread use of labor along with advanced and modern technology, means and methods. *According to the author, when applying the knowledge economy to shorten this process, it is the widespread use of human intelligence along with modern technology and means in all fields that are always innovated to develop the economy, build a technical and material foundation for socialism.*

Therefore, we cannot follow the path of sequential industrialization of the previous capitalist countries, which would take hundreds of years, but must combine industrialization with modernization, and industrialization and modernization with the development of the knowledge economy. For Vietnam to survive in the current process of deep globalization, we must know how to seize opportunities, take advantage of new scientific and technological knowledge, and the achievements of the knowledge economy will certainly help us to rise from an averagely developed country to a developed country on par with other countries in the region and the world.

## ***2.2. Carrying out industrialization and modernization associated with the development of the knowledge economy is a mandatory solution to create the material and technical foundation of realistic socialism***

The development process of human history has affirmed that each mode of social production can only be firmly established on the foundation of a corresponding material and technical foundation. Any developing country that wants to become a modern economy must build the material and technical foundation of a modern production.

The material and technical basis of production is the entire system of material factors of the productive forces in accordance with the corresponding technical level that the social labor force uses to act on the labor object in order to produce material wealth to meet social needs.

The material and technical basis of socialism is a modern production, with a reasonable economic structure, a high level of socialization, based on the modern level of science and technology, which is formed in a planned manner and dominates the entire national economy.

The capitalist mode of production was able to defeat feudal production by creating large-scale industry. According to Lenin, socialism can only defeat the capitalist mode of production

when there is a modern production system with labor productivity many times higher than that of existing capitalism. In other words, real socialism can only be built on the basis that the productive forces of socialist society are many times higher than that of capitalism. When there is no larger material and technical basis of capitalism, real socialism is just a dream. To build a modern material and technical basis for socialism, it is necessary to industrialize and modernize the country. This is a mandatory solution, especially for countries that are moving towards socialism, skipping the stage of capitalism, like Vietnam. As President Ho Chi Minh once said: "Our most important task is to build the material and technical foundation of socialism", "To ensure a happy life forever, we must industrialize socialism".

In the context of the strong scientific and technological revolution, the world economy will have great changes, in the direction of strongly shifting to the knowledge economy. The productive forces of human society will step up to a new level, with a sharp increase in productivity, quality, and efficiency. Countries that are not capable will fall behind. Therefore, to successfully build socialism in our country today, it is necessary to promote industrialization and modernization associated with the development of the knowledge economy. Accordingly, it can be said that industrialization and modernization in Vietnam are not only different from countries that have carried out industrialization in terms of content, form, scale, and implementation methods, but also strategic goals. It is this difference that has created the uniqueness of the industrialization and modernization that we are carrying out.

### ***2.3. Carrying out industrialization and modernization associated with the development of the knowledge economy stems from the need for deeper and more complete international economic integration***

Talking about economic integration means participating in regional and world economic organizations. Currently, our country has full diplomatic relations with 169 countries, including all neighboring countries and major countries with trade relations with over 225 countries and territories, and is an official member of most major international organizations, such as member of the Association of Southeast Asian Nations (ASEAN) and starting to participate in the ASEAN Free Trade Area (AFTA); Vietnam joined the Asia-Europe Cooperation Forum (ASEM) as a founding member; Asia-Pacific Economic Cooperation Forum (APEC); especially on November 7, 2006, our country officially became the 150th member of the World Trade Organization (WTO).

It is also from the peaceful environment, cooperation, international association and positive trends in the world that create conditions for us to continue to promote internal strength, comparative advantages, take advantage of external resources - capital, new technology, management experience to expand the market to serve the cause of industrialization and modernization. Integration into the world economy is an inevitable trend, today no economy can stand alone and develop, Vietnam cannot be outside that flow.

The process of economic integration will bring great opportunities that, if taken advantage of, will have a positive impact on shortening the process of industrialization and modernization of the country, but also pose extremely fierce challenges. Proactively integrating into the world economy is the right policy of the Party and State. It is impossible to escape poverty and backwardness if we stand outside and isolate ourselves from the world, especially when orienting towards socialism, we cannot close our doors but must take advantage of all resources, in which foreign resources are important. V.I. Lenin once said: Socialism = Soviet government + Prussian railway order + American technology and organization + American national education..., through

which we understand that socialism can only be successfully built on the basis of the highest achievements of modern science and technology. With the advantage of human resources and the advantage of being a latecomer in a region where technology, capital and business knowledge are moving rapidly, Vietnam is fully capable of shortening the gap with other countries in the region. However, that is only potential and opportunity. The sufficient condition is to be determined to escape the risk of falling behind, boldly innovate to create a healthy competitive environment among economic sectors, and actively attract foreign direct investment, which are important factors for rapid accumulation and effective economic development.

Thus, any province or city in Vietnam that wants to quickly escape poverty and become a modern city must implement the industrialization and modernization policy with the development of the knowledge economy. This is also the implementation of the Party and State's guidelines, policies and strategies. However, it also depends on the geographical situation and local characteristics to come up with specific policies and choose suitable industries for the province or city to develop.

#### ***2.4. Carrying out industrialization and modernization associated with the development of the knowledge economy due to the multifaceted impact of this process on economic, political and social life***

The impact of industrialization and modernization associated with the development of the knowledge economy on human society is enormous, it not only accelerates the economic growth process, but also entails changes in the way of creating wealth, in the lifestyle and thinking of people. In the knowledge economy, production processes are all automated. Machines not only replace humans in heavy work, but also replace humans in complex stages of production and management, not only replace human labor but also thinking. In the global economy, with the development of the Internet, e-commerce is becoming a very strong development field, it promotes the service manufacturing industry worldwide, and is especially important for developing countries, especially for remote areas, these countries and regions have the opportunity to access the international market. Besides, the negative side of industrialization, modernization, and the knowledge economy is posing great challenges, which is the gap between rich and poor, the division between countries and peoples who know how to grasp and exploit the benefits of science and technology, and countries and peoples who do not have or have not developed those technologies. Therefore, with the rapid development of science and technology, any country or people that quickly grasps and masters the technology will exploit more and faster their advantages. It is from here that a great challenge arises for developing countries like ours, which is how to promote the strengths of internal resources to promote social development without losing the precious traditional culture of the nation. The cause of industrialization and modernization in our country today must inevitably exploit the potential strengths of the country, promote the development of science and technology, considering it a necessary condition to achieve the goals of the stage of promoting industrialization and modernization of the country.

Recognizing the inevitability, necessity and multifaceted impact of industrialization and modernization in the new context of the world and the country, since the 9th Congress, our Party has put forth the policy of promoting industrialization and modernization associated with each step of developing the knowledge economy. This policy was further affirmed at the 11th Congress with a more urgent requirement: "Strongly developing science and technology as a driving force to accelerate the process of industrialization, modernization, and development of the knowledge

economy; contributing to rapidly increasing productivity, quality, efficiency, and competitiveness of the economy, and the rapid and sustainable development of the country."<sup>3</sup>

### 3. CONCLUSION

Industrialization and modernization is an important process that helps Vietnam transform from an agricultural economy to an industrial economy, improving labor productivity and product quality. However, in the context of the global economy increasingly dependent on knowledge and technology, combining industrialization and modernization with the development of the knowledge economy is an urgent requirement for Vietnam to catch up with the world's development trends. The knowledge economy, with its foundation of innovation, research and application of science and technology, is becoming a decisive factor for the sustainable development of the economy. To achieve the goal of developing the knowledge economy, Vietnam needs to invest heavily in education, training high-quality human resources, encouraging research and development (R&D), creating a creative environment and supporting businesses to apply modern technology. Linking industrialization and modernization with the development of the knowledge economy not only helps Vietnam improve its competitiveness, but also creates new values in production and services, promotes innovation and develops high value-added industries. This requires Vietnam to build a comprehensive economic development strategy, with the participation of the state, businesses and people, to create a strong and sustainable knowledge economy.

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<sup>3</sup> . C.Marx, F.Engels (2004), Complete Works, Volume 46, Part II, National Political Publishing House, Hanoi, p. 218