



# The Theory of Chinese Modernization

Zhongmin Wu



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## PREFACE

In the ancient civilizations of Babylon, ancient Egypt, ancient India, and China, four cultures sharing common origins and exerting significant historical influence, only China has persisted to the present day and transitioned into a modern society.

In the mid-nineteenth century, China, facing internal instability and external pressures and motivated by the notion of “self-strengthening,” embarked on the path of modernization. At the turn of the twentieth century, Dr. Sun Yat-sen first proposed the rejuvenation and revitalization of the nation, aiming to surpass Western countries and make China a “first-rate great power” in modernization. However, constrained by a semi-colonial and semi-feudal state at the time, China faced barriers to autonomous modernization, rendering successful progress unattainable. In 1949, China achieved national independence. Over the subsequent three decades, China underwent profound social transformations and embarked on its arduous and pioneering journey of independent modernization, laying essential material foundations and establishing social institutions for future progress. Most significantly, since around 1978, China has successfully charted its own path to modernization, achieving a historic leap forward. China began to cross the threshold into modern society around 2020, completing the “primary” stage of modernization and initiating the “intermediate” stage. At present exchange rates, China has become the world’s second-largest economic entity. China’s contribution to the global Gross Domestic Product (GDP) was 1.7% in 1978,

1.6% in 1990, 3.6% in 2000, 9.2% in 2010, and 18.5% in 2021; its foreign exchange reserves ranked first globally at 25.2% of the total in 2016. China now serves as a primary engine in propelling global economic development, with its modernization efforts fostering mutually beneficial interactions with the rest of the world.

The takeoff of China's modernization marks its integration into a new epoch of human civilization. This milestone holds not only historical importance for China but also represents a transformative event of "century-making" magnitude for the entire world, generating increasingly widespread and profound positive impacts on global modernization. As China's modernization progresses, it will provide an essential and substantial catalyst for global modernization, driving positive enhancements and optimizations in the global landscape.

The success of China's modernization and its preliminary takeoff can be attributed to several main factors:

Firstly, China places significant emphasis on modernization.

In comparison to major powers worldwide such as the USA, the UK, Russia, India, and Brazil, China places the highest importance on modernization. Both at the governmental and societal levels, China prioritizes modernization. From a governmental perspective, modernization is highly valued and considered a consistent historical mission. Chinese leaders had set modernization goals as early as the 1950s and 1960s. Since the reform and opening-up, Chinese leaders have regarded modernization as the central task of the era, devising successive specific plans for its achievement. From a societal standpoint, the Chinese people have long held a deeply rooted tradition of valuing a good life in the real world, rather than pursuing a life detached from worldly affairs and seeking a religious paradise. This distinct characteristic sets China apart from many other countries. In today's industrial conditions, as opposed to the natural economy of the past, the Chinese people see modernization as the necessary path to realizing their aspirations for a better life. Consequently, the term "modernization" is highly prevalent in Chinese society, almost becoming a habitual "context" for the Chinese people. The significance of China's emphasis on modernization lies in its ability to foster a high degree of consensus and unified goals among various social groups in modernization construction, thereby enhancing the strong driving force of modernization construction.

Secondly, China has achieved an organic integration of the general laws of modernization with its specific national conditions.

Undoubtedly, modernization is an inevitable trend in the evolution of human society. Any nation that seeks to avoid perishing must embrace modernization, as there are no viable alternatives. Modernization entails its own set of overarching principles and fundamental characteristics, including modern large-scale industrial productivity, market economy, secularization, high social differentiation and integration, urbanization, globalization, and advanced science and technology. At the same time, it is important to recognize that modernization is carried out by individual countries, each with its own specific national conditions. There is no fixed, uniform path to modernization. Therefore, the organic integration of the general laws of modernization with the specific national conditions of a country is necessary to form a feasible path to modernization. If a country wishes to achieve modernization but does not follow the general laws of modernization, its modernization will become self-referential and impossible to advance. Similarly, without an adaptation to specific national conditions, modernization will lack the necessary foundation for growth and progress. Since the reform and opening-up, China has organically integrated the general laws of modernization with its specific national conditions, thus forming the Chinese path to modernization. This organic integration enables China's modernization construction to have a broad development space, due to the epochal orientation provided by modernization, while also having a solid foundation for growth rooted in the national conditions of China's reality. Consequently, China's modernization efforts have gained remarkable resilience.

Thirdly, China's comprehension of the principles governing modernization undergoes continuous refinement.

Modernization construction unfolds as a gradual developmental process, paralleled by a deepening and enhancing understanding among its populace. Should a nation's modernization initiatives advance to a certain extent without a commensurate advancement in understanding, it will inevitably impede further progress in modernization. In contrast to certain nations, since the inception of its reform and opening-up policies, China's comprehension of modernization has continually evolved, resulting in a persistent enhancement in the efficacy of modernization endeavors. For instance, China places significant emphasis on the value goal of fostering shared prosperity, ensuring that modernization initiatives consistently adhere to the correct trajectory and steer clear of the pitfalls associated with the dominance of capital. Simultaneously, China

has instituted a socialist market economy system, fundamentally rectifying the deficiencies inherent in the previous planned economy model characterized by egalitarianism and inefficiency, thereby invigorating modernization efforts with vitality and ingenuity.

Fourthly, China has achieved a harmonious synthesis of autonomous development and openness to the international community.

A key factor contributing to China's successful modernization is its adept combination of autonomous development with an openness to the world. On one hand, China emphasizes the importance of independently pursuing modernization. With a history spanning over a century of semi-colonial and semi-feudal rule, China recognizes that the loss of national independence and sovereignty would hinder normal modernization. Consequently, China places great value on autonomous modernization. Throughout its modernization journey since initiating reform and opening-up policies, China has consistently opposed foreign actions that undermine its national sovereignty and interests. This approach has enabled China to steer clear of the dependency development traps observed in certain Latin American and African nations. On the other hand, China also strongly emphasizes openness to the world, actively participating in economic globalization. China's sincerity and tangible actions in global engagement surpass those of some developed countries. Presently, China leads the world in both total import and export volume, ranking among the top three in terms of outward foreign direct investment. The seamless integration of autonomous development with international openness injects robust vitality into China's modernization efforts. China now boasts the world's most autonomous and comprehensive industrial system, with its manufacturing sector's share equaling that of the United States and the European Union combined. Furthermore, China has rapidly advanced in science and technology. All these bolster China's modernization with solid material and technological foundations, facilitating its ongoing development.

Fifthly, China has effectively managed social risks.

As China's economy continues to expand and its social structure grows more complex, there is a greater diversity of interests and demands among its populace. Furthermore, with deepening interactions with other nations and significant global shifts, China faces a multitude of increasingly complex social risks, both domestically and internationally. While these challenges pose numerous threats to China's modernization efforts, it is crucial to recognize that societal conflicts serve as a driving force



for China's modernization progress, representing a consistent pattern. Historically, China has shown a keen awareness of risk prevention. Presently, China is increasingly prepared, both psychologically and materially, to address social risks. In essence, China has effectively tackled these challenges by leveraging its unique risk consciousness, creative capacities, adaptability, error correction mechanisms, societal mobilization, and organizational capabilities, thereby ensuring essential security assurances for the ongoing advancement and refinement of its modernization efforts.

Moreover, it is essential to acknowledge that alongside these factors, the diligent work ethic of the Chinese populace, the expansive domestic market, growing consumer demand, comprehensive industrial chains, a vast pool of technical personnel, and principles of peaceful development provide robust intrinsic momentum and substantial security measures for the sustained progress of China's modernization endeavors.

On a personal note, my interest in modernization issues dates back to the late 1980s. Since then, I have been dedicated to exploring two interconnected fields: China's modernization and issues of social justice. I have authored several monographs on Chinese modernization research, including *"The Theory of Chinese Modernization,"* *"A New Perspective on Chinese Modernization,"* *"Secularization and China's Modernization,"* and *"Incremental Models and Effective Development: A Study of Chinese Modernization."* The English version of "The Theory of Chinese Modernization" presented here is primarily based on the translation of the original work, supplemented by content from "A New Perspective on Chinese Modernization."

Beijing, China  
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Zhongmin Wu

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## CHAPTER 1

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# What Does Modernization Signify?

Throughout the evolutionary history of humanity, there have been only two major upheavals comparable to modernization. The first significant transformation occurred when *Homo sapiens* evolved into primitive humans, marking the transition into primitive society. The second major transformation took place as a primitive society, through three stages of significant social division of labor, transitioned into traditional society based on agrarian economies (agricultural societies). “Agriculture is the first form of production of all more or less settled societies.” Consequently, humanity shifted from predominantly utilizing readily available natural resources through activities such as gathering, hunting, and fishing to primarily producing life necessities through agricultural cultivation. This shift also involved a transformation from a parasitic mode of existence in relation to nature to a self-sustaining mode, from a nomadic and unsettled lifestyle to a comparatively stable one. On this foundation, a truly “civilized” traditional society emerged, which persisted for millennia.

The third major transformation in human societies is modernization, wherein traditional societies transition into modern societies through the process of modernization. Modernization, in this context, refers to a series of colossal transformations across the entire society, initiated by industrialization on a global scale. These transformations are manifested in individual national entities and are characterized by the establishment of a modern society based on modern large-scale industry (industrial society).

As the third major transformation in human societies, modernization implies an unprecedented and extensive upheaval, heralding substantial development and the emergence of a distinctly “human” society. Simultaneously, it signifies that human societies will inevitably confront unprecedented challenges and uncertainties.

## 1 MODERNIZATION SIGNIFIES A MONUMENTAL LEAP IN ECONOMIC PRODUCTIVE CAPACITY

Under modern conditions, economic productivity has accomplished an unprecedented, tremendous leap. This can be understood from several aspects:

### *1.1 Modern Mass Production Has Tremendously Unleashed the Human Capacity for Production*

Previously, production tools were primarily manual, and power was derived mainly from human and animal labor. Thus, development was always constrained by human physiological limitations and the finiteness of animal power. Modern mass production far surpasses human physiological restrictions and the limitations of animal power. To a large extent, it even breaks through the constraints of human mental labor. Both physical and mental human labor have obtained enormous dual liberation. The “astronomical” massive power provided by steam, electricity, solar, and nuclear energy exceeds the power of human and animal labor by tens of millions of times. Socialized mass production unprecedentedly improves the scale and efficiency of production over a wide area. Computer-controlled standardized production further unprecedentedly enhances product scale and quality, significantly reduces costs, and can even enable large-scale differentiated production catering to customers’ diverse personalized needs. These were unimaginable in past societies.

In these ways, the human capacity for production and creation has accomplished an unprecedented great leap. In less than a century, the modern industrial economy “has created productive forces exceeding all previous generations combined. Which past century could have imagined such productive forces latent in social labor?”.



***1.2 A Progressively Detailed and Diversified Specialization  
in Division of Labor Has Significantly Stimulated  
the Production and Creation Potential of Members Within  
Society***

As modernization advances, society undergoes increased professionalization and specialization. “Subunits within the social organism, such as various industries and occupations, are multiplying, and components of the social organism with different natures are also on the rise.” Product production has transitioned from “generalization” to “specialization”—products originally made by one manufacturer are split up and specifically produced by multiple manufacturers. Each factory focuses on the meticulous design, refinement, and production of its specific product. Industry associations formulate standards to regulate production among factories in the same industry. Consequently, from the perspective of overall social production, products trend toward precision and diversity, with a continuous enhancement in facilitating mass production. This tremendously expands the overall scale and efficiency of production. “The collective activity of diverse individuals, stemming from the division of labor, generates a societal force; namely, multiplied productive power.”

Additionally, increasing urbanization provides the human, material, and financial flows needed for the professionalized division of labor through optimized socioeconomic spatial distribution. This greatly reduces production costs.

***1.3 The Market Economic System Can Fully Stimulate the Potential  
of Producers and Effectively Allocate Resources***

The market economic system serves as a crucial and effective foundational economic framework under modern production conditions. “A market economy is an elaborate mechanism for coordinating people, activities, and businesses through a system of prices and markets. It is a communication device that pools the knowledge and actions of billions of diverse individuals.” This assertion is grounded in two primary reasons:

Firstly, the market economic system can seamlessly integrate each member’s personal interests in self-improvement with the outcomes of their individual efforts. In a market-driven environment, individuals must contribute labor or other factors of production and obtain income and wealth shares based on the fair principle of distribution according

to contribution. The alignment of an individual's willingness with the tangible results of their efforts undoubtedly maximizes the stimulation of the people's potential, vitality, and creativity in production and other endeavors.

Secondly, the market economic system effectively addresses the challenge of resource allocation, a fundamental aspect of economic activities, particularly under modern productive conditions. It successfully resolves this issue, thereby enhancing overall economic efficiency. "The market plays a decisive role in resource allocation." On a macro level, the price system in markets facilitates the effective resolution of the social supply and demand of products. "When the supply of a commodity fails to meet demand, the price rises, indicating insufficient 'investment' of social resources into producing this item. This gives producers or investors a signal to increase social resource investment in the production of this commodity," and vice versa. On a micro level, each factory strives to enhance competitiveness by minimizing production costs and improving product quality. The cumulative effect of numerous factories doing so results in varying levels of competitiveness across society, with the majority of factories improving their competitiveness. In addition, when analyzing the role of the market economy system, the perspective should not be limited to the domestic level, but should be extended to the international level. This is because, in the process of modernization, every country must open up to the outside world. Amidst global market competition, countries can gradually develop comparative competitive advantages, thereby enhancing national competitiveness.

#### *1.4 The Swift Progression of Contemporary Knowledge Has Significantly Bolstered the Production and Creation Capacities of Individuals Within Society*

Individuals serve as the primary drivers of economic production and creativity, which relies on human capabilities. The specific circumstances shaping a society's economic production and creative capacity are predominantly influenced by the overall cultural literacy of its populace. In nations where the cultural proficiency of its members is generally low, the overall productivity and creativity of the nation are unlikely to be robust. Traditional societies typically feature low literacy rates among the populace, with cultural education confined to a "minority group" that is distanced from the "majority group." This directly accounts for the

diminished production and creation capabilities in traditional settings. In modern society, not only primary education but even higher education has begun to attain widespread accessibility. This lays the groundwork for a widespread and solid educational foundation, facilitating a significant and extensive enhancement of the overall production and creation capacities of society.

Moreover, in modern society, the acceleration of science and technology development directly amplifies the people's production and creation capacities. Science functions as "a potent lever of history" and "the preeminent revolutionary force." Science and technology possess the direct ability to augment productivity. As Marx states, the enhancement of labor productivity "relies on the general level of science and technological progress, or rather, on the application of science in production." Furthermore, the acquisition of cutting-edge scientific and technological capabilities by a nation signifies its command in the current and future development of industries, endowing the country with a more competitive production capability relative to other nations.

### *1.5 The Incessant Accumulation of Substantial Production Capital Serves as a Guarantee for the Subsequent Impetus of Economic Development*

As a fundamental factor of production, capital wields a significant impact on the dynamism and potential of economic development within a society or a nation. In traditional societies, constrained to basic agricultural and cottage industry production undertaken by rudimentary social economic units, productivity was remarkably low, resulting in a relatively scant surplus. Agriculture occupied a dominant position in the industrial structure, while commerce functioned primarily as a supplement to agricultural production. Produced goods primarily served as fundamental livelihood reserves, incurred management costs for ruling groups, or were designated for extravagant consumption, rather than for the accumulation and expansion of production capital. As Engels observed, in medieval society, "production was geared towards immediate consumption, whether for the producers themselves or their feudal lords. Only when there was a surplus in produced items beyond meeting these consumptions did this surplus get sold and exchanged." Despite amassing substantial wealth, the affluent in traditional societies rarely invested in expanding production. For instance, numerous emperors in ancient Chinese history often indulged

in lavish expenditures during their reign and utilized vast fortunes for burial upon their demise, diverting resources away from productive investments. Similarly, in sixteenth-century Spain, despite accumulating immense wealth through maritime exploration, the affluent class, even when engaging in extravagant spending, failed to allocate substantial resources for expanding reproduction. Consequently, economic development in traditional societies remained stagnant, hampered by a lack of capital accumulation and investment.

In contrast, modern society has embraced a distinct approach to capital accumulation and economic growth. In modern societies, individuals, while satisfying their basic needs, prioritize deploying surplus funds for productive investments or expanding production. During the early stages of modernization, entrepreneurs and similar groups placed a strong emphasis on accumulating production capital and achieving significant advancements. As modern productive forces develop during the intermediate stages of modernization, surplus production increases, alleviating the populace's reliance on immediate consumption. Simultaneously, with the progressive improvement of social security systems, individuals become increasingly resilient to economic uncertainties. This, in turn, fosters a universal appreciation for capital accumulation among both entrepreneurs and the general populace. Through various financial instruments such as savings, investment funds, or stocks, individuals indirectly channel substantial funds toward accumulation. All these factors ensure a continuous influx of production capital into the production process, resulting in a continuous expansion of societal wealth. This scenario crucially gives rise to a virtuous cycle where increasing capital accumulation leads to improved living standards, which in turn enables further accumulation and expansion, perpetuating the cycle of economic growth.

As evident from the discussion above, modern society has witnessed a significant liberation of human productive and creative capacities through factors such as modern large-scale production, increasingly intricate specialization in the division of labor, and the fundamental economic arrangement of the market economic system. The latter ensures efficient resource allocation, while the simultaneous rapid progress of modern knowledge and the continuous accumulation of substantial production capital contribute to sustaining the subsequent momentum in economic production. Collectively, these elements give rise to a comprehensive mechanism that is self-initiating and propelling, shaping the unstoppable historical trend of progress in the modern economy.

The issue of modern economic production capacity holds paramount importance for the economic foundation, which itself is a critical aspect. “All social relations, state relations, religious and legal systems, and theoretical viewpoints that have emerged in history can only be comprehended when each is associated with the material life conditions of the corresponding era and is derived from these material conditions.” The modern economic foundation serves as the cornerstone for the development of other fundamental characteristics or attributes in modern society. The primary rationale behind the distinct fundamental characteristics of modern society, set apart from traditional societies, lies in this foundational aspect.

## 2 MODERNIZATION SIGNIFIES THE FORMATION OF A COMPLEX AND ROBUST SOCIAL STRUCTURE

### 2.1 *Simple Traditional Society*

Traditional society was relatively straightforward. At that time, the level of societal productivity was low, resulting in the isolation and closure of various social production and living units, unaware of each other’s existence. “The numerous small farmers, living under similar conditions, did not, however, engage in various relationships with each other. Their mode of production did not promote interaction but rather isolation.” Moreover, the constituent elements of society exhibited strong homogeneity and high similarities. For instance, in the Middle Ages, “the vast masses of the French nation were formed by simply adding up a certain number of similar individuals, much like a bag of potatoes is composed of individual potatoes within the bag.” Based on a small-scale agricultural economy and a foundation rooted in family or clan structures, society could only take the form of a structurally simple, hierarchical, and pyramid-shaped social community with a family-nation parallel. In a certain sense, a country was nothing more than a magnification of a family. In such circumstances, the various potential differentiating “organs” within the social community did not and could not develop; the types of interests and demands of various social groups were relatively simple; the spatial structure of the social-economic layout was relatively straightforward; individuals lacked individual consciousness, had lower rationality, displayed obvious instinctual survival orientations and exhibited a strong herd mentality; social control was relatively simple, primarily adopting a governance approach

and forceful control; the openness between social communities was low, with almost no substantive, continuous, stable, and indispensable inherent economic connections. Consequently, during this era, the entire society could not evolve into a complex, robust, and institutionalized social community but remained a structurally simple social community with limited and narrow expansion and development space.

## 2.2 *The Complex and Robust Modern Society*

In stark contrast to traditional societies, the modern society represents an entirely new social community. Modernization signifies the emergence of a structurally complex, organically sound, and profoundly enriched society, achieved through a series of profound social transformations. Its extensive scope, clear delineation of various components, and profound and far-reaching impact are unparalleled.

Broadly speaking, modern society exhibits several fundamental characteristics (basic attributes).

- (1) From the perspective of material foundation (or, the economic base), modern society is founded on a growing modern economy. It encompasses a large industrial system, socialized mass production, and a market economic system. Other fundamental features of modern society are formed on the basis of this developed economic foundation.
- (2) Regarding the types and forms of various constitutive elements in society, modern society is highly differentiated and integrated. Heterogeneous components are increasingly diverse, and the relative autonomy of these differentiated components gradually forms. Moreover, various constitutive elements in society are highly interdependent, leading to a significant increase in social integration. Consequently, society evolves into a genuinely “social organism.” As Marx states, “In any organic system, the system itself, as a whole, has its various premises, and its developmental process towards the whole lies in making all elements of society subordinate to itself, or in creating the organs it still lacks from society. This is how an organic system develops in history.”
- (3) Regarding the fundamental life attitudes or orientations of the population, modern society is characterized by secularization. In contemporary society, the individuals’ core perspectives on life are

- progressively inclined toward realism, rationality, and populism, departing from previous religious notions of an “otherworldly” and utopian “pure land.”
- (4) Concerning the spatial distribution structure of social-economic space, modern society is urbanized. Urbanization is characterized by an increasing number of cities and the expansion of urban populations and land area.
  - (5) From the perspective of the interactions between social (national) communities at the national level, modern society is open to the outside world. Under modern societal conditions, the past self-sufficiency and isolation of places and ethnicities have been replaced by various interactions and dependencies among different ethnic groups. This applies not only to material production but also to spiritual production. Today, the world is increasingly economically integrated, and there is no longer the possibility for each country to be economically self-sufficient, self-contained, or detached from global affairs. Foreign openness and cooperation among nations have become an inevitable historical trend with no alternative.
  - (6) From a cultural standpoint, modern society is one where modern knowledge occupies an increasingly prominent position. In modern society, modern knowledge is rapidly updating and widely disseminated, exerting a growing influence on the entire society and particularly highlighting the importance of education.
  - (7) In terms of values, modern society universally recognizes the principle of “taking people as the foundation” and emphasizes social justice, which encompasses freedom and equality, as a fundamental value orientation.
  - (8) From the standpoint of societal mechanisms essential for operation and governance, modern society demonstrates a growing trend toward institutionalization, with “good law” serving as the cornerstone for the establishment of a rule-of-law society. This contrasts with societies characterized by individuals who exhibit substantial randomness and considerable variability. It is crucial to underscore that these fundamental characteristics (basic attributes) of modern society are intricately interconnected, constituting an organic and indispensable entirety.

Clearly, a complex social community structure, a well-functioning network of internal “organs,” and a richly diverse social fabric all

contribute to the sustained improvement and stimulation of overall societal productivity and creativity. This multifaceted social landscape, characterized by a human-centered approach and a strong emphasis on social justice, sets the stage for continuous progress and improvement. As a result, the dignity and living standards of society members are safeguarded and elevated, while their diverse needs are met with increasing responsiveness.

Drawing upon the eight fundamental characteristics of modern society outlined above, we can conclude that modernization is not merely a one-dimensional process but rather a multifaceted transformation encompassing the eight dimensions discussed. This implies that modernization should be viewed as a comprehensive indicator system, not a single-dimensional measure like an economic indicator. To assess whether a society has transitioned into a modern society and the extent of its modernization, one must simultaneously consider all eight basic characteristics as a framework for evaluation. Reliance on a single indicator, such as an economic metric, will result in an incomplete and inaccurate assessment.

### 3 MODERNIZATION SIGNIFIES THE CONTINUAL ENHANCEMENT OF PEOPLE-ORIENTED CONCEPTS

#### 3.1 *The Formation of People-Oriented Concepts*

Recognizing the diverse nature of human needs and behaviors is crucial and involves various latent directions or potential evolutions, some positive and others negative. Moreover, given the significant momentum of modernization, there is an amplifying effect on negative aspects. In consideration of this, comprehensive directional control becomes imperative for modernization, and this control is rooted in the principle of “taking people as the foundation.” The fundamental objective of people-oriented modernization thus forms the “soul” of modern society.

The history of the progress of human civilization is essentially a history of continual emancipation. “Any kind of liberation is to return the people’s world and the people’s relationships to the people themselves.” Throughout human developmental history, it is only with the advent and progress of modernization that humanity can gradually address the fundamental issues regarding “humanity.” With the deepening of the modernization process, the standards for material living



have surged, leisure time has increased, and cognitive abilities have been enhanced; simultaneously, the shortcomings of the blindly worshipped GDP phenomenon formed in the initial stages of modernization began to manifest. In such circumstances, it becomes evident that the “human” is the purpose of modernization, and modernization should be centered around humans rather than objects. “Growth was a means to an end, not an end in itself. The objectives were to eliminate poverty, illiteracy, and disease, to increase the range of human choice, to give mankind greater control over the natural environment, and thereby to increase freedom.” Thus, the principle of “taking the people as the foundation” gradually took root, becoming the fundamental purpose of survival and development for individuals and the foundational basis for the essential institutional arrangements of modern society. Generally, the higher the level of a society’s modernization, the more conspicuous this becomes.

People-oriented concepts imply that the fundamental aim of modernization is to continually satisfy basic human needs. Expanding upon this, human basic needs are specifically reflected in the two mutually reinforcing, indispensable basic value orientations of the modern concept of social justice. The first basic value orientation of social justice is grounded in the concept of equality, asserting that society should enable “all people to share the welfare created collectively.” The second basic value orientation, grounded in the concept of freedom, requires a society to provide ample space for the free development of each member. As Marx and Engels stated, “The free development of each is the condition for the free development of all.” Engels further pointed out that the socialist system aims to “provide genuine and complete freedom to all.” These two basic value orientations of social justice are an organic whole and indispensable. Without either, social justice lacks complete significance and tends toward injustice.

It can be asserted that the principles of human-centricity and social justice, along with their corresponding institutional arrangements, effectively address the fundamental and directional aspects of modernization.

Undoubtedly, “the mode of production of a material life conditions the general process of a social, political, and intellectual life.” An evident fact is that only under the conditions of modern mass production can the members of society realistically and potentially live a life that is human-centric and aligned with human nature. The primary reasons for this are as follows: firstly, modern mass production provides a substantial material foundation, making the people’s basic survival increasingly less

problematic and enabling the establishment of a comprehensive social policy system focused on general welfare. “Through social production, it is possible not only to ensure that all members of society have an increasingly abundant material life but also to ensure that their physical and intellectual capabilities enjoy the full freedom of development and application.” Secondly, the normalization of secular human attitudes prompts society members to be highly concerned about the “human” aspects of their real lives, enabling the rational planning of their lives and development goals while distancing themselves from distant religious “otherworldly” and overly idealized “utopian” worlds. Thirdly, the establishment of a rule-of-law society ensures the realization of the basic rights of equality and free development for every member of society, safeguarding against encroachments and deprivations similar to hierarchical or privileged phenomena of the past. Lastly, the substantial increase in leisure time, the proliferation of social mobility channels, the acceleration of social mobility rates, and the prevalence of the Internet provide society members with significantly more opportunities for choice and enhanced decision-making abilities, thereby rendering diverse and differentiated pursuits of society members a reality.

### 3.2 *The Significance of People-Oriented Concepts*

The engagement in various productive and social activities by individuals is driven by the purpose of their own survival and development, with the subsequent aim of enhancing their own well-being. With the advent and development of modernization, “a new concept concerning humanity has gradually emerged, reflecting a newfound confidence in the dignity and creativity of human beings.” In other words, the fundamental objective of modernization should ideally center around people. Early industrial thinkers had already pointed out this aspect during the era of significant industrialization. Immanuel Kant argued that “a person is not an object, not something that is merely used as a tool, and must always be regarded as an end in itself in all of his actions.” He emphasized that “your actions should consider the humanity within yourself and within others as an end, never merely as a means.” Engels also highlighted the need to “end the situation where some people’s interests are sacrificed to satisfy the needs of others” and advocated for ensuring that “everyone jointly enjoys the benefits created by all.”

It is evident that modernization's fundamental purpose can only be achieved through a people-centric value orientation. While the economy undoubtedly plays a critical role, serving as the material foundation for people-centered modernization and a fundamental tool for its realization, it is crucial to recognize that the economy, despite its importance, is a material force, an extension of human endeavors, and inherently possesses spontaneous dynamics. Therefore, it cannot dictate individual value orientations or resolve the fundamental purpose and directional aspects of modernization. As Engels astutely observed in his criticism of the overemphasis on economic determinism, "If anyone distorts this idea by asserting that economic factors are the only determining ones, he transforms it into an empty, abstract, and absurd phrase."

In essence, for successful modernization, a robust economy is an indispensable material foundation while the people-centered fundamental concept serves as its "soul," guiding its fundamental purpose and direction.

The pervasive and far-reaching impact of the people-oriented fundamental concept on the entire modern society did not fully manifest itself from the outset of modernization; rather, it gradually emerged through a relatively lengthy historical process. Historically, conceptual and ideological elements sometimes exhibited a certain "forward" or "preceding" nature compared to the actual economic conditions. In the early stages of modernization, some thinkers had indeed proposed fundamental values in a modern sense, including freedom, equality, and people-oriented concepts. However, due to the limitations of the era, such as the underdeveloped level of modern productive forces and the generally low level of public awareness, people-oriented and related value concepts were not widely accepted by the public, nor did they have a significant practical impact on the overall social life. The expected "ought to be" situation as portrayed by the people-oriented modern value concept and the actual situation provided by the economic reality, the "is" situation, had a certain gap. This gap rendered some essential value concepts as purely idealistic notions, unable to transform into concrete realities. "In the early stages of modernization, i.e., the early stages of large-scale industrialization, many early industrialized countries were just beginning to appreciate the immense power of large-scale industrial production. This inevitably led to a fervor for large-scale industries and subsequently perceived modernization as a historical process centered around the economy, treating human beings as appendages to the economy." During that time, the logic of

market competition overwhelmingly dominated the societal center, and the phenomenon of capital supremacy influenced all aspects of society. The widespread occurrence of the alienation of individuals from capital was evident in society. Consequently, the person who should have occupied the position of purpose and center found themselves transformed into an appendage, with an inversion of the relationship between means and ends. In this sense, the society of that time became a “capital-centric” and “economy-centric” society, rather than a people-oriented society.

Until now, the progress of people-oriented development has varied across different countries depending on their diverse levels of modernization, prompting the correction, initial correction, or ongoing correction of past issues related to “instinctual” and “alienated” human behaviors. These issues can be broadly outlined as follows:

The first concern revolves around the phenomenon of human dependency. Traditional societies, with their rigid hierarchical structures and autocratic systems, often failed to acknowledge and uphold the inherent dignity of their members. “Despotism brutality is a necessity and humanity an impossibility. A brutal relationship can only be maintained by means of brutality... Despotism’s only thought is disdain for mankind, dehumanized man.” In such societies, individuals were relegated to passive roles and lacked individual consciousness, equality, and freedom. Modern society, however, has fundamentally transformed this paradigm by emphasizing individuality, independence, and autonomy, along with a universal commitment to equality and freedom. Highly modernized societies have successfully eliminated the dependency phenomenon, while early-stage modern societies have made significant strides in mitigating it.

The second challenge pertains to the phenomenon of unbridled capital. Commonly experienced by many countries during the early stages of modernization, this manifests as individuals, fueled by the pursuit of personal wealth, exploiting the majority through the application of their scarce capital resources in a survival-of-the-fittest manner. Such behavior inevitably triggers social conflicts and disputes, impacting societal harmony. Over the long term, with the development of modern civilization and the implementation of robust social adjustment policies, including stringent tax policies, the unrestrained capital phenomenon has noticeably diminished.

The third issue concerns the emphasis on GDP as the primary indicator. In some countries, notably China, there has been a tendency during the initial stages of modernization to oversimplify the concept, viewing it

primarily through an economic lens and further reducing it to a matter of GDP. This has given rise to a prevailing pursuit of GDP growth, often characterized as “GDPism.” “‘Growthmanship’ has become a way of life... In fact, for many years the conventional wisdom equated development with the rapidity of national output growth.” The consequences include imbalances in modernization construction and varying degrees of ecological damage. This unidirectional focus on economic growth imposes significant costs on society, distorting or impeding the course of modernization. Recognizing the drawbacks associated with GDP-centric approaches, both developed and developing countries are progressively correcting these behaviors. Notably, China has engaged in profound reflection and undertaken varying degrees of correction.

In a sense, people-oriented modernization marks a profound shift in the history of human development, signifying a conscious transformation. This shift eradicates instinctual and alienated phenomena, steering human development toward a genuinely “human” trajectory.

## 4 MODERNIZATION SIGNIFIES THE EMERGENCE OF NUMEROUS SOCIAL RISKS

### *4.1 The Inescapable Emergence of Diverse Social Risks*

As previously mentioned, modernization signifies a monumental leap in economic production and creation capabilities, the establishment of a complex and robust societal framework, and a continuous elevation in the prioritization of the people. These factors collectively position modern society as the most advanced and genuinely “human” society among the annals of human history. “From a long-term perspective, modernization enhances the overall well-being of humanity across cultural and material dimensions.” However, it is essential to recognize that modern society, far from being an ideal utopia, is inevitably accompanied by its share of challenges. Modernization introduces the inevitable reality of modern society facing numerous unprecedented social risks. Significant mismanagement of these risks could lead to substantial costs for modern society, potentially resulting in regression or upheaval.

Social risks are inherent in any societal construct, including traditional societies. Centered around the fundamental issues of human survival, traditional societies face their most substantial social risk when agricultural productivity experiences significant downturns due to natural disasters or

when the government and religious institutions levy substantial taxes on farmers. Such circumstances can easily provoke intense social conflicts or even lead to upheavals. However, due to the straightforward structure of traditional societies, relatively uniform interest demands from various social groups, a smaller socioeconomic scale, and their closed nature, traditional societies exhibit fewer “sources of risk” compared to more open societies. Consequently, the probability, variety, and impact of social risks are relatively smaller in traditional societies.

In stark contrast to the social risks encountered by traditional societies, modern society presents a complex landscape. Despite its higher level of civilization and a more sophisticated societal system, idealizing modern societies would be unwarranted. It is evident that under modern societal conditions, an array of unprecedented uncertainties gives rise to numerous social risks. The likelihood and diversity of social risks in modern society far surpass those experienced in the past. The primary reasons for this are roughly as follows:

(1) Complexity in social composition.

Modern society is characterized by its high degree of differentiation, comprising numerous heterogeneous components with diverse functions, both in terms of quantity and variety. Additionally, the varied interests of different social groups create potential challenges in achieving consensus. Simultaneously, modern society is highly integrated, with the numerous and varied heterogeneous elements being interdependent. In essence, this complexity implies a multitude of “risk sources” in modern society. The occurrence of an issue in one link or element can trigger varying degrees of “interconnected” or “interlocked” effects, resulting in diverse negative impacts on the overall society. “The interdependence of all parts in modern society makes the modern order much more sensitive than a simpler form of economic organization. In fact, the more sophisticated and tightly integrated the components of a vast mechanism are, the more severe the reaction to disturbances, even the slightest ones.”

(2) Enormous socioeconomic scale.

In contrast to traditional societies, modern societies have amassed unprecedented and ever-increasing wealth due to highly developed

modern productive forces. The sheer magnitude of the socioeconomic scale in modern society surpasses that of traditional societies. In such circumstances, the vast socioeconomic scale acts as an obvious “amplification effect” for corresponding social risks if uncertainties emerge and are not adequately controlled. As Ulrich Beck stated, “In advanced modernity the social production of wealth is systematically accompanied by the social production of risks ... In the course of the exponentially growing productive forces in the modernization process, hazards and potential threats have been unleashed to an extent previously unknown ... Risk society, in this sense, is a worldwide risk society.”

### (3) Unbalanced progress of modernization.

Due to various historical and contemporary factors and an insufficient understanding of modernization, the progression of modernization cannot proceed uniformly and synchronously. Modernization tends to advance in an imbalanced manner, with economic modernization advancing relatively quickly, political and cultural modernization progressing at different rates under varying conditions, and scientific and technological modernization advancing noticeably faster. From the perspective of the interests of different social groups within domestic society, there are variations in the pace of progress. Internationally, countries exhibit significant differences in speeds of modernization. The uneven progress of modernization inevitably leads to disparities, disputes, and conflicts between different domains, groups, and nations, giving rise to various social risks. Sometimes, “economic growth not only fails to solve social or political difficulties, but certain types of growth can actually exacerbate these difficulties.”

### (4) Widespread impact

Modern society is an open society. The increasing degree of global economic integration and the rising openness among various groups, sectors, and regions within the social community contribute to a higher level of interconnectedness. Moreover, the ubiquity of the Internet amplifies the propagation of uncertainty factors. In such a scenario, once a country or a group encounters severe issues, it inevitably generates rapid transmission and “multiplying” effects, affecting other countries,

groups, or sectors. For instance, if a country experiences an economic crisis, a public crisis, or immigration issues, it will inevitably impact other countries. “Risk society, in this sense, is a world risk society.”

In modern society, uncertainties and the resulting social risks manifest in various dimensions, encompassing financial crises, public crises, disputes, and conflicts among different social groups, conflicts between religions, cultural clashes, the uncontrollability of science and technology, environmental degradation, contradictions and disputes between nations (social communities), and more. It should be acknowledged that, compared to social risks in traditional societies, the “intensity” of social risks in modern society has significantly decreased. In traditional societies, due to extremely low productivity, large-scale and intense bloodshed conflicts often revolved around basic survival resources. In contrast, in modern society, developed productive forces ensure the availability of fundamental resources for daily life, and with the substantial increase in interdependence among various social groups, the consciousness of an “interdependent prosperity and shared loss” gradually becomes a consensus among these groups. In this context, the probability of large-scale, conflicts of bloodshed has noticeably decreased.

However, even in modern society, certain sources of intense conflicts persist and are challenging to eradicate completely, with the conflict between “instinct and civilization” being a notable example. In the 1930s, facing Hitler’s large-scale persecution of Jews and extreme racist acts, Freud stated, “There are always those who accuse him of being a pessimist because he denies that culture can overcome instinct; now people can see: his insights have received the most astonishing confirmation — that brutal cruelty and primitive destructive impulses are irradicable in the human soul.” Freud’s perspective may be overly pessimistic and lacks comprehensiveness. With the progression of modern civilization, the rational component of human beings has increased, secularization has become a fundamental life attitude, and correspondingly, the influence of irrational factors such as extreme racism in certain groups has diminished. This is a historical trend. However, it should be noted that the fundamental elimination of extreme instinctual factors in humans will require a considerable amount of time. Particularly, the basic eradication of extreme instinctual factors depends on various conditions. When extreme spiritual factors, such as extreme instinctual factors, combine with certain survival or dignity considerations of a group, such as material interests



or dignity factors, the influence of extreme instinctual factors in individuals can intensify to varying degrees, giving rise to significant and serious negative effects of certain social risks.

As evident from the above, improper management of social risks in modern society can inevitably lead to various and sometimes extensive adverse effects on society. Under the impact of these negative effects, while the process of modernization may not reverse, it is plausible for it to experience delay or interruption. “While there may be temporary breakdowns and occasional reversals in elements of modernizing process, modernization as a whole is an essentially secular trend.”

#### 4.2 *Reduction of Social Risk Hazards*

In modern society, while complete eradication of social risks is unattainable, the ongoing process of modernization and advancements in civilization, coupled with an enhanced human capacity for problem-solving and a deepening awareness of community interests and cooperation, present opportunities to mitigate the transformation of general social risks into malignant scenarios. This, in turn, facilitates the reduction of potential harm arising from social risks. To achieve this, a comprehensive approach encompassing both fundamental and symptomatic measures is essential.

From a fundamental standpoint, several key initiatives must be undertaken. Firstly, societal equity should be prioritized, necessitating the harmonization of inter-group interests within society. Across all societies, the paramount concern for its members revolves around matters of interest. As highlighted earlier, the two fundamental value orientations embedded in social justice in contemporary society—the equitable sharing of societal development achievements and the provision of ample space for the unrestricted development of every individual—constitute the common denominator of the interests of various social groups. Therefore, by fostering and safeguarding social justice, the likelihood of generating social risks at their primary source can be diminished, consequently reducing the severity of potential harm caused by social risks. Secondly, attention should be given to coordination issues in the progression of modernization, preventing the unilateral and sustained advancement of certain aspects during the modernization process.

From a symptomatic perspective, specific measures should be implemented. Firstly, the imperative establishment of a comprehensive social security system ensures an effective safety net for society members,

preventing the manifestation of the most severe social risks. Secondly, creating reserve systems for strategic resources such as food, petroleum, and gold is crucial. Without this, the ability to effectively respond to various economic risks, such as energy price increases, both domestically and internationally, as well as social risks like economic fluctuations, inflation, and financial crises, will be compromised, potentially leading to a significant rise in the likelihood of social unrest. Thirdly, it is essential to recognize that some issues can only be addressed at the national level, while others require collaborative efforts among multiple countries, such as ecological environmental problems and economic import–export issues, among others.

## 5 MODERNIZATION SIGNIFIES THE EMERGENCE OF DIVERSE DEVELOPMENT PATTERNS

### 5.1 *The Singularity of Early-Stage Modernization Models*

The notion of modernization not only determines the effective progress of modernization construction but also poses a critical question about whether the construction of modernization has appropriately fit specific carriers or essentially vital cornerstones.

During the initial phases of large-scale industrialization, the understanding of modernization was relatively straightforward. At that time, there existed a basic conflation of industrialization, modernization, and Westernization, with the belief that the global spread of industrialization would erase the distinctiveness of various nationalities. “Large-scale industry universally generates identical relations among all societal classes, thereby erasing the unique characteristics of each nationality. ...The more developed industrial countries merely showcase the future prospects for the less developed industrial countries.” These views originated from two main reasons. Firstly, there was an excessive veneration of the unprecedented power of large-scale industrial production. “At that time, the most conspicuous feature of modernization was the rapid progression of the industrial revolution, with people using the material power of large industries to thoroughly transform the world. Moreover, as modernization first originated in the West, a Western-centric perspective emerged in people’s psychological concepts,” resulting in minimal tolerance for other ethnicities. Secondly, besides Western countries, no other nations had

successfully advanced modernization, making only a few Western countries such as the UK, the USA, and France achieve initial success and possess a certain degree of typical significance. This situation objectively led people to easily equate modernization with Westernization.

## 5.2 *The Gradual Diversification of Modernization Models*

Following the aftermath of World War II, with the collapse of colonialism and the widespread emergence of national independence movements, numerous nations that gained independence gradually embarked on modernization construction. On a global scale, diverse modernization models began to manifest widely.

There are various factors that contribute to the diversification of modernization models, with two pivotal influencing factors. One factor is the initiation time of modernization in different countries, while the other factor is distinct ethnic traditions.

From the perspective of differing initiation times of modernization, modernization models can be categorized into early-developing and late-developing types. In contrast to early-developing modernization, the starting point for late-developing modernization is lower, and its initiation is not a result of its own “natural evolution” but is compelled to enter modernization under external pressure created by early-developing modernization nations. In other words, its initiation is “externally induced.” Although the modernization history of late-developing nations often begins with a relative lag, they must adopt modernization as a goal, or else face the risk of national decline. The modernization of late-developing nations, initially, tends to be passive and challenging. However, with the passage of time, as a considerable number of late-developing nations achieve national independence and gain autonomy in modernization construction, the modernization model gradually shifts from the “externally induced late-developing” type to the “internally induced late-developing” type. The modernization construction of late-developing nations significantly differs from that of early-developing nations. To catch up with early-developing nations, many late-developing nations often employ methods such as national mobilization, extensive borrowing of advanced foreign elements, and comprehensive problem-solving approaches to drive their own modernization construction. Furthermore, compared to early-developing nations, the modernization construction of late-developing nations faces numerous disadvantages,

i.e., “late-developing disadvantages,” such as the difficulty of intrinsic development, unfavorable conditions for their integration into the international economic order, and a relatively large degree of oscillation in the modernization process. Simultaneously, they also encounter numerous advantages, i.e., “late-developing advantages,” such as a more straightforward formation of a powerful modernization driving force, the ability to absorb substantial foreign capital, and the introduction of advanced science and technology from abroad.

Diverse ethnic traditions have given rise to a variety of modernization models. Ethnic tradition refers to a certain system and tendency that each ethnic group derives from its own history and continues to the present, forming a framework essential for its survival and development. Every civilization consists of two integral components: specific “temporal” contents and specific ethnic tradition contents that originate from each traditional society. Just as a certain traditional societal model is organically composed of the “old” temporal content that aligns with a natural economy and specific ethnic tradition content, a modernization model is formed by the organic combination of the “new” modernity content (i.e., the temporal content under modernization conditions) and specific ethnic tradition content.

In terms of their specific relationship, modernity, as temporal content, emphasizes the actual content of the modernization model, while ethnic tradition emphasizes the form of the modernization model. In other words, modernity focuses on the “essence,” constituting the most fundamental contents of modern society, while ethnic tradition emphasizes the “application,” constituting a vital form of existence and development in modern society. Both are indispensable. Modernity must be based on a specific ethnic tradition to exist and develop. For instance, the modernization construction of some Western countries is organically combined with the “Protestant Ethic” tradition to smoothly advance. Similarly, ethnic tradition must be organically integrated with modernity contents to possess long-term vitality and a future; otherwise, it will decline. Objectively, modernity is categorized as new temporal content. In comparison to the content of “traditional society” formed on the basis of a natural economy, modernity is a direction of historical progress, possessing vitality and inevitably replacing the “traditional” old temporal content. In contrast, ethnic tradition, although fundamentally generated in traditional society and despite undergoing changes and keeping pace with the changing times, is not entirely synonymous with old temporal

content. Once ethnic tradition forms, it possesses a certain, relatively constant historical constancy and will not immediately undergo corresponding changes with historical changes. In this sense, “a characteristic of ethnic tradition is that it is not ‘pastified’ or ‘futurized’; it is something that traverses the past, present, and future... It is a framework by which the historical contents of the ethnicity can develop.”

### 5.3 *The Key to Understanding Modernization Models*

Clearly, the rational differentiation between specific temporal content and ethnic tradition is crucial for a proper understanding of modernization models. Some scholars, due to a lack of reasonable distinction on this issue, either consider specific temporal content as the entirety of the modernization model or equate ethnic tradition with the entire modernization model, inevitably falling into a situation of generalization. This generalization encompasses two entirely opposite scenarios: either acknowledging the realistic rationality and vitality of ethnic tradition while also acknowledging the realistic rationality of the old temporal content, or acknowledging the realistic rationality of the new temporal content, i.e., modernity content, while equating ethnic tradition with the “old” temporal content and completely denying the realistic rationality and vitality of ethnic tradition.

In understanding modernization models, the contrasting viewpoints of Liang Shuming and Hu Shi stand out. The merit of Liang Shuming’s perspective lies in recognizing the significant value of China’s ethnic tradition. However, Liang Shuming’s judgment on the importance of ethnic tradition reaches an extreme. In his view, ethnic tradition is both the “essence” and the “application.” Based on this perspective, Liang Shuming believes that China’s traditional civilization is the most successful among various forms of civilizations in world history, representing the developmental direction of human culture. “The future world culture is the revival of Chinese culture, similar to the revival of Greek culture in modern times.” In modern times, the failure of Chinese culture, according to Liang Shuming, is due to “only two points: a lack of science and technology and a lack of organizational structure; nothing else. In modern times, the West excels precisely in these two points: science and technology and organizational structure, and nothing else.” Liang Shuming did not perceive that China’s overall traditional culture includes valuable ethnic tradition content such as moderation, tolerance, unity of

nature and humanity, which still need to be inherited, as well as outdated temporal content that must be discarded, such as human dependence, the “*San Gang*” (three cardinal guides 三纲) and the “*Wu Chang*” (five relationships 五常) Confucian hierarchical values, restrictions on intellectual freedom, and severe discrimination against women. Liang Shuming also failed to recognize that modern elements such as modern productive forces, the market economy, urbanization, the rule of law, and modern values are fundamental contents of China’s modernization construction. Without these, China will have no future. Hu Shi’s perspective, in stark contrast, takes a completely opposite stance. Hu Shi’s commendable aspect lies in his recognition of the imperative need to discard outdated temporal content within traditional society. However, the discrepancy arises as Hu Shi not only fails to acknowledge the value of ethnic tradition but, more significantly, essentially equates ethnic tradition with antiquated temporal content. Consequently, Hu Shi’s subsequent perspective inevitably suggests that China’s ethnic tradition has almost no redeeming qualities. According to Hu Shi, the primary content inherited by China from ancient times consists of the “Five Evils,” namely, “poverty, illness, ignorance, corruption, and chaos.” These five major challenges are the true targets of our revolution.” Clearly, in Hu Shi’s perspective, for China to embark on modernization construction, it should completely abandon the past, meaning it should entirely discard ethnic tradition and start anew. By doing so, China’s modernization construction would lack the necessary foundation for survival and vitality.

When considering ethnic tradition, there is an issue that requires necessary attention: although ethnic tradition itself possesses a certain relative stability that “transcends the times,” it is not absolutely unchangeable. It should be noted that ethnic tradition also undergoes some changes with the changing times. For example, social mobilization rarely occurred in China’s traditional society, but since the modern era, under various historical conditions, social mobilization has not only frequently occurred but has become a “new” ethnic tradition within Chinese society.

Most importantly, the intertwining of the factors of the differing initiation times of modernization and differing ethnic traditions, in reality, makes the diversification of modernization models an inevitability. For instance, some late-developing countries, in order to achieve their independence and uphold national dignity and to effectively mobilize the population for modernization construction, sometimes deliberately emphasize their ethnic tradition to achieve public recognition.

Today, influenced by various factors on a global scale, modernization models exhibit a diversified and normalized situation. China's modernization model, which has achieved initial success, is very different from Western countries. China's evident secular tradition significantly promotes modernization, a feature distinct from the Protestant Ethic's role in advancing modernization in some Western countries. China's robust capability for social mobilization also contributes to modernization differently from Western countries that infrequently employ social mobilization. Even in Japanese society, where modernization is relatively mature, there are still many behaviors that differ from Western countries' "traditional" behaviors. For instance, the Japanese reluctance to openly engage in intense "competition" and their emphasis on "cooperation." Some scholars have found that "the Japanese have always been inventive in devising ways of avoiding direct competition. Their elementary schools minimize it beyond what Americans would think possible. Their teachers are instructed that each child must be taught to better his own record and that he should not be given opportunities to compare himself with others." Similarly, Japan places a strong emphasis on group unity and the practice of seniority-based qualifications, which is also distinct from Western countries that prioritize individualism and individual effort. Even among Western countries, there are obvious differences in modernization models. Germany's emphasis on state intervention is noticeably different from the individualism and emphasis on civil society in the United States.

In conclusion, the diversification of modernization models not only provides concrete carriers for modernization construction, making it an essential support force for social communities, but additionally, due to the mutual reference, competition, and cooperation among different modernization models, modernization construction becomes more sustainable and propelling.

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## CHAPTER 2

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# New Trends in Modernization

Modernization construction is a dynamic and evolving historical process. In such a developing historical process, although the basic attributes and framework of modernization have not fundamentally changed and there has been no alternative social form to modern society so far nor is it likely to appear, an obvious fact is that modernization is divided into different historical development stages. In different historical development stages of modernization, the specific contents of modernization naturally exhibit some noticeable differences. Through the iteration of different historical development stages, modernization shows a trend of continuous expansion and enrichment in its “content” and a trend of continuous enhancement in its “degree” under the unchanged basic attributes and framework. In other words, modernization, with its basic attributes and framework unchanged, is constantly “developing” or “upgrading” in both quantity and quality. Broadly speaking, from the eighteenth century to the mid-twentieth century, which ended with the conclusion of World War II, this phase belonged to the primary (early) stage of modernization; since the end of World War II until now, modernization construction has entered the intermediate (mid-term) stage.

Broadly speaking, in the intermediate stage of modernization, new trends and developments in modernization are mainly manifested in four important dimensions: the new development of modern productive forces, the integration of a people-oriented philosophy into real life, the coordinated development of market competition and social protection,

and the effective promotion of the symbiotic survival and development of modernization.

## I NEW DEVELOPMENTS IN MODERN PRODUCTIVE FORCES

In the intermediate phase of modernization post-World War II, there has been a distinct evolution in modern productive forces when considering the essential material foundation for the survival and development of modern society.

Since the end of World War II, modern productive forces have maintained robust momentum, not only in continuous economic expansion but also in ongoing upgrades in manufacturing, structural transformations in industries, and the refinement of market economies, among other developments. In comparison to the early stages of modernization, this period has witnessed some novel trends in the development of modern productive forces.

### *1.1 Increasing Integration Between Science, Technology, and Modern Productive Forces*

The rise and development of modernization are intricately tied to the transformation of science and technology. Marx asserted that the improvement of labor productivity “depends on the general level of science and technological progress, or, in other words, on the application of science to production.” Science and technology play an irreplaceable role in driving modern productive forces. Importantly, in the period since the end of World War II, the correlation between science and technology and modern productive forces has been continually rising. Since the end of World War II, there has been a third leap in science and technology, with broader impact and greater influence. This leap is evident not only in the significant progress in scientific fields but also in the emergence of six major technological clusters: information technology, new materials technology, new energy technology, space technology, marine development technology, and biotechnology. “Since the beginning of the twenty-first century, global technological innovation has entered an unprecedented period of intense activity, with a new round of technological revolution and industrial transformation reshaping the global innovation landscape and restructuring the global economic structure...

Pioneering breakthroughs in information, life sciences, manufacturing, energy, space, and marine technologies have provided abundant sources of innovation.” Internet technology, especially, has permeated various aspects of socioeconomic life. In 2020, the proportion of internet users relative to the total population was 89.1% in high-income countries and 52.7% in middle-income countries.

Since the end of World War II, science and technology have undergone a profound integration of modern productive forces. Firstly, concerning production tools, the rapid development of science and technology has empowered them significantly. In this period, science and technology not only effectively empowered human physical labor but also enhanced intellectual capabilities. For example, “control machines” represented by computers have replaced direct human control over machines, liberating intellectual labor significantly and substantially increasing productivity. With the development of new technologies, some even predict, “Many industries and occupations have witnessed innovative technologies that can replace manual labor, and in the coming decades, manual labor is likely to be replaced by these innovations.” Secondly, concerning the object of labor, “modern science and technology have enabled the development of many new materials, expanding the scope of the labor object; for example, the mass production and extensive use of synthetic materials. Currently, synthetic rubber accounts for 70% of all rubber, and synthetic fibers account for over one-third of all fiber products.” This situation implies that human creativity has significantly increased the variety of resources provided by nature for human survival and development. Thirdly, concerning the laborers themselves, the rapid development of science and technology has imposed higher requirements on the professional skills of workers, thereby driving the popularization and development of education and leading to a substantial improvement in the overall quality of the labor force. In various ways, science and technology and modern productive forces are intertwined, achieving deep integration with each other. It is under these conditions that the notion “science and technology are the primary productive forces” has become an objective reality since the end of World War II.

Many developed countries, aiming to enhance their economic competitiveness and secure a strategic position in science and technology, have made increasingly substantial “institutional” investments in research and development. In 2016, the average proportion of research and development expenditure to gross domestic product (GDP) in high-income

countries was 2.5%, with the figures for the USA, Japan, South Korea, and Israel being 2.7%, 3.1%, 4.2%, and 4.3%, respectively. This institutional approach has effectively ensured the stable and rapid development of science and technology. All these factors have led to a situation where “currently, from a global perspective, science and technology are increasingly becoming the main driving force for economic and social development, and innovation-driven development is the general trend.” In a sense, the development of science and technology demonstrates a certain trend of “exponential” or “accelerated” growth, thereby propelling sustained and high-quality economic development.

The deep integration of science and technology with modern productive forces has greatly propelled the development of modern productive forces. Firstly, the role of science and technology in enhancing labor productivity has become increasingly significant. New technologies not only increase the efficiency of production factors but also reduce unnecessary material losses in the production process, thus significantly increasing labor productivity. This trend has become more pronounced since the beginning of the twenty-first century. With the support of the Internet, many manufacturers can calculate production costs and address efficiency issues in various stages of the production process more rationally than before, leading to improvements. Such practices are highly beneficial for many manufacturers to reduce costs, minimize inventory, and gradually achieve customized and just-in-time production. Moreover, with the support of big data algorithms, many enterprises can more accurately understand various market demands, and as suppliers, they can arrange the production of an appropriate quantity of products based on this information, thus enhancing labor productivity significantly. In terms of the modernization process in developed countries, in the early twentieth century, “the improvement of industrial labor productivity relied on new technological achievements, accounting for only 5%-20%. By the 1970s, this proportion had risen to 60%-80%, with some emerging industrial sectors reaching over 90%.” The per capita GDP of employed populations in high-income countries (the constant price and purchasing power parity of US dollars in 2011) was \$72,657 in 1991, \$87,027 in 2000, \$96,906 in 2010, and \$101,964 in 2020. It is worth noting that the improvement in labor productivity in high-income countries was achieved under conditions where the GDP base was already substantial and the working hours of laborers were decreasing, making it particularly valuable. Furthermore, the improvement in productivity in these countries also occurred while

the unit energy consumption of these countries' products was steadily decreasing. For example, the output per kilogram of petroleum equivalent in high-income countries (the constant price and purchasing power parity of US dollars per kilogram of petroleum equivalent in 2011) was \$7.20 in 1990, \$7.80 in 2000, \$8.90 in 2010, and \$10.20 in 2015. Secondly, the time period for the transformation of modern technological innovation into economic benefits has significantly shortened. "The period from technological innovation to the production of goods and the generation of economic benefits continues to shorten. Before World War I, it was 30 years; between the two World Wars, it was 16 years; after World War II, it shortened to 7 years, and now it only takes 2–3 years. In the most competitive field of information technology, this period has shortened to 1–3 months, and technological updates are almost synchronous with product updates."

### *1.2 Profound Shifts in Industrial Structure*

As the trajectory of modernization unfolds, there are notable shifts in the industrial structure—a transition from lower to higher levels and a pivot from a reliance on traditional industries to a dominance of modern industries. The overarching trend in the evolution of industrial structure during modernization is marked by substantial advancements in modern productive forces, diminishing concerns over the basic satisfaction of fundamental survival needs. Consequently, the primary sector's role in fulfilling basic food functions sees a declining weight. Simultaneously, the secondary sector experiences a significant upswing, emerging as a focal point in the industrial structure. Manufacturing and extractive sectors undergo rapid expansion. Subsequently, the tertiary sector, chiefly composed of the service industry, sees an upward trend, eventually surpassing the secondary sector's proportional weight and claiming the primary position in the industrial structure.

Since the conclusion of World War II, developed nations and developing countries that achieved initial success in modernization witness a rapid surge in the tertiary sector, primarily fueled by the service industry. In high-income countries, the proportions of agricultural and industrial added value in 1980 were 2% and 37%, respectively, reducing to 2% and 30%, respectively, by 1998. During this period, the added value from the service sector increased from 59 to 65%. In 2000, the proportion of agricultural added value dropped to 1.8%, reaching 1.2% in 2020. The

proportion of industrial-added value decreased from 26.2% in 2000 to 22.7% in 2020. Meanwhile, the service industry's proportional weight increased from 65.9% in 2000 to 70.1% in 2020. In relatively successful modernizing nations like China, the changes in industrial structure are more pronounced. The proportional weight of agricultural added value in China's GDP reduced from 14.7% in 2000 to 7.7% in 2020. The proportional weight of industrial added value decreased from 45.5% in 2000 to 37.8% in 2020. In contrast, the proportional weight of service industry added value increased from 39.8% in 2000 to 54.5% in 2020.

The escalating prominence of the service industry is primarily attributed to the widespread improvement in the incomes of residents. Since the post-World War II era, both developed countries and relatively successful modernizing nations like China have witnessed substantial growth in per capita income. The per capita GDP of high-income countries surged from \$1402.80 in 1960 to \$43,934.50 in 2020. The USA, Japan, France, and Germany experienced parallel increases in per capita GDP. China, as the largest developing country, observed a remarkable increase in per capita GDP from \$89.50 in 1960 to \$10,434.80 in 2020. The considerable and widespread income growth forms the foundational support for the rapid development of the service industry. Without this, the service industry would not experience such swift growth. Furthermore, during this period, with an overall improvement in living standards, there has been a rapid surge in the quantity and variety of people's demands, acting as a robust driver for the sustained development of the service industry.

### *1.3 Rapid Advancement in the Process of Economic Globalization*

Since the end of World War II, modernization efforts have been ongoing in most developed countries, while numerous previously colonized or semi-colonized nations have initiated independent modernization endeavors. Concurrently, these nations have largely embraced market-oriented economic systems and adopted open-door policies, leading to the swift progress of economic globalization. Globally, the value of commodity exports (in current US dollars) surged from \$122.82 billion in 1960 to \$19.11 trillion in 2019. Similarly, commodity imports (in current US dollars) increased from \$129.52 billion in 1960 to \$19.35 trillion in 2019. The percentage of goods and exports to GDP rose from 12.8% in 1970 to 30% in 2008 and 28.3% in 2019. Likewise, the

percentage of goods and imports to GDP increased from 12.8% in 1970 to 30.4% in 2008 and 27.8% in 2019. Net inflow of foreign direct investment (as a percentage of GDP) rose from 0.5% in 1970 to 1.7% in 2019. Examining specific countries' goods and services exports and imports as a percentage of GDP in 2020, the United States accounted for 10.1% and 13.3%, the United Kingdom for 27.4% and 27.7%, France for 27.9% and 29.9%, Germany for 43.4% and 37.7%, and China for 18.5% and 16.0%, respectively. Presently, economic ties between most countries are exceptionally close, reaching a point where economic interaction with other nations has become indispensable for individual survival and development.

It is essential to note that the nature of global economic interactions has significantly changed since the end of World War II. In contrast to the period before World War II, the current situation differs noticeably. While global economic exchanges and connections before World War II objectively facilitated the world modernization process, it is crucial to acknowledge that economic interactions during that time carried a severe tone of inequality. Overall, colonial powers exercised significant influence over global economic exchanges and connections. Economic interactions between colonial powers and colonies or semi-colonies were characterized by unequal, exploitative interactions, favoring the economic interests of the colonial powers. In the era of colonialism, although the world trade volume increased year by year, this growth was not normal or equal. The progress of economic modernization in colonial powers relied on the exploitation of colonies and semi-colonies as necessary prerequisites. Colonies and semi-colonies became providers of raw materials and markets for colonial powers. An economist from the United Kingdom described it as follows: "The plains of North America and Russia are our corn fields; Chicago and Odessa our granaries; Canada and the Baltic are our timber forests; Australasia contains our sheep farms, and in Argentina and on the western prairies of North America are our herds of oxen; Peru sends her silver, and the gold of South Africa and Australia flows to London; the Hindus and the Chinese grow tea for us." In a certain sense, under this background, the larger the total volume of world foreign trade, the greater the unilateral benefits extracted by colonial powers, implying a correspondingly greater loss of interests for colonies and semi-colonies. This detrimental approach fundamentally undermined the internal dynamism and development prospects of modernization in



colonial “nations” and ethnic groups, inevitably leading to the disruption of global peace and sparking movements for national independence in colonial “nations” and ethnic groups.

Since the end of World War II, the “nature” of economic relations between various countries worldwide has changed significantly. Numerous former colonies and semi-colonies have gained independence, embarking on their independent modernization endeavors. Although the economic activities of former colonial powers still bear traces of past hegemony and, to some extent, continue to extract the immediate interests of other countries, especially developing countries, it must be acknowledged that the overall international environment has undergone significant changes. Under the framework of international organizations, such as the United Nations and the World Trade Organization, economic interactions and connections between nations have begun to exhibit a certain degree of relative fairness, with significant changes in their nature. Consequently, there is a relative “benign” interaction in international trade—a more equitable, mutually beneficial interaction between nations. Although in the short term, this favorable interaction may fluctuate to varying degrees, influenced by some hegemonic countries, in the long run, this trend of equal, mutually beneficial interaction is irreversible. In this scenario, the increased level of economic interactions and connections between countries is generally conducive to enhancing the internal dynamism of modernization in each country and promoting the healthy and sustainable progress of the modernization process in relevant countries.

Modern productive forces constitute the most foundational aspect of modernization. Marx pointed out, “The mode of production in material life determines the general character of the social, political, and spiritual processes of life.” “Through social production, not only can we ensure that all members of society have an abundant and increasingly abundant material life every day, but we can also ensure that their physical and intellectual development is fully free and can be fully developed and applied.” This is the most basic viewpoint of historical materialism, the basic law of historical development, and the fundamental viewpoint of Marx and Engels’ modernization thought. Scholars have summarized this fundamental viewpoint of historical materialism as the “central principle of social progress and economic development,” arguing that “the combined force formed by countless interacting variables always revolves around the central axis of economic development; and the high level of economic development ultimately depends on the development level of productive

forces.” It should be said that this summary is reasonable. When looking at the content of modernization specifically, while every aspect is important and indispensable, modern productive forces are undoubtedly the fundamental material foundation upon which various aspects of modern society are established.

Since the end of World War II, the new development of modern productive forces has provided a more robust material foundation and relatively greater room for choice compared to the past. The new development of modern productive forces since the end of World War II has endowed developed countries with a more substantial material foundation, making the relative surplus of their material products more apparent. This, in turn, provides a minimal material guarantee for the realization of the people-centered value concept in the daily lives of the population, ensuring the necessary material conditions for the “safety net” of basic survival and the basic dignity of the people. It also provides a relatively more robust material foundation for the “mass consumption” dominated by the middle-income population and guarantees the satisfaction of the people’s diverse and differentiated needs. For example, “The formation of the American mass consumption society is closely related to technological progress.” The development and popularization of the internet economy and technology have provided the necessary conditions for these countries’ populations to choose relatively “agreeable” diverse lifestyles. “With technological support, various platforms make the so-called sharing economy (also called on-demand economy) possible. These platforms can be easily used on smartphones to bring together people, assets, and data, creating new ways of consuming goods and services.” Consequently, the degree of alignment between the demand side and the production side of commodities has significantly increased. People not only reduce the time cost when selecting goods but also, to a certain extent, promote the production process to possess a certain personalized and customized nature. This, in turn, reduces the manufacturers’ advertising and sales costs. The result is that not only does the diverse, differentiated, and abundant demands of the population get satisfied to varying degrees, but it also promotes the continuous growth of the total sum of these personalized and differentiated demands, thereby driving the development of modern productive forces. Clearly, without the new development of modern productive forces, modern society would remain confined to various “settings” conceived by philosophers at the ideological level.

## 2 HUMAN-CENTERED REALIZATION

From the perspective of modernization's core principles, the fundamental values of human-centered ideals have gradually materialized since the end of World War II, becoming integral to people's daily lives.

Since the conclusion of World War II, the steady development of modern productive forces, the growing autonomy of individuals, and enhanced cognitive abilities have prompted a shift from alienation to a rediscovery of human essence. The essential values of human-centered ideals have moved from mere conceptual ideals to practical realities in people's daily lives. This transition has evolved from what "should be" to what "is," becoming widely accepted as an orientation and lifestyle in modern society. Consequently, it has significantly impacted the modern economy, contemporary society, and the overall development of modernization. "In a certain sense, human-centered modernization marks a fundamental revolution in the history of human development, signifying that human development has acquired genuine 'conscious' significance. Human development is moving away from the phenomena of 'instinctual' and 'alienated' development, transforming into truly 'human' development." This transformation is particularly evident in several aspects:

### 2.1 *Vibrant Mass Consumption*

The most basic need for individuals is their daily life consumption, encompassing essentials like food, drink, clothing, and other necessities. Traditionally, due to limited productive forces, these fundamental consumption needs posed urgent challenges for the majority of society members and their families. The aspiration for favorable weather and abundant crops in traditional Chinese society was deeply rooted in every farmer's family. Additionally, how these urgent basic survival issues were addressed became a critical factor affecting the overall well-being or peril of the entire society. "Fundamentally, all genuine crises stem from the poverty of the masses and their limited consumption." Under circumstances characterized by severely limited natural economic productivity, it can be argued that the majority of the population could only manage to address basic survival and population sustenance concerns, rather than engage in consumption that truly embodies human needs. During this period, genuine consumption, as understood in its human-centric sense, was a privilege limited to a minority occupying higher social strata,

commonly referred to as the “elite.” In essence, while the general populace struggled to meet their basic needs, it was only the privileged few who enjoyed the luxury of a worry-free existence.

In the early stages of industrialization, despite significant progress in productive forces, product abundance had not reached an advanced stage. Market competition dynamics, dominance of capital-centric phenomena, and unjust institutional arrangements limited the wealth obtained by workers, who constituted a large percentage of society members. This scenario, described by Marx and Engels, led to the accumulation of wealth for the bourgeoisie and the accumulation of poverty, toil, servitude, ignorance, brutality, and moral degradation for the proletarian class. Consequently, the majority, particularly workers, could not enjoy true “human” consumption and remained in toil, relying on meager incomes for basic survival and reproduction. While the United States experienced a brief mass consumption phenomenon during the 1920s, it lacked sustainability due to the absence of institutional safeguards. The economic crisis in the late 1920s and early 1930s abruptly halted this mass consumption phenomenon, plunging the majority into extreme poverty. In the United States during that period, “somewhere between 15 and 17 million men were unemployed, with most of them representing a family in want. Fortune, in September 1932, estimated that 34 million men, women, and children were without any income whatever. That was nearly 28 percent of the population, and like all other studies it omitted America’s 11 million farm families, who were suffering in a rural gethsemane of their own.”

Since the end of World War II, in developed countries and a few developing countries with relatively successful modernization efforts, significant advancements in modern productive forces, increased productivity, and the widespread acceptance of human-centered core values, coupled with social movements and national initiatives promoting social security systems, have given rise to a phenomenon of mass consumption. Two indicators illustrate this phenomenon. The first indicator is the proportion of food and non-alcoholic beverages in the consumption expenditures of residents. A smaller value indicates a stronger actual consumption capacity for the general population. In 2020, this proportion was 7.24% in the United States, 9.50% in the United Kingdom, 15.04% in France, 11.98% in Germany, 16.74% in Italy, 15.39% in Japan, and 10.49% in Australia. In 1978, China’s Engel coefficient was 63.9%; by 2017, it had sharply dropped to 29.3%. The second indicator is the

percentage of the total population that was in absolute poverty. A higher proportion implies a larger population excluded from actual consumption; conversely, a lower proportion implies lower exclusion. Developed countries have basically solved the problem of absolute poverty since the end of World War II. “Perhaps social poverty can never be eradicated, but in many countries around the world biological poverty is a thing of the past.” Looking at the percentage of the population in poverty (measured at \$1.90 per day, 2011 PPP), in high-income countries, it was 0.7% in 1981, 0.6% in 1995, 0.5% in 2000, 0.5% in 2010, and 0.6% in 2019. Among them, in the United States, it was 0.5% in 1974, 0.5% in 1991, 0.7% in 2000, and 1% in 2019; in France, it was 1% in 1978, 1.5% in 1984, 0% in 1994, 0% in 2000, and 0% in 2018; in Germany, it was 0% in 1990, 0.1% in 1995, 0% in 2000, and 0.2% in 2017; in Japan, it was 0.5% in 2008, 0% in 2010, and 0.7% in 2013. In China, since the reform and opening-up, under the dual impetus of significant development in modern productive forces and the deep-rooted human-centered basic philosophy, and with the joint efforts of the government and the people, China’s poverty alleviation has achieved outstanding achievements in human history. According to World Bank estimates, following the international poverty standard of \$1.90 per person per day, China has reduced its poverty population by over 800 million since the reform and opening-up, contributing to over 70% of global poverty reduction. Especially in the five years from 2015 to 2020, China’s poverty alleviation has achieved remarkable success. “Under the current standards, 98.99 million of the rural poor population has been lifted out of poverty, 832 impoverished counties have all been lifted out of poverty, 128,000 impoverished villages have all been removed from the list, and overall regional poverty has been addressed, completing the arduous task of eliminating absolute poverty.”

## 2.2 *The Sustainable Development of Satisfying and Diverse Lifestyles*

Since modernization should be people-oriented, it is important to recognize that human needs and lifestyles are fundamentally diverse. “Human nature is not a machine to be built after a model, and set to do exactly the work prescribed for it, but a tree, which requires to grow and develop itself on all sides, according to the tendency of the inward forces which make it a living thing.” It is important to note that the idea of the people’s diverse living needs and lifestyles is not just a utopian vision.

When modernization reaches a certain level, it is inevitable that this idea will become a reality to some extent and within a certain range.

Since the conclusion of World War II, as modern productive forces continue to evolve, developed countries and certain successfully modernized developing nations have experienced a tangible shift toward diverse life needs and lifestyles. This transformation is evident in two key aspects.

Firstly, there has been a substantial increase in leisure time. In societies with a robust economic foundation, the amount of leisure time for individuals becomes a crucial metric, indicating the prioritization of a human-centered approach. Leisure time is not only a symbol of improved individual conditions but also a prerequisite for enhancing personal well-being. “Free time, the time one can control, is a form of wealth.” The widespread availability of leisure time signifies the level of freedom individuals enjoy, reflecting the concrete conditions of a human-centric society. Additionally, more leisure time provides the necessary conditions for individuals to make free choices and pursue diverse lifestyles, making it a significant goal of modernization. “The development of social productivity will be so rapid that, even though production aims for at the prosperity of all, the amount of time that everyone can command will still increase.”

Since the end of World War II, with ongoing advancements in modern productive forces and the resolution of basic survival issues, developed countries have observed a noticeable increase in the leisure time available to their populations. The annual per capita working hours in 12 Western European countries illustrate this trend: 1913—1181 hours, 1950—904 hours, 1973—750 hours, 1990—701 hours, and 1998—657 hours. Among these, the figures for the United Kingdom are 1143 hours, 871 hours, 753 hours, 766 hours, and 682 hours; for France, 1209 hours, 905 hours, 728 hours, 614 hours, and 580 hours; for Germany, 1205 hours, 974 hours, 811 hours, 726 hours, and 670 hours. The consistent reduction in working hours for the populations of Western European developed countries also indicates a continuous increase in the leisure time available to their citizens. In comparison, the situation in the United States is slightly different. “Over the past hundred years, the average leisure time or weekly leisure time for all Americans has increased by only 4–5 hours.” Although the increase is limited, this situation still indicates that the leisure time of the American population is increasing with the progression of the modernization process rather than decreasing. The rise in leisure time among the population in developed countries not only

indicates an enhancement in individuals' basic conditions but also offers the requisite time for people to partake in diverse cultural, entertainment, educational, and recreational activities of their choosing.

Secondly, there is the emergence of diverse societal demands. When the basic survival issues of individuals are resolved, coupled with a general increase in income, the people's demands in areas such as leisure, entertainment, education, health, and tourism not only gradually increase but also, based on personalized and differentiated life needs, continue to multiply. The growth potential for each aspect and type of demand is enormous. Since the end of World War II, developed countries have witnessed a rapid growth in diverse demands. For instance, tourism is a typical leisure activity that does not meet basic survival needs. From the end of World War II to the present, the tourism industry in high-income countries has maintained a fast-growing and thriving trend. The number of inbound (overnight) tourists increased from 908.11 million in 2000 to 1487.4 million in 2018, while outbound tourist numbers increased from 636.54 million in 2000 to 1030.94 million in 2018.

### *2.3 The Institutional Safeguarding of Fundamental Human Survival and Development Rights*

Since the end of World War II, developed countries have progressively secured institutional protection for the basic rights to survival and development of their populations. This is an undeniable reality driven by two primary factors. Firstly, impetus from various social progress movements has been instrumental. Faced with relentless capital expansion, diverse social progress movements initiated by the populace in developed countries, including labor and socialist movements, have played a significant role in establishing various related institutions. For example, "the struggle for racial justice by African Americans inspired many different ethnic groups to seek comprehensive equality. Women, Mexican Americans, Native Americans, and many other marginalized groups marched and protested discrimination, coming together in groups to promote social change." The positive outcomes of the civil rights movement are evident in the passage of the Civil Rights Act, the Voting Rights Act, and the Fair Housing Act in the United States from 1964 to 1968, effectively marking the end of centuries-long racial discrimination. Additionally, under the influence of the women's rights movement, the US Congress passed the Equal Rights Amendment to the Constitution in 1972, prohibiting

gender discrimination and signifying a significant improvement in the gender equality status of American women.

Secondly, governmental initiatives have played a crucial role in promoting corresponding institutional development. In developed countries, with the development of modern production forces and the widespread adoption of the human-centered ideology, governments have actively promoted institutional development aimed at protecting the fundamental rights of individuals and achieving tangible results. Since the end of World War II, “developed countries, especially Nordic countries, have established a comprehensive social welfare system that guarantees the entire life of members in the society from ‘the cradle to the grave.’ This system provides a basic safety net for all legal residents, including the working class.”

In specific terms, the institutional protection of basic survival and development rights for the populace encompasses various crucial aspects. From the baseline of minimum living support, there are protections such as minimum living standards and unemployment benefits. For example, in the current system in the United Kingdom, if an unemployed individual is single, they can receive £45.45 in unemployment benefits per week; if their wife or partner has no income, this increases to £73.5 per week. Looking at the protection of labor rights for workers, there are safeguards regarding working hours, working conditions, remuneration (including minimum wage standards), and more. From the perspective of gender equality, protections include equal employment opportunities for women and equal pay for equal work. Safeguards for children’s rights include prohibitions on child labor. From the standpoint of education protection, there are provisions for compulsory education. For the protection of the rights of the elderly, there are safeguards such as providing a certain fixed income and care.

The institutional protection of fundamental survival and development rights for the populace holds significant importance. It institutionalizes the manifestation of the human-centered ideology in the daily lives of the people, making it a stable and normalized social phenomenon. In a sense, during the period since the end of World War II, the long-standing issues of basic survival and dignity for humanity have been largely addressed in developed countries and a few successfully modernized developing countries. This situation contributes to a widespread sense of identification among the populace with the social community, enhances social unity and integration, and establishes a robust institutional foundation for the



further healthy and sustained progress of modernization following the human-centered principle. It should be acknowledged that this represents a tremendous advancement in the history of human civilization. Despite numerous evident shortcomings, the overall positive historical significance of such an event deserves full recognition.

### 3 BALANCING THE LOGIC OF MARKET COMPETITION AND SOCIAL PROTECTION

Since the end of World War II, from the perspective of the behavior patterns of societal members in pursuing their interests, the logic of market competition and social protection have become two indispensable behavioral logic for the operation and development of modern society. It can be said that the sustainability of modern productive forces, the secure functioning of modern society, and the quality of modernization depend to a large extent on the ability of market competition logic and social protection logic to form a balanced and coordinated progression.

#### 3.1 *The Indispensability of Market Competition Logic and Social Protection Logic*

While modern productive forces and basic values of human-centered development are the fundamental driving forces and guiding principles for the advancement of modernization, they only serve as foundational conditions for the appropriate and rational behavior of societal members in pursuing their interests. They are at a certain distance and have an indirect relationship with the concrete interests of the people, thus not directly shaping the appropriate and rational behavior patterns of societal members. The convergence of modern productive forces and human-centered values must undergo necessary transformations, influenced by various variables, to specifically generate the behavior patterns of societal members and directly contribute to the concrete conditions of modernization.

Undoubtedly, individuals highly value the specific conditions of their own interests. The adequacy of channels for interest pursuit and the satisfaction of these pursuits are crucial direct drivers that influence the progress of society. As Marx pointed out, “Everything that people strive for through their struggles is related to their interests.” In the pursuit of their interests and the improvement of their conditions, societal members

will form specific behavior patterns for interest pursuit, based on their unique historical and current conditions. In modern society and under market economic conditions, the behavior patterns for interest pursuit by societal members mainly include market competition logic and social protection logic.

In traditional societies before modern times, the overall behavior patterns for interest pursuit lacked both market competition logic and social protection logic. The economic foundation of traditional societies was agrarian. Under agrarian economic conditions, “due to the fact that peasant households do not depend on the market and the part of society beyond it for their production and historical movements, they form almost completely self-sufficient lives.” In traditional societies, despite the existence of a certain level of the commodity economy, it was merely a supplementary aspect to the overwhelmingly dominant self-sufficient agrarian economy and did not have the “independent” significance of autonomous operation. In this context, social life and economic life were, to a certain extent, integrated. According to Polanyi, the economy at that time was “embedded” in social life. He pointed out, “.....man’s economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, his social assets.” Therefore, in such a background, it was impossible for people to universally form a logic for market competition. At the same time, the basic units of society at that time were relatively independent and isolated, with a low degree of social differentiation, leading to low levels of social integration and mobility in the entire society. “There are many small farmers whose living conditions are the same, but they do not have various relationships with each other. Their mode of production does not make them interact but isolates them from each other.” In such an era, the limitations on the space of productive activities and the range of perspectives also restricted the formation of a widespread logic of social protection for societal members. Moreover, rulers under the hierarchical conditions of that time could not develop a public service consciousness, and the public financial capacity built on the foundation of small-scale agrarian economies was extremely weak. All these factors made it impossible for state power to provide extensive, powerful, and sustainable social protection for the people. The simple and low-level survival guarantees for societal members in that era mainly relied on individual families or clans. For the vast majority of societal members, except for receiving a

very small and highly unstable amount of food relief in times of famine, there was no question of enjoying universal social protection. Under the conditions of traditional society, a universal logic of social protection was impossible.

In contrast to traditional society, the situation in modern society is radically different. In modern society, with regard to the concrete behavior patterns for interest pursuit by individuals, both market competition logic and social protection logic are essential for the survival and development of individuals; they form an organic whole, and one cannot exist without the other. On the one hand, humans are rational “economic animals.” Out of their basic needs for survival and development, people cannot do without necessary economic activities; otherwise, they cannot survive and develop. In modern society, the institutional foundation for economic activities that align with modern productive forces is undoubtedly a market economy. The entire economic activity of society, if divorced from a market economy, cannot sustain itself. It must be acknowledged that the market economy is a great invention of human society. The market economy has irreplaceable significance for the maintenance of economic activities and the development of modern productive forces. In a market economy, every laborer and entrepreneur must have an independent consciousness and be an “independent individual” or “legal entity” responsible for their own actions and interest pursuits. Each independent laborer and entrepreneur can effectively engage in competitive economic activities only within a market economy, effectively combining their specific contributions with their concrete interest conditions, thereby greatly stimulating their vitality and creativity in labor and business. Furthermore, only through a market economy can society as a whole achieve the efficient allocation of production factors necessary for the development of modern productive forces. “Theory and practice prove that market resource allocation is the most efficient form. Market-determined resource allocation is a general law of a market economy. A market economy is essentially an economy where the market determines resource allocation.” Since the market economy is so crucial and is a necessity for every societal member and the entire socioeconomic activity of society, people cannot do without the logic of market competition in modern society.

On the other hand, humans are also “social animals” who need to cooperate with each other and have a sense of belonging. As constituents of a social community, every member of society cannot do without

social interaction and cooperation. As Marx said, “Even if people are not political animals in the sense that Aristotle spoke of, they are certainly social animals.” What distinguishes humans from other animals is the unique social interaction and cooperation behavior that humans possess. “The reason humanity has achieved its current accomplishments is not because humanity has a competitive nature like other animals, but rather the opposite: humanity’s distinct characteristic lies in its high capacity for cooperation.” Simultaneously, the necessity for societal members to engage in social cooperation will inevitably give rise to the formation of a sense of social belonging for societal members, meaning that once they are separated from the social community, societal members will feel adrift. In modern society and under market economic conditions, due to the increasing specialization, refinement, and complexity of social differentiation and social division of labor, as well as the “atomization” of each individual societal member, and given the various risks faced by each societal member, especially the negative effects of “market failure,” every member of society is even more unable to survive and develop alone, in isolation from society. They increasingly need society to provide necessary “social protection” and the resulting sense of social belonging. Obviously, in modern society and under market economic conditions, a society can effectively prevent many negative consequences arising from the one-sided operation of market competition logic, address the problems of market failure, and provide a sense of belonging for societal members through necessary social protection logic. Moreover, through effective social protection logic, a society can enhance the degree of social integration and cooperation, thus effectively maintaining the secure functioning of society.

Clearly, from the perspective of the direct driving force of modernization, both market competition logic and social protection logic form an organic whole; neither can be omitted. Both directly propel the progress of modernization. In the long run, the effective advancement of the modernization process relies on the balanced development of these two behavioral logics.

### *3.2 The Transition from Unilateral Dominance to Balanced Development*

The realization of a balanced development between the logic of market competition and social protection has not been an instantaneous process

but rather a protracted historical journey. At different stages of modernization, these two behavioral logics manifest distinctively.

In the early stages of modernization before the conclusion of World War II, the dominance of market competition logic prevailed in developed countries, leading to the conspicuous phenomenon of capitalist supremacy. It is acknowledged that, during that specific period, the predominance of market competition logic played a crucial role in eliminating outdated modes of production in traditional societies, propelling the development of modern productive forces and rapidly accumulating societal wealth. However, it is imperative to recognize that, during that era, “the movement of capital presented itself as having an independence, autonomy, and dominance not dependent on individuals or even on the community.” As Marx pointed out, “Capital has only one life impulse, the tendency to create itself, create surplus value, and absorb as much surplus labor as possible with its unchanged part; that is, the means of production.” This scenario resulted in the inversion of the fundamental goal of modernization—human-centered development became secondary and even started vanishing. Consequently, the purpose and means of modernization exhibited an inverted condition, leading to a noticeable alienation phenomenon where individuals originally within the category of the fundamental purpose of modernization became appendages to capital, which belonged to the category of tools for modernization. “In transactions and business, all rights and obligations could be reduced to the regulations and values of pure wealth.”

In the era dominated by market competition logic and the supremacy of capital, capital owners amassed unprecedented wealth. However, the corresponding cost was the significant sacrifice of the legitimate interests of the majority of societal members, especially workers. Under the conditions of market competition logic and capital supremacy, despite nominally possessing the freedom to sell their labor, workers inevitably found themselves subjugated and exploited by capital, resulting in the loss of their basic humane existence. As Marx emphasized, “Capital, by its insatiable hunt for surplus labor like a wolf, not only breaks through the moral limits of the working day but also breaks through the purely physical limits of the working day. It encroaches on the time needed for the growth, development, and maintenance of the body. It robs the worker of the time needed to breathe fresh air and enjoy sunlight, attempting to incorporate meal times into the production process, treating workers as mere means of production, and providing them with food as if feeding

a furnace with fuel.” In the United States during that period, “factory laborers worked ten hours a day, six days a week; in the steel industry they worked twelve hours a day. Many worked in appallingly unsafe or unhealthy factories. Industrial accidents were frequent and severe.” Moreover, the increasingly conscious and egalitarian-minded workforce could not tolerate this highly unjust and dehumanizing state of “alienation” for an extended period, leading to continuous social conflicts and unrest and undermining societal security. Evidently, a society characterized by the unilateral dominance of market competition logic and the corresponding supremacy of capital is unsustainable and challenging to endure. Additionally, this dominance inevitably gives rise to various market failures, including monopolistic phenomena, further diminishing economic efficiency and distorting the very essence of economic modernization.

Since the conclusion of World War II, developed countries and some successfully modernized developing nations have entered an intermediate stage of modernization. Compared to the early stages of modernization, there has been a significant transformation in the behavioral patterns of the individual’s interest pursuit. From the perspective of the actual progression of modern production forces, the increasing supply of public service products, the dissemination of the human-centered philosophy, the rise of various social progress movements, and the growing influence of public power, the unilateral dominance of market economic logic and the corresponding supremacy of capital have been effectively restrained to a certain extent. For instance, wealthy individuals in these societies are required to pay progressive taxes and inheritance taxes, with higher rates for larger estates. Consequently, the intergenerational transmission of immense personal wealth has become impractical. Take the inheritance tax in the United States as an example: the unified estate and gift tax rate ranges from 18 to 55%. The specific tax rate is determined according to the value of taxable heritage, and the highest rate is 55%, which is applicable to taxable transfer amounts exceeding 3 million US dollars. In this context, the dominance of market competition logic and the corresponding supremacy of capital have been effectively limited, and concurrently, the logic of social protection has begun to take shape and gradually institutionalize, gaining increased influence.

From the perspective of the evolution of cognitive capabilities, with the advancement of the modernization process and ongoing reflection, there is a growing tendency to recognize that while economic issues are crucial, economic development itself is not the ultimate goal. Only

human-centered modernization is considered the correct direction or goal of modernization. “Growth was a means to an end, not an end in itself. The objectives were to eliminate poverty, illiteracy and disease, to increase the range of human choice, to give mankind greater control over the natural environment and thereby to increase freedom.” This widespread recognition undoubtedly contributes to the formation and rooting of the logic of social protection.

In summary, since the conclusion of World War II, driven by the progress of the actual modernization process and the enhanced cognitive capabilities of individuals, the logic of social protection has gradually taken shape and experienced significant development, becoming an inseparable and complementary counterpart to market competition logic. The balanced advancement of market economic logic and social protection logic has become a new trend in modernization since World War II.

The formation and development of the logic of social protection are mainly manifested in three aspects. Firstly, with the development of modern productive forces, government fiscal revenues have increased, and the proportion allocated to public investments in people’s livelihoods has grown. “In the early 1950s, social insurance spending in European welfare states was still less than 10% of GDP. By the early 1970s, many countries (such as Belgium, Denmark, France, Germany, Italy, the Netherlands, and Sweden) exceeded 20%, and most other countries exceeded 15%.” Secondly, the basic life needs of the people are guaranteed at the level of public services, and the standards for ensuring the basic bottom line of life have gradually improved. Thirdly, social protection provided by the social policy system, including employment security, social security, compulsory education, and public health, has become a common phenomenon in the daily lives of people. In developed countries and some developing countries that have completed the initial stage of modernization, basic public service guarantees have become an integral part of the daily lives of their citizens.

Under the direct impetus of the logic of social protection, the quality and conditions of human survival and development have improved significantly in developed countries and some developing countries that have completed the initial stage of modernization. For example, in high-income countries, the average life expectancy per capita at birth increased from 69 years in 1960 to 80 years in 2020, with women’s life expectancy increasing from 72 years in 1960 to 83 years in 2020, and men’s life expectancy increasing from 66 years in 1966 to 78 years in 2020. The

proportion of the population enrolled in higher education as a percentage of the total population increased from 25% in 1970 to 79% in 2020. The Gini coefficients are generally relatively low, with the Netherlands at 0.28 in 2018, France and Germany at 0.32 in 2018, Japan at 0.33 in 2013, Canada at 0.33 in 2017, Australia at 0.34 in 2014, and the United States and the United Kingdom at 0.41 in 2018.

Because of its critical importance, the specific condition of the logic of social protection becomes one of the essential indicators in measuring the level of modernization in a country. The significance of the logic of social protection lies in its effective institutional protection of the basic needs and dignity of individuals, thereby stabilizing and normalizing this protection at the systemic level. Moreover, the institutionalization of the logic of social protection will reduce the negative impact of wealth disparity on a society, thereby enhancing the unity and integration of a society and increasing its security. Undoubtedly, excessive wealth disparity can lead to various negative consequences for a society. Additionally, one must acknowledge the fact that wealth disparity cannot be completely eradicated. Furthermore, under different circumstances of the logic of social protection, the magnitude of the negative impact generated by excessive wealth disparity at an equal level is not the same. This aspect is often overlooked. If a society has a comprehensive logic of social protection, it implies that the basic survival and dignity of its citizens are guaranteed, and there are opportunities and platforms for their basic development. In such a situation, even in the face of the same degree of relatively large wealth disparity, people may be dissatisfied, but the degree of dissatisfaction may not be intense. In other words, people's tolerance for significant wealth disparity is relatively high. Similarly, if a society lacks such a logic of social protection, people's tolerance for excessive wealth disparity is relatively low. The explanation is straightforward: in a modern society, "the absence of a safety net implies that numerous families lack the essential resilience against social risks, rendering them vulnerable to hardships and alienation from society. Additionally, the dearth of effective channels for social mobility constrains the upward and parallel mobility opportunities for certain individuals, increasing the likelihood of disillusionment and fostering resentment. These factors collectively pose varying degrees of harm to the stable functioning of society."

It should be noted that, just as market competition logic has its reasonable boundaries, the logic of social protection also has its reasonable



boundaries. Once the reasonable boundaries of the logic of social protection are exceeded, it will turn into a harmful “welfare overreach trap,” hindering the healthy and sustainable progress of the modernization process to varying degrees.

It is worth mentioning that in some developed countries, due to the strong social foundation of populism, the excessive indulgence of electoral politics in catering to the interests of the people, and the continuous elevation of the moral high ground, the logic of social protection sometimes tends to exceed reasonable boundaries and enters the “welfare overreach trap.” Consequently, the fiscal capacity of the country cannot sustain the corresponding high-welfare policies, and one of the outcomes is the severe indebtedness of the nation. For example, “most European countries allocate more than 50% of their tax revenue to social transfers, and some countries even reach 70%-80%.” And “France’s fiscal deficit in 2009 was 141 billion euros, accounting for 8.2% of GDP, far exceeding the EU Stability and Growth Pact’s requirement of 3%. Its public debt reached 1.17 trillion euros, accounting for 65% of GDP, well above the EU-prescribed upper limit of 60%. The situation in the UK is also severe, with government debt reaching 109.3% of GDP in 2013, and the fiscal deficit reaching 7.1%.” Furthermore, in the long run, excessive high-welfare policies are an unjust social phenomenon, resulting in some people gaining without labor and severely damaging the internal driving force of a country’s modernization, leading to subsequent sluggishness in its modernization process. In the United States, “the benefits surge that began in 1965, while clearly a huge political success, appears to have lowered the growth rate of real gross domestic private nonfarm business product by 0.21 percent per annum. That may seem small, but cumulatively, over the past half century, 0.21 percent per annum had created a gap (hypothetical less actual) by 2011 of almost a tenth of real gross private nonfarm business product and some what less for real GDP.”

As seen above, compared to the early stages of modernization, since the conclusion of World War II, there has been a significant change in the behavioral ways in which people pursue their interests, moving from the previous dominance of the market competition logic to the current situation where market competition logic and social protection logic are equally important and coordinately advanced. Both the market competition logic and the social protection logic have their positive functions, and neither can be neglected. The main function of market competition logic is to focus on stimulating economic vitality and creativity,

thereby avoiding the modern society from entering a “welfare overreach trap” and displaying signs of developmental lethargy. On the other hand, the main function of the logic of social protection is to emphasize the guarantee of the basic survival bottom line of the people and the assurance of social integration and unity. It prevents modern society from falling into a “capital supremacy trap,” preventing subsequent lethargy and avoiding social disintegration and unrest. It is precisely based on the indispensability of these two behavioral logics that modern society tends to “mature,” thereby having the potential for sustained and healthy development. Whether this potential for sustained and healthy development can become a reality largely depends on whether the market economic logic and the logic of social protection can be coordinated and balanced in their advancement. Importantly, the coordinated and balanced advancement of these two behavioral logics has become an increasingly evident trend in the modernization processes of some developed countries and relatively successful cases of modernization, such as China.

## 4 INCREASING EMPHASIS ON SYMBIOTIC TRENDS IN MODERNIZATION

From the perspective of its various constitutive elements and the interrelatedness of subsystems, the trend of symbiotic existence and development in modernization has become increasingly prominent since the end of World War II. This period signifies a comprehensive manifestation of new trends and developments in modernization.

### *4.1 The Meaning of Symbiotic Existence and Development*

The concept of symbiotic existence and development in modernization primarily refers to the mutual dependence, mutual promotion, and mutual constraint among various constitutive elements and subsystems of modernization. It encapsulates the idea of “mutual promotion and co-growth among various levels, links, and within each level and link of the social structure.” Any lag in a particular link or level undoubtedly leads to an overall lag in the entire social organism. Specifically, this symbiotic existence and development manifest not only in the common survival and development among different sectors, domains, and levels

within a national community but also in the shared survival and development among nations and the mutual adaptation and promotion between humanity and the ecological environment.

Since the end of World War II, whether viewed from the dimensions of sectors, levels or spatial regions, against the backdrop of the new development of modern productive forces, the incorporation of human-centered basic values into daily life, and the coordinated advancement of market economic logic and social protection logic, the scope of modernization construction has greatly expanded. Various constitutive elements of modernization have multiplied, creating a scenario of “full coverage.” The rapid advancement of economic globalization serves as a typical illustration of this “full coverage” phenomenon in modernization. However, as these elements and subsystems accumulate substantial potential energy and generate many positive effects, they also give rise to numerous new challenges. Objectively, this places increasingly higher demands on the integration and coordination of symbiotic existence and development in modernization. Symbiotic existence and development in modernization not only imply the formation of potential and vitality within various constitutive elements and subsystems, but also signify a substantial enhancement of human social cooperation capabilities on the basis of the new integration and fusion of these elements and subsystems. This results in positive effects that far exceed the simple sum of individual constitutive elements and subsystems. All of these developments not only significantly expand the space for modernization construction and enhance human creativity but also contribute to the safe, sustainable, and healthy advancement of the modernization process. Building upon this foundation, modernization achieves a new leap, transitioning from the initial stages of modernization to the intermediate stage.

#### *4.2 Reasons for the Symbiotic Existence and Development of Modernization\**

In the early stages of modernization, compared to traditional societies, various constitutive elements and subsystems of modernization became increasingly diverse and complex. The degree of integration among them also significantly increased, albeit predominantly within the same domain or level, such as the economic sector. From a cross-domain, cross-level perspective, the integration among these elements and subsystems

was relatively low during that period. Symbiotic existence and development, particularly between social and economic domains and between human and nature relationships, were relatively weak. In other words, at that time, there was considerable emphasis on micro-level integration issues, but macro-level integration issues involving cross-domain and cross-level integration did not receive sufficient attention, leading to a lack of corresponding development. This situation was evident not only in the economic sector's advancement, which detached itself from other domains such as the social and cultural realms but also in developed countries' attempts to forcefully alter the ecological environment and the fundamental conditions of other nations based on anthropocentric and Western-centric ideologies. For instance, in the nineteenth century, under the influence of early industrialization and Western-centric theories, people displayed minimal tolerance for national characteristics. Attitudes toward national characteristics were either characterized by attempts at forceful change or the perception of national characteristics as purely backward, excluded from the "modern society." These dynamics inevitably gave rise to severe negative social consequences, as "unbalanced development results in unbalanced rejuvenation," hindering societal progress.

Since the end of World War II, various constitutive elements and subsystems of modernization have become even more diverse and complex. Based on this foundation, the trend of symbiotic existence and development in modernization has become increasingly prominent, especially with higher levels of integration across domains and levels. The deeper reasons for this phenomenon can be attributed to:

### (1) Deepening Social Differentiation

Compared to historical instances of differentiation, social differentiation has taken on a significantly different breadth and depth since the end of World War II. With the extensive advancement of modernization across various domains and levels, the movement of people, goods, and cultures in the unprecedented vastness of economic globalization has provided various elements and subsystems of modernization with unprecedented opportunities for growth. Within this vast space, the overall elements and subsystems of modernization have experienced considerable growth. Social differentiation has manifested as a widespread, numerous, and

diverse “new” phenomenon. For example, in the economic field, industrial categories that reflect the increasingly complex economic situation have grown in number and specialization. The United Nations industrial classification includes 41 major industrial divisions, 207 industrial subdivisions, and 666 industrial groups. Similarly, in developed countries, social organizations with specific functions in economics, society, politics, and culture have multiplied in quantity and type. France has 110 civil organizations per thousand people, Japan has 97, and the United States has 52. Since the reform and opening-up, China’s social organizations have also witnessed rapid development, increasing from 130,800 at the end of 2000 to 894,000 by 2020.

### (2) The Urgent Need for Cross-Domain, Cross-Level Integration of Constitutive Elements and Subsystems of Modernization

In the early stages of modernization, social differentiation and integration were more limited to the same domain and level. Over a prolonged period of survival and development since the end of World War II, various elements and subsystems in different domains and levels of modernization have grown sufficiently, gradually taking shape and maturing. Consequently, they have developed relative “autonomy” and “independence,” with clear boundaries of their unique functions. The interconnectivity, or mutual dependence, among these diverse elements and subsystems across domains and levels has continuously increased. The phenomenon of “prosper together or decline together” has become more pronounced, resulting in a significant enhancement of the organic and integrative nature of modern society. In economic globalization, for example, the interests of various countries are often intertwined. Faced with this “new” situation, the challenge lies in the need for more effective cooperation, integration, and coordination among the diverse elements and subsystems of modernization across different domains and levels. This requirement becomes increasingly urgent and objective.

### (3) The Growing Importance of Suppressing “Spontaneous” Trends of Differentiation

It should be recognized that the objective demand of modernization for symbiotic existence and development cannot naturally translate into

positive and constructive realities but requires active efforts from individuals. As elements and subsystems in various domains and levels of modernization have gradually gained their “autonomy” and increased in volume, they have developed a certain potential energy to evolve according to their intrinsic logic, including a kind of “instinctual” evolution. Some elements or subsystems even acquire strong “spontaneous” potential for differentiation, leading to various trends of “spontaneous” differentiation. These trends are not always aligned but sometimes conflicting and mutually antagonistic. Therefore, it is necessary to “limit various internal variations through integration mechanisms to a range compatible with the maintenance of the main structural pattern.” Importantly, the potential energy from the accumulated “spontaneous” trends of differentiation involves multiple domains and levels, thus possessing a relatively greater negative energy and more significant “spontaneous” evolutionary space than in the past. In terms of these diverse possible trends of “spontaneous” differentiation, some align with the developmental trends of human-centered modernization, while others contradict the fundamental principles of human-centered modernization, posing greater harmful and negative effects on the modernization process. These effects may significantly impede or distort the normal development of modernization to varying degrees, resulting in social disarray and uncontrollable situations. Notably, the problems arising from the “autonomous” and “spontaneous” trends of differentiation in various elements and subsystems of modernization are characterized by excessive “points” or “sites,” broad “coverage,” strong cross-domain and cross-level impacts, and the amplifying effects of the Internet.

In such a scenario, issues arising from the unilateral advancement and progression of various constitutive elements and subsystems of modernization within the same domain or level cannot be accommodated or resolved. As mentioned earlier, without necessary constraints, the dominance of market competition logic and the subsequent unrestrained spread of the phenomenon of capital supremacy can lead to a deviation from the direction of modernization. This, in turn, can trigger a series of severe social contradictions, potentially causing societal upheaval and incurring significant costs. Clearly, without effective intervention, integrating various constitutive elements and subsystems of modernization across domains and levels, the problems caused by “spontaneous” differentiation cannot be addressed. The relentless evolution of numerous “spontaneous” factors can sometimes even jeopardize a

country's prospects for modernization. Given this, to prevent harmful trends of "spontaneous" differentiation and ensure the healthy and sustainable progress of the modernization process, a country must actively promote the formation of a positive interrelationship among various elements and subsystems of modernization across domains and levels. This requires effective institutional arrangements and policy designs based on the fundamental values of anthropocentrism.

#### (4) The Advancement in Understanding the Laws of Modernization Development

The recognition and understanding of modernization are processes that gradually elevate alongside the deepening modernization process. In the course of modernization, people progressively raise their awareness through the continuous summarization of experiences and lessons across various facets of modernization. They discover that the composition of modern society becomes more complex and specialized, necessitating mutual support and increased interdependence. It becomes clear that any one-sided, especially economically driven, development and progression in modernization is an impractical endeavor. In a historical period, some countries exhibited behavior excessively focused on rapidly advancing GDP growth. "Growthmanship' has become a way of life.....In fact, for many years the conventional wisdom equated development with the rapidity of national output growth." This approach, however, proved to be unsustainable because "industrialization is never a singular economic phenomenon but always connected with social transformation. Social transformation can both assist and hinder economic development itself." The modernization process extends beyond a single field of social reality, encompassing all aspects of social life. The one-sided pursuit of economic advancement not only generates a multitude of negative effects but, because it lacks support from other domains like society and culture, also hampers the sustained development of the economy itself. Additionally, people gradually realize that anthropocentric consciousness and the notion of Western-centric superiority are one-sided and detrimental. Humanity cannot unilaterally change the world according to its desires without incurring significant costs due to its ignorance. Each country's path and model of modernization are different, and it is impractical to forcefully dictate or change another country's modernization model based

on Western models. The elevated cognitive level regarding modernization has significant practical implications. It helps transform the potential symbiotic existence and development in modernization from a possibility into a reality.

### 4.3 *Manifestations of Symbiotic Survival and Development in Modernization*

In general, since the end of World War II, based on the above reasons, the trend of symbiotic survival and development of modernization has become increasingly prominent under the active promotion of people in developed countries and some developing countries where modernization construction has been relatively successful.

- (1) The manifestation of symbiotic survival and development in various fields and at different levels of modernization is becoming increasingly evident within the same country.

Specifically, this trend is concentrated within economic, social, political, and cultural domains or levels. It is particularly notable in the foundational realms of the economy and society, where modernization efforts mutually reinforce and progress concurrently. Since the conclusion of World War II, developed nations have not only sustained an overall trajectory of high-quality economic development but have also witnessed continuous advancements in societal aspects. Notably, issues related to social justice have seen relative improvements, and key indicators such as life expectancy, education levels, and the Gini coefficient have consistently shown positive trends. The enduring stability in societal operations and the almost negligible occurrence of disruptive social upheavals underscore the symbiotic relationship between economic and social development—these are established facts. In recent years, China has achieved globally recognized monumental success in its economic modernization efforts, and simultaneously, the trend of symbiotic survival and development in its modernization has become increasingly apparent.

Since the early twenty-first century, China has made significant adjustments, moving away from the previous emphasis on unilateral GDP growth. To a large extent, it has rectified the previous imbalance of “economic development as the longer leg and social development as



the shorter leg.” China has emphasized and, to a certain extent, realized the coexistence and mutual development of both the economy and society. While achieving rapid economic growth, China has also experienced substantial development in the social sphere. For instance, the Chinese government has consistently increased fiscal investments in social sectors. In the year 2000, China’s fiscal expenditure on education was 217.952 billion yuan, which dramatically surged to 3635.994 billion yuan by 2020, marking an increase of over tenfold. According to World Bank statistics, the proportion of the population entering higher education institutions in China rose from 1% in 1977 to 58% in 2020. Additionally, the average life expectancy at birth for Chinese citizens increased from 65 years in 1977 to 77 years in 2020.

- (2) The symbiotic survival and development between nations have indisputably become a historical trend.

Before World War II, on a global scale, the interactions between developed countries and colonies exhibited a highly unjust scenario. Typically, developed nations were also colonial powers, assuming dual roles. As mentioned earlier in this text, the advancement of modernization processes in developed countries at that time was a necessary precondition that severely harmed the fundamental interests of colonies and semi-colonial “nations.” Fundamentally, this relationship was not characterized by mutually beneficial symbiosis. Since the end of World War II, this situation has undergone significant changes. Former colonies and semi-colonial “nations” have gained independence, becoming developing countries with sovereign status. An increasing number of newly independent former colonies and semi-colonial nations have gradually initiated autonomous modernization efforts. Some developing countries have succeeded in their modernization endeavors, with a few even joining the ranks of developed nations. Compared to the past, this represents monumental historical progress. Correspondingly, on a global scale, the symbiotic survival and development between nations has gradually become a trend. At the present stage, although there still exist instances of powerful nations bullying weaker ones, and the distance between nations in terms of true equality and symbiotic survival and development remains considerable, the historical trend of symbiotic survival and development between nations has already taken shape. “Starting from the 1990s, transnational

supply chain networks, trade networks, transportation networks, information networks, financial networks, and migration networks, along with the global deployment and cross-holdings of multinational enterprises, have interconnected the global economy into an unprecedentedly tight and highly integrated whole. This has led to an unprecedented level of economic interdependence in human society, reflected in many important indicators.” Fundamentally, the historical trend of symbiotic survival and development between nations is irreversible and difficult to change.

Since the end of World War II, the symbiotic survival and development between developed countries and developing countries has also become an unstoppable trend, not to mention the increased integration between developed countries. In this regard, the relationship between China and developed countries serves as a typical example. Since the initiation of the reform and opening-up, China’s remarkable achievements in modernization are attributed, in part, to its proactive foreign policy that integrated China into the process of economic globalization. This allowed for a mutually beneficial interaction and symbiotic development between China’s modernization and global modernization. Through interactions with other countries, China has not only propelled its own tremendous development but has also facilitated the development of other nations, including both developed and developing countries. “From 2013 to 2018, China’s average annual contribution rate to world economic growth was 28.1%, ranking first in the world. Since 2006, China’s contribution rate to world economic growth has consistently ranked first globally, making it the primary engine of world economic growth.” Importantly, due to China’s adherence to the fundamental principles of a community of a shared future for humanity, commitment to the basic national policy of peaceful development, and its enormous scale—being the world’s most populous country, with a population share of 18.1% in 2020, and the world’s second-largest GDP, accounting for 17.4% of the global total in 2020—China’s influence on the world stage is increasingly significant. This situation plays a crucial role in positively promoting the realization of symbiotic survival and development among countries worldwide.

- (3) The symbiotic survival and development between humans and the ecological environment have unmistakably become a trend.

Since the end of World War II, the symbiotic survival and development between humans and the ecological environment have gradually become an indispensable and crucial component of modernization. This represents a significant progress compared to earlier times. A fundamental realization is that a prerequisite for human modernization is the existence of a normal ecological environment suitable for human survival and development. "Nature is bountiful, but it is also fragile and finely balanced. There are thresholds that cannot be crossed without endangering the basic integrity of the system." However, in practical life, acknowledgment of this fundamental realization underwent a comparatively prolonged historical period. In the early stages of modernization before World War II, people "did not anticipate the massive destructive potential of the expansion of 'productive forces' on the material environment. In theoretical traditions, ecological relationships were completely excluded from sociology." Influenced by the logic of capitalism, the excessive pursuit of GDP, and the belief in the omnipotence of large industries as expressed in ideas like "man conquers nature," people did not give sufficient attention to the ecological environment essential for their own existence. This led to exploitative and over-exploitative practices, severely damaging the ecological environment. "Over the past century, the use of fossil fuels has grown nearly 30-fold, and industrial production has increased more than 50-fold. The bulk of this increase, about three-quarters in the case of fossil fuels and little over four-fifths in the case of industrial production, has taken place since 1950." And "by burning fossil fuels, humanity has pumped 100 billion tons of carbon into the air since 1750." The emergence of the "Eight Great Pollution Disasters" worldwide in the mid-twentieth century serves as a concrete example of severe ecological damage.<sup>1</sup> This implies a serious deterioration of the fundamental ecological conditions necessary for human survival and development, affecting not only the sustainability of the modernization process but also the ability of humanity itself to sustain normal existence and development.

<sup>1</sup> The so-called "Eight Great Pollution Disasters" refer to eight significant ecological and environmental pollution incidents that occurred in the mid-twentieth century. These include the "Meuse Valley Fog Disaster" in Belgium, the "Donora Smog Disaster" in the United States, the "London Smog Disaster" in the United Kingdom, the "Los Angeles Photochemical Smog Disaster" in the United States, the "Minamata Disease Incident" in Japan, the "Fuji Incident" in Japan, the "Yokkaichi Asthma Incident" in Japan, and the "Rice Bran Oil Incident" in Japan.

Since the 1960s, stark reality prompted deep reflection on the interconnectedness of humans and the ecological environment. People gradually realized that ecological issues are a matter of great importance that affects the destiny of all generations of humanity. Moreover, the governance of the ecological environment is a problem that requires effective participation from all countries. It is an issue that all countries must engage in with mutually supportive actions; otherwise, it will be mere rhetoric. “The Club of Rome recognized that if we are to make a credible diagnosis of human ills and prescribe effective remedies, we must establish a global perspective in our minds.” Representative outcomes of this profound reflection include works such as “*The Silent Spring*,” “*The Limits to Growth*,” “*Beyond the Limits to Growth*,” and “*Our Common Future*.” Based on these reflections, the United Nations and many countries began to unite and issue international joint action agendas, such as the Rio Declaration on Environment and Development and Agenda 21. Subsequently, landmark agreements such as the Kyoto Protocol in 1997 and the Paris Agreement in 2015 were adopted by the United Nations, indicating that many countries began to take joint governance actions on ecological environments to a certain extent. For example, “Developed countries such as Europe, the United States, and Japan have formulated and promoted a series of ‘green new policies’ with a circular economy and a low-carbon economy as core components. The aim is to transform the traditional economic development model with high energy consumption, high consumption, and high emissions into a ‘green’ sustainable development model with low energy consumption, low consumption, and low emissions.”

Over the past 30 years, although the deterioration of the global ecological environment has somewhat slowed down, it is still challenging to completely reverse the trend in a short period. In 1990, the global emissions of nitrous oxide were 2,332,640 kilotons, increasing to 2,984,340 million kilotons in 2018. In 1990, global carbon dioxide emissions were 20,605,301 kilotons, rising to 34,036,864 kilotons in 2018. Nevertheless, in relatively developed countries that attach greater importance to ecological environmental protection and have a higher level of modernization, corresponding indicators have begun to show a trend of gradual improvement. This is a positive sign. In 1990, the emissions of nitrous oxide in high-income countries were 810,480 kilotons, decreasing to 691,520 kilotons in 2018. In 1990, the carbon dioxide emissions in high-income countries were 11,480,502 kilotons, reaching a peak of

13,529,130 kilotons in 2007 and then decreasing to 12,387,671 kilotons in 2018. It should be noted that the improvement of ecological environmental indicators in developed countries is due to various reasons, including the transfer of some high-pollution industries to developing countries and their own efforts.

The increasingly prominent trend of symbiotic survival and development in modernization holds significant importance. This scenario implies that, since the end of World War II, the period of human modernization has, to a large extent, departed from the previous unidirectional and even aggressive development patterns, achieving significant progress and entering a higher “era” of modernization construction. In comparison to the early stages of modernization, humanity has not only greatly expanded the new extensibility and growth space of modernization across various fields and levels, but has also effectively facilitated the organic integration of modernization construction in various domains or levels. This has resulted in a situation of robust mutual support and positive promotion among them, effectively unleashing powerful endogenous forces and creativity within the national community, surpassing the simple sum of individual areas or levels in modernization construction.

These developments contribute to the comprehensive and enriched nature of modernization, rationalizing the methods of its advancement, enhancing the degree of integration in modernization, and ensuring the overall progress and sustainable advancement of modernization. Consequently, this elevates the foundational standards and overall quality of modernization, enabling continuous upgrades and replacements in the process.

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## The “V-Shaped” Evolutionary Trajectory of Modernization in Modern and Contemporary China

From the 1860s to 2019, China’s modernization journey spanned approximately 160 years, starting from its inception to the initial stages of takeoff. During this period, coinciding with modernization’s concrete progress, modern and contemporary China experienced a tumultuous transformation rarely witnessed globally. In a certain sense, this extraordinary evolution presented a distinctive “V-shaped” pattern. From the 1860s to the first half of the twentieth century, aggression from imperialist forces and the backward forces of domestic feudalism and bureaucratic comprador bourgeoisie inflicted increasingly severe disasters on Chinese society, seriously impeding the normal progress of Chinese modernization. Driven by the escalating national liberation movement, China gradually achieved the goals of national independence, unity, and people’s liberation. With the establishment of the People’s Republic of China in 1949 as a milestone, China terminated the downward trend that had persisted for over a century since the Opium War in 1840.

From the second half of the twentieth century to the 2020s, with complete national independence and sovereignty, China’s modernization endeavor achieved globally recognized monumental success through arduous exploration and struggle. Specifically, China’s modernization efforts in the second half of the twentieth century can be divided into two periods. The first period, from 1949 to 1978, was a time of arduous exploration and great sacrifice. During this period, China made significant progress in modernization, laying a necessary material and social

foundation for the next stage. However, it also left behind a number of lessons. The second period, from 1978 to the 2020s, saw the basic formation of China's endogenous driving forces for modernization. The gradual approach to modernization that was adopted was also reasonable, feasible, and effective. These two factors contributed to China's initial takeoff in modernization, and China's modernization efforts have achieved universally recognized great achievements.

## I HISTORICAL COORDINATES OF THE MODERNIZATION PROCESS IN CHINA

### *1.1 The Uninterrupted Vitality of The Chinese Nation*

In the context of China's millennia-long history, there is no doubt that the 160 years from the 1860s to the early twenty-first century marked a major turning point in history with implications for millennia to come. During this period, China's modern and contemporary history experienced a series of dramatic ups and downs that were unprecedented in the world. The scale of these changes was so great that, in a sense, they can be seen as a clear "V-shaped" evolutionary pattern.

The Chinese nation has an extremely strong vitality, and has been continuous for thousands of years. As the saying goes, "Even though Zhou is an old state, its mandate remains new." The Chinese nation is the only one among the ancient civilizations of the world that has never been interrupted. Hegel believed that "only the Chinese Empire that flows through the Yellow River and the Yangtze River is the only enduring country in the world. Conquest cannot affect such an empire." Another scholar pointed out that "Chinese civilization, like ancient Egypt, Mesopotamia, and other civilizations, is one of the earliest civilizations with an independent origin created by mankind." Among them, "only the Chinese civilization that originated 5000 years ago, although it has gone through generations and generations of storms, can be passed down all the time without interruption." The continuity of the Chinese nation is manifested in the continuous development of Chinese civilization on the basis of the same origin for thousands of years, and has never been completely replaced by other types of ancient civilizations. It also manifests itself in the basic consistency of civilization and ethnicity within the same region.

The enduring vitality of the Chinese nation has deep historical roots. Ancient China was a highly typical agrarian society. Over a long history, Chinese farmers developed advanced agricultural techniques, a pragmatic and moderate lifestyle, and sophisticated social management systems. These factors helped to create a stable and resilient society. In addition, Chinese society was characterized by a relatively open and fluid structure due to the presence of institutions such as the imperial examination system. This made it possible for people to move up the social ladder and for the society to recover from shocks. Most importantly, Chinese civilization has a strong capacity for integration. As one scholar has noted, “the evolution of Chinese civilization has been a process of integration of various cultural elements. The core of this process is the Han Chinese civilization, which diffuses to the surrounding areas. The surrounding areas, in turn, converge toward the core. The core and the surrounding areas complement each other, absorb each other, and merge with each other.” This capacity for integration has allowed Chinese civilization to absorb and assimilate new elements from other cultures, thereby maintaining its vitality and dynamism. Even when some ethnic groups, such as nomadic tribes, invaded ancient China with strong military force, they often eventually adopted Chinese culture and were assimilated into the Chinese population. From a purely geographical perspective, China’s vast size and strategic depth provided a natural defense against foreign invasion. The sea, deserts, and mountains that surround China also served as natural barriers to potential invaders. All of these factors have contributed to the strong and enduring vitality of the Chinese nation.

It is important to note, however, that while ancient Chinese civilization was more resilient than other ancient civilizations, it was still a traditional civilization based on a natural economy. Traditional civilizations have a limited capacity for evolution and cannot be compared to modern civilizations.

### *1.2 China’s Fate Increasingly Tied to Modernization*

From the perspective of human historical development, since the mid-to-late eighteenth century, modernization, which originated in the Industrial Revolution, gradually became a new historical trend and spread globally. Modernization represents the most significant socioeconomic transformation in human history, marking “the greatest revolution in human history since the creation of agriculture, metallurgy, writing, cities, and states in

ancient times, a revolution that has changed and continues to change the entire world.” With large-scale industrial production, “the bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together.” Importantly, large-scale industrial production has brought all countries and nations into a mutually interconnected “global village.” Before this, the formation and development of different civilizations were relatively confined to specific regions, possessing a certain degree of relatively independent living and development space. However, in the face of the trend of modernization, any country or nation, as long as it does not want to perish, must adapt to the trend of modernization and engage in modernization construction. There is no other way. “The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. ... It compels all nations, on pain of extinction, to adopt the bourgeois mode of production.”

Likewise, the future destiny of China faces also confronts this crucial choice. Since the Opium War in 1840, China has been drawn into the global tide of modernization, experiencing a profound transformative shift in the fundamental conditions underpinning its survival and development. China faces a “historic change unseen in thousands of years” and “an unprecedented formidable enemy.” Since then, China’s future and destiny have become increasingly intertwined with, and dependent upon, the advancement of this modernization process.

During this period, modernization gradually became the main trend of Chinese society, serving as the most important symbol of a historical turning point with millennium-long significance. Externally, to a certain extent, and in accordance with the specific process of modernization, the modern and contemporary evolution of China presents a somewhat distinct “V-shaped” pattern. On the one hand, from the 1860s to the 1940s, except for the eight years of Japan’s full-scale invasion of China in the twentieth century, despite the overall continuity of China’s modernization process during this period, it was a deformed and low-level development. In these 90 years, overall, China continued the downward trend of the semi-colonial and semi-feudal society that began in the mid-nineteenth century until it reached the peak of decline. On the other hand, during this period, under the increasing pressure of foreign aggression and the influence of low-level modernization, China’s national consciousness gradually awakened. The energy

within the national organism was activated, and the national liberation movement steadily intensified until achieving national independence and unity. China thus obtained the necessary conditions for normal modernization construction. The establishment of the People’s Republic of China in 1949 marked a symbolic turning point, bringing an end to the century-long downward trajectory and initiating an “upward” historical development trend. Following another 70 years of strenuous efforts, China has successfully cultivated its inherent impetus for modernization, and the gradual trajectory of China’s modernization construction has proven effective. By 2018, China had achieved the initial phase of modernization takeoff, aligning itself with global trends. Presently, modernization construction in China stands as an irreversible historical trend, with an increasingly modernized China exerting a growing and widespread impact on the world.

## 2 THE EARLY MODERNIZATION PERIOD IN CHINA

### 2.1 *Fundamental Characteristics of Early Modernization in China*

#### (1) Low-level development of modernization

Early modernization in China encompasses the period from the 1860s to the 1940s within the broader framework of China’s modernization process. To comprehend the fundamental characteristics of early modernization, it is essential to analyze this phase within the context of modern China’s evolution. This examination enables a more effective illustration of its key features and its significance in the overall trajectory of modern Chinese history.

The fundamental context of modern Chinese social evolution is characterized by the concurrent advancement of low-level modernization and the escalating prominence of the national movement.

The proposition of the “low-level development of modernization” carries multiple layers of meaning. Firstly, it suggests that, apart from a brief period marked by significant foreign military invasions, such as the comprehensive Japanese aggression over eight years, China’s early modernization process remained continuous and generally progressive. This continuity is exemplified by the consistent increase in newly added national capital: 3.6 million yuan in 1872, 2.797 million yuan in 1880, 44.958 million yuan in 1885, 120.49 million yuan in 1890, 421.94



million yuan in 1895, 309.8 million yuan in 1900, 1481.34 million yuan in 1905, and 494.47 million yuan in 1910. Using the example of newly established national factories and mines: 1 in 1872, 1 in 1880, 2 in 1885, 7 in 1890, 17 in 1895, 10 in 1900, 54 in 1905, and 10 in 1910.

The second layer of meaning behind “low-level development of modernization” implies that, in terms of the pace of modernization progress, China experienced a notably slow trajectory, causing its economic strength to progressively lag behind other modernized countries. This is evident in China’s relative share of global manufacturing output: 19.7% in 1860, 12.6% in 1880, and 6.2% in 1900. Calculating the index of industrial levels by population, China scored 4 in 1880 and 3 in 1990.

The third layer of meaning suggests that, concerning the content of early modernization in China, it was irregular and characterized by a significant degree of deformity. Various factors have determined that in a semi-colonial and semi-feudal country like China, “there will never be phenomena such as enterprises competing to grow and production rationalization.” During this period, China failed to establish a complete industrial system, with an overemphasis on light industry and a relative neglect of heavy industry. Moreover, the prevailing situation involved “thousands of enterprises still relying mainly on manual rather than capital-intensive technologies.”

The occurrence of this “low-level development” in China’s early modernization was determined by a series of specific internal and external factors at that time.

The development of any nation, as long as it has not perished, is undoubtedly determined by both internal and external factors. Going further, every nation, as long as it has not perished, has the same common characteristics as other nations, namely, the potential for endogenous development. Therefore, the most basic driving force for development lies within the nation, not elsewhere. External factors such as pressure can certainly promote or hinder development, but these external factors need to be internalized into endogenous power or internal resistance. Once external factors are “internalized,” their external significance no longer exists, and they become an integral part of that nation. This endogenous nature of modernization is crucial for late-developing countries. However, some schools of modernization theory have not correctly understood this issue. Instead, they often mistakenly view external inducements and pressures as the basic driving force for early modernization in late-developing

countries, not realizing that these external inducements cannot have much effect unless they are converted into internal driving forces. The internal and external factors intertwining to cause the low-level development of early modernization in China were extremely complex. Initially, external factors served as a driving force, directly initiating the early modernization process in China. Subsequently, due to the gradual development of endogenous power, internal factors gradually became the main factors influencing early modernization in China (of course, external factors continued to have an impact).

The beginning of China's early modernization was not entirely from within Chinese society but was inextricably linked to the invasion of foreign capitalism. The invasion of foreign capitalism forcibly changed the normal course of China's development, triggered the beginning of Chinese modernization, and objectively produced some positive effects on the sustained development of China's early modernization. This issue can be explained at least from two perspectives. On the one hand, foreign capitalism exerted increasing pressure on China to break away from the old mode of production and pursue early modernization construction. “What the reactionary regret most is that the bourgeoisie has cut off the national foundation under the feet of industry. The ancient national industry has been eliminated and is still being eliminated every day. They have been pushed out by the new industry, and the establishment of the new industry has become a matter of life and death for all civilized nations.” Therefore, in order to survive, the Chinese must carry out the construction of modernization, “commerce and mining should be planned, otherwise they will be rich and we will be poor. The manufacture of tools should be refined, otherwise they will be skillful and we will be clumsy. Steamships, boats, and telegraphs should be developed, otherwise they will be fast and we will be slow.” On the other hand, foreign capitalism provided China with an essential reference system for early modernization. Within China's traditional society, it was impossible to find advanced references for modernization construction. At that time, this reference could only come from capitalist countries abroad, unintentionally provided by these capitalist countries. In the 1860s, “social productivity showed new content, and China finally produced capitalist enterprises.”

Simultaneously, the incursion of foreign capitalism posed substantial and nearly comprehensive impediments to China's early modernization process. “Even when the resulting pressures did not eventuate in the

imposition of colonial status, numerous restrictions such as extraterritoriality privileges of the resident citizens of Western developed nations and lack of tariff autonomy were imposed on the sovereignty of the native societies.”

Firstly, there was a severe erosion of Chinese national sovereignty.

During this period, China “reached a stage of national degradation so low that she still retained few of the attributes of a sovereign and independent state.” Foreign powers continued to control China’s customs duties, and they exercised consular jurisdiction in leased territories. The diplomatic envoys (foreign missions) established after the Boxer Protocol “evolved from diplomatic representatives into a potent force in domestic affairs. They represented the collective will of the foreign powers and thus influenced the political fluctuations of Chinese society.” In the Russo-Japanese War of 1904–1905 in the northeastern region of China, both nations deployed nearly a million troops, resulting in an immense loss of life and property for the local population. Additionally, foreign powers, particularly Japanese militarism, heightened their territorial ambitions in China. The War of Resistance against Japanese Aggression launched by Japanese militarism in 1937 inflicted enormous disasters on China. “In this war, China suffered significant national sacrifices, with total military and civilian casualties exceeding 35 million, direct economic losses surpassing 100 billion U.S. dollars, and indirect economic losses of 500 billion U.S. dollars.” Clearly, the gradual loss of China’s national sovereignty rendered the government powerless to protect Chinese national industries, fundamentally making the success of China’s modernization construction nearly impossible. As Toynbee pointed out, “the loss of the power of self-determination is the last sign of decline.” While Toynbee made this judgment when discussing the civilization of the community, it is also relevant to people’s understanding of the harm caused by the loss of national sovereignty.

Secondly, there were enormous war indemnities.

Since the Opium War, China consistently ceded territory and paid indemnities to foreign powers, with the amounts escalating over time. The Treaty of Shimonoseki in 1895 stipulated a historically high indemnity of 200 million taels of silver. The Boxer Protocol of 1900 set another historical record, demanding that China pay 450 million taels of silver, repayable over 39 years, totaling over 980 million taels with interest. If provincial indemnities of over 20 million taels were included, the overall amount exceeded 1 billion taels. These indemnities can be seen

as depleting China’s national treasury, exhausting its financial resources, significantly weakening its national strength, and practically stifling the future development of the Chinese economy. It is noteworthy that in 1913, the total amount of bureaucratic capital and national capital in China was only 250 million yuan. In 1908 (the 34th year of Guangxu’s reign), the fiscal revenue of the Qing Dynasty was 230–240 million taels of silver (ku-ping silver).

Third, there was direct economic aggression.

Foreign powers economically aggressed against China in various ways. Some of the more common methods included:

- Dumping of goods: China’s net imports from abroad increased nearly 3.5 times, from 2.68 billion yuan in 1895 to 15.79 billion yuan in 1927. The import value of means of production gradually increased.
- Establishment of factories and mines: Foreign powers, leveraging substantial capital, established numerous factories and opened many mines in China. Before the Sino-Japanese War of 1894–1895 (launched by Japanese imperialism to annex Korea and invade China), there were just over ten foreign-owned factories. By 1913, the number had surged to 166 sizable foreign-owned factories.
- Control of railways: In 1911, China’s total railway mileage was 9618.10 kilometers, with foreign powers directly operating or controlling operations for 93.1% of the mileage. In 1927, China’s total railway mileage expanded to 13,040.48 kilometers, with foreign powers controlling 92% of the mileage. In 1937, China’s total railway mileage was 21,036.14 kilometers, with foreign powers controlling 91.7% of the mileage.
- Establishment of banks: Before 1894, only Britain and Germany had 7 banks in China. From 1895 to 1913, this number increased to 9 countries and 13 banks, with 85 branches. The banks established by foreign powers gradually began to monopolize China’s financial lifelines.

These various forms of aggression significantly constrained the development of China’s national industry in practical terms. For instance, “after 1831, the colonial and semi-colonial nature of Chinese society

deepened. After the formulation of the February 1931 unified tax regulations, Japanese-owned cotton mills received special treatment. ...From 1931 to 1936, Japan either swallowed or actively expanded in China. Within five years, in the three largest cotton spinning centers of Shanghai, Tianjin, and Qingdao, Japan had gained or strengthened a superior position over Chinese businesses.” Consequently, not only were numerous national enterprises unable to establish themselves properly, but many of them eventually closed down and went bankrupt.

Since the 1860s, several factors conducive to modernization have emerged within Chinese society. Firstly, the weakening and division of feudal ruling class forces occurred. The impact of the Taiping Heavenly Kingdom and the assaults from foreign aggressive forces led to a rapid weakening of the ruling power of the Qing Dynasty. Some officials within the feudal ruling class, capable of recognizing the developmental tendencies of the new era, such as those involved in the Self-Strengthening Movement and certain Reformist factions, played a direct role in promoting early modernization. Secondly, there is the inherent presence of modernization elements. While the initial phenomenon of modernization in China did not directly originate from within Chinese society, once modernization took hold, it acquired unique characteristics and development patterns, becoming an essential component of modern Chinese society. Consequently, early modernization in China unfolded gradually according to its own developmental logic. Thirdly, a certain new environment emerged. Since the period of the Self-Strengthening Movement, China began to extensively introduce advanced science and technology, ideas, and culture from foreign countries, establishing modern schools and sending students abroad. This created new environmental factors. Additionally, new talents continued to emerge. These factors not only facilitated the initiation of early modernization in China but also provided direct driving forces for it.

Simultaneously, in the first half of the twentieth century, significant hindrances to China’s modernization process were posed by the backward feudal forces and the bureaucratic comprador bourgeoisie within the country.

Firstly, there was widespread backwardness and decline in rural areas.

Despite the emergence of some modern cities in China during that time, vast rural areas remained underdeveloped, with the rural population constituting the overwhelming majority. Feudal land ownership maintained overwhelming dominance, and for most peasants, the assurance

of their basic livelihood depended on owning a piece of land. However, the majority lacked sufficient land for their livelihood. Before 1949, landlords and rich peasants, constituting about 10% of the rural population, possessed 70% of the land, while the poor and middle peasants, comprising 90% of the rural population, owned only 30% of the land. Additionally, “the land owned by landlords and rich peasants was mostly high-quality, irrigated land, while that owned by the vast poor peasants was mostly low-quality, rain-fed land.” Those lacking sufficient land had to rent it, and the land rent was excessively high.” During the Republican era, the rent rate for actual produce accounted for around 50% of the per-acre yield, reaching as high as 70–80% in some southern counties. Peasants who leased land found themselves with meager sustenance after relinquishing over half of their harvest to the landowning class. Coupled with low grain production and the absence of essential social safety nets for peasants at that time, their lives were undeniably rife with hardship. Qibai Shi’s recollection of his family’s situation vividly depicts the fundamental plight of the majority of peasants during that period: “Our family was very poor! We had no choice but to venture into the mountains to gather firewood, sell it for a pittance, and provide for our needs. That’s how our family managed to survive. In those years, the poor had no hope of improvement. Peasants remained peasants for generations, and if you were poor, you stayed poor forever!”.

Secondly, warlord turmoil and widespread banditry were prevalent.

From the time after Yuan Shikai to 1928, during the period when Zhang Xueliang “changed flags” in the northeast, the nation was essentially out of control, with warlords of various sizes and strengths engaging in incessant conflicts. “Warlords from different factions either colluded, forming alliances, or had conflicting interests, resulting in open and hidden struggles. The phrase ‘Three small battles a year, one major battle every three years’ encapsulates the continuous small and large-scale conflicts that persisted.” The warlords’ civil war not only seriously damaged productivity and exhausted the national treasury but also imposed a variety of exorbitant taxes on the people, plundering their wealth and plunging them into a life of hardship. The breakdown of society led to the rise of banditry, which further exacerbated social unrest and caused people to live in fear. A scholar recalled his experiences in his hometown as follows, “At that time, the warlords were fighting in the central plain. The rural government was in name only. County magistrate hid in the county town, and there was no single policeman in the vast

rural areas. Bad people or those who were forced by poverty to take risks turned into bandits and ran rampant in the countryside. They kidnapped and extorted money, and they were very cruel.”

Thirdly, the corruption and incompetence of the nationalist government were notable.

The ruling base of the Nationalist government consisted of interest groups such as high-ranking officials, the landlord class, and the wealthy, rather than the majority of the population. “The class foundation of the Kuomintang regime was the feudal landlords in rural areas and the urban comprador, big bourgeoisie. Its economic basis was state-monopoly capitalism, incompatible with the demand for the free development of national capitalism.”

The Kuomintang (KMT) government was characterized by a strong sense of family-state integration. Jiang Jieshi exercised personal dictatorship, and he could almost arbitrarily control the vast national wealth, decide the promotion, departure, or even life and death of someone’s position. His relatives, such as Jiang Jingguo, Song Ziwen, Kong Xiangxi, respectively wielded important powers in party affairs, administration, finance, and diplomacy. “It is estimated that bureaucratic capital accounted for about 80% of the national industrial capital.” The four major families of Jiang, Song, Kong, and Chen largely controlled immense national wealth, and had already privatized public power. “The government excessively expanded state and bureaucratic capital, and at the expense of oppressing and plundering private capital.” “In terms of capital sources, the KMT government established and expanded state capital through three main avenues: taking over existing government-run enterprises, acquiring and controlling privately-run enterprises, and establishing new government-invested enterprises.” The majority of it came from the first two avenues. Moreover, due to neglecting the interests of the vast majority of the people, the KMT government could not undertake the widely anticipated land reform desired by the overwhelming majority of the population. In February 1949, Jiang Jieshi reflected on this, acknowledging that “I feel the pain of 20 years in power, the party and government institutions were conservative and corrupt,” and “have not made any progress in social and public welfare.” This reflection was not without reason, but it came too late.

The extensive corruption within the KMT government resulted directly from its prioritization of vested interest groups. A glaring illustration is the large-scale takeover of occupied areas following the victory

of the anti-Japanese War. “These officials were only concerned with their own interests in receiving enemy property, but they did not care about the suffering of the people who had suffered so much during the Japanese occupation. They openly competed with people for benefits, monopolized profitable goods and property, and shamelessly auctioned relief supplies for personal gain.” This transformed the large-scale reception into a “great robbery.” Scholars at the time pointed out, “During the Anti-Japanese War, everyone had a common vision of ‘victory’.” After the war, however, “the war started in their own homes, the turmoil was worse than during the Anti-Japanese War, and it seemed to have no end.” Those “who seized wealth or claimed victory wealth acquired it forcefully, spent it recklessly, and quickly depleted what they had spent. Although these individuals may not have been poor before, they became affluent. As a result, the wealthy became so affluent, soaring to heights akin to the thirty-third heaven, while the poor became impoverished, plummeting to depths comparable to the eighteenth layer of hell.” Furthermore, the KMT government, lacking fundamental governance capabilities, experienced a complete failure in economic and financial policies. For instance, the KMT government’s “currency reform” in 1948 directly led to a rare outbreak of hyperinflation, and “prices soon rose 85,000 times in six months.” Clearly, such a corrupt and incompetent regime could not maintain a legitimate basis, and it was not only a matter of time before it was abandoned by the people.

Under the dual oppression of foreign powers and domestically entrenched backward social forces, China found itself in a precarious state. The nation’s foundation was shaky, its landscape was shattered, and its people suffered immense hardship. This dire situation mirrored Wen Yiduo’s depiction in his poem “Dead Water,” where he evokes a landscape of despair, “a trench where not even the gentlest breeze can stir a ripple.” The extremely underdeveloped economic base made it difficult for China to accumulate capital effectively, a prerequisite for modernization. “The accumulation of savings in China at that time was still in its early stages. The vast majority of the agricultural population, accounting for 90% of the total population, lacked the capacity to save. Moreover, a few affluent individuals were unfamiliar with the banking system. As a result, the banking system was only able to absorb limited funds from large and medium-sized cities, and could not effectively transform idle social funds into productive capital.”



In that era, China's capital accumulation was ensnared in a vicious cycle comprising two interlinked challenges. On the supply side, low income resulted in low savings capacity, leading to low capital formation, low productivity, low output, and low income. On the demand side, low income translated into low purchasing power and insufficient investment incentives, further exacerbating the issue of low capital formation, low productivity, low output, and low income. This cycle posed a formidable obstacle to China's modernization efforts during that period.

Furthermore, China's domestic industry faced unfair competition from the formidable economic strength of foreign powers. Crucially, the national political authority at the time, rather than fostering modernization, actively sought to plunder the wealth of the people, including indigenous entrepreneurs. It is therefore not surprising that modernization in China proceeded at a glacial pace under such circumstances. By the 1940s, China's century-long decline had reached its nadir. The nation not only teetered on the brink of collapse but, following the victory in the War of Resistance Against Japanese Aggression, the extreme corruption and incompetence of the national political regime resulted in the utter disintegration of the social order upon which the populace's survival depended, plunging the country into a devastating civil war.

To summarize, while favorable internal and external factors for early modernization in China were indeed limited, they never completely vanished. However, these favorable factors were constantly counterbalanced by persistent obstructive internal and external factors. This interplay of opposing forces ultimately shaped the most fundamental characteristic of early modernization in China: its low-level development.

## (2) The Burgeoning Nationalist Movement

As China embarked on its path toward early modernization, a critical issue arose: while advocates of modernization sought to extricate China from its state of low-level development, another pivotal and contemporaneously evolving theme in modern Chinese history gained prominence—the burgeoning nationalist movement. This surge stemmed from the realization that “eliminating national oppression is a fundamental condition for all healthy and free development.”

The burgeoning nationalist movement in modern China signified a surge in participation, intensifying momentum, and widening and

deepening societal impact. Simultaneously, the movement's "modern" significance gained prominence, diverging from traditional justifications for national wars and ultimately severing ties with them.

Factors contributing to the burgeoning nationalist movement can be broadly categorized into two distinct aspects: external pressures, represented by the relentless intensification of foreign aggression, and internal challenges, manifested in the low-level development of early modernization in China. While both factors played a role, the latter emerged as the more significant driver.

Prior to 1949, China's limited progress in early modernization gradually fostered the most potent nationalist mobilization in modern Chinese society. For any nation, particularly a vast one, achieving national independence necessitates extensive mobilization to amass sufficient national strength to break free from the shackles of foreign domination. Analyzing the nationalist mobilizations in modern China reveals that the presence of an advanced social force capable of galvanizing and organizing the masses proved to be a crucial determinant. This advanced social force emerged gradually during the process of low-level modernization. The modernization movement during the Self-Strengthening Movement era gave rise to an advanced social force, leading to a distinct form of nationalist mobilization. However, due to the limited numbers and concentrated nature of this force within the upper echelons of society, significant constraints arose, resulting in a limited scope of nationalist mobilization. Subsequently, the Reformists emerged, conducting a broader nationalist mobilization than their predecessors, but still lacking direct engagement with the masses, preventing the formation of widespread mobilization. Almost simultaneously, peasants entered the stage of nationalist independence, but lacking guidance from an advanced social force, they quickly met with failure. Later, with the preliminary unfolding of Chinese modernization, the bourgeois revolutionary forces gained the capacity to organize nationalist mobilization, achieving an unprecedented scale of mobilization. However, their failure to align with the peasantry ultimately led to their defeat. Following the May Fourth Movement, the initiation of early modernization in China produced the Chinese Communist Party as the most advanced social force. This force alone could form a robust alliance with the peasantry. Given that most of China's population comprises peasants, who were the primary victims and participants in nationalist oppression and class conflicts, peasants became a decisive force in modern China's nationalist movement, even though they were

not an advanced social force. “China’s democrats would achieve nothing without the support of the 360 million peasant masses.” The alliance between the proletariat and peasants formed the most effective nationalist mobilization in modern Chinese society, resulting in the most extensive and far-reaching impact on modern China’s nationalist movement and ultimately securing victory.

The low-level development of early modernization in China endowed the modern nationalist movement with increasingly “modern” significance, gradually separating it from traditional nationalist consciousness. This can be understood in three ways: firstly, China’s modern nationalist consciousness began to take shape. In the 1840s and 1850s, while early figures like Lin Zexu and Wei Yuan exhibited a sense of national pride and opposition to foreign encroachment, their understanding of the harm caused by foreign capitalist aggression and unequal treaties was not fully developed, leaving their nationalist consciousness rooted in traditional notions of sovereignty and territorial integrity. However, as early modernization unfolded in the post-1860s era, the Chinese people’s modern nationalist consciousness gained more clarity and depth. They began to recognize the specific implications of national sovereignty, such as control over customs and tariffs, the need for autonomous tariff policies, and the abolition of extraterritoriality for foreigners. Furthermore, they understood the necessity to nullify unequal treaties that undermined national territorial sovereignty. Alongside this growing sense of national subjectivity, a genuine openness emerged, recognizing that national advancement necessitated integration into the global community and the adoption of advanced elements from other nations. Secondly, people gradually established the goal of building an independent modernized nation. As early modernization progressed, a historical consensus emerged: a powerful and prosperous nation must be modernized. Without modernization, China would remain mired in poverty and unable to achieve true independence. Thirdly, people identified anti-imperialism and anti-feudalism as the fundamental tasks for achieving national independence. During the low-level development of early modernization, people came to realize that there were two main factors that hindered the normal development of modernization: foreign capitalist aggression and domestic feudal oppression. As a result, the Chinese people increasingly focused their struggle against these principal

adversaries. They saw anti-imperialism and anti-feudalism as the fundamental path to achieving national independence and overcoming the low level of modernization.

In summary, the low-level development of early modernization in China facilitated nationalist mobilization and imbued the nationalist movement with “modern” significance. Therefore, without a doubt, the specific process of China’s low-to-high-level development of early modernization determined the burgeoning nationalist movement in modern China.

Examining the reciprocal relationship, the nationalist movement in modern China significantly influenced the early modernization process. The movement played a direct role in resisting foreign capitalist aggression, ensuring that China did not succumb entirely to colonization. Furthermore, it delivered successive blows to feudal forces. These dynamics allowed for the sustained progression of China’s early modernization at a low level. Crucially, the nationalist movement ignited enthusiasm for early modernization, consistently creating an indispensable “momentum” within the modernization process. Each peak of the nationalist movement corresponded to notable advancements in China’s early modernization. For instance, during the surge of the Wuxu Reform Patriotic Movement from 1894 to 1898, modern national industries experienced a sudden expansion. In 1893, the newly formed national capital amounted to 360,000 yuan, rising to 3.18 million yuan in 1894, 4.22 million yuan in 1895, 5.92 million yuan in 1897, and 3.88 million yuan in 1898. In 1905, as the movement against American goods and the reclaiming of national rights gained momentum, modern national industries also underwent significant development. In 1904, the newly formed national capital reached 5.22 million yuan, increasing to 14.81 million yuan in 1905, 21.28 million yuan in 1906, 14.57 million yuan in 1907, and 22.53 million yuan in 1908.

Evidently, the prerequisites for normal modernization include national independence, unity, and people’s liberation. Consequently, the pursuit of national independence, state unity, and people’s liberation became the widespread aspirations and pursuits of the primary social groups in China at that time. Additionally, some progressive social forces compatible with modernization began to emerge, facilitating the dissemination and popularization of modern ideas. Against this backdrop, from the 1890s to the first half of the twentieth century, the nationalist liberation movement

with anti-imperialism and anti-feudalism as its main objectives gradually gained momentum.

The burgeoning nationalist liberation movement propelled China toward the realization of its aspirations for national independence, state unity, and people's liberation. In the 1940s, China made significant strides toward national independence by dismantling unequal treaties and assuming a prominent position as a founding member of the United Nations. This marked a crucial step in fulfilling the nation's long-held dream of self-determination. After years of relentless struggle, the founding of New China in 1949 marked a pivotal turning point in Chinese history. This momentous event signaled the end of China's downward spiral, which had commenced with the Opium War in 1840 and persisted for over a century. Scholars have astutely observed that "modern China concluded with the failure of Chinese capitalism to achieve genuine development. The emergence of socialist China marked the culmination of modern Chinese history."

With the establishment of New China in 1949, China embarked on a transformative journey of national renaissance, marking the fulfillment of its aspirations for independence, unity, and liberation. This momentous event ushered in a new era of upward development, with profound implications for the nation's trajectory and global standing. As Mao Zedong stated, "Our nation has joined the family of nations that cherish peace and freedom. We will work diligently to build our own civilization and happiness, contributing to world peace and freedom. China will no longer be humiliated. We have stood up."

In conclusion, the history of modern China unfolds as a narrative of interconnected and simultaneous developments—China's early modernization at a low level and the advancing nationalist movement. When these two forces converged and reached a critical juncture, China embarked on a transformative leap into a new era characterized by national independence and the transition from a "low-level" modernization trajectory to a path of healthy and sustainable development.

## 2.2 *Some Specific Characteristics of China's Early Modernization*

The fundamental feature of China's early modernization, characterized by its low-level development, coupled with the burgeoning nationalist movement, determines several specific traits in the process of China's early modernization:

## (1) Aspirational pursuits surpassing practical construction

In the course of China's early modernization, a stark contrast emerges between aspirational pursuits and actual construction. In 1894, the total capital of China's national industries was 7.1 million yuan; by 1913, it had risen to 162 million yuan. Needless to say, this constituted a small proportion of the entire national economy, making it challenging to exert a significant impact. Moreover, the modernization level of these industries was insufficient, with national enterprises displaying strong feudal characteristics. Many modern national industries raised funds and stabilized capital in a manner reminiscent of “official benefits.” In contrast to this practical construction scenario, advanced individuals in China exhibited a high degree of enthusiasm for modernization. The reformists proposed a blueprint for a modern society with the establishment of a systematic modern industrial and commercial system and a parliamentary system as its main components. Revolutionary figures like Sun Zhongshan outlined a comprehensive strategy for the specific development of modernization in China. It is noteworthy that these modernization blueprints had a profound and far-reaching impact on the entire modern Chinese society, especially in terms of motivational influence.

The root cause of this contrast lies in the burgeoning nationalist movement. The influence of the nationalist movement on advanced individuals directly involved in it is immense. Consider the prevailing sentiment in modern China: “China, with forty million people, has no distinction between the noble and the lowly. Today, we are like birds in a cage, fish in a pot, or prisoners in a cell, slaves to others, driven and slaughtered at will. This strange change, unprecedented in twenty dynasties over four thousand years, compounded by the decline of the sacred teachings and the extinction of the race, is a great and painful calamity. Truly, words cannot express it.” The anxious desire for salvation and survival arising from this urgent sense of impending peril inevitably transforms into a powerful nationalist passion. Under the influence of nationalist fervor, batches of advanced individuals become representatives of the entire national interest. This, to a considerable extent, overcomes the immaturity of their class foundation, thereby creating blueprints for rescuing the nation and the people that appear to surpass the actual progress of early modernization. However, China's early modernization process was inevitably constrained by a multitude of internal and external factors,

resulting in a state of low-level development. Hence, an unmistakable contrast between these two aspects was bound to emerge.

Though the pursuit of modernization was deeply imbued with emotional fervor, it was, at the time, both necessary and logical. Its significance lay not only in its contribution to the actual progress of China's early modernization but, more importantly, in its growing power to mobilize the nation. However, it is crucial to acknowledge that even after a nation achieves independence and low-level modernization is overcome, paving the way for normal modernization, the inertia of emotionally charged aspirations may linger. It is noteworthy that "this emotion, in ordinary situations and everyday life interactions, tends to view the community as the fundamental basis and objective." Thus, if the focus is not swiftly shifted to modernization construction and modernization is not advanced in accordance with its own principles, there is a high risk of either eroding the foundation of the modernization process or resorting to reckless activism, ultimately hindering the actual advancement of modernization.

## (2) Evident binary structure

The early modernization process in modern China exhibits a distinct binary structure. Generally, any country undergoing modernization, especially in its early stages, encounters social phenomena characterized by duality—where two markedly different entities coexist within a defined domain. This phenomenon is particularly pronounced and prominent in the early modernization process of China. The low-level development of modernization in contemporary China results in a lack of sufficient diffusion and penetration of modernization itself. Consequently, the destructive impact on traditional elements is notably inadequate. Moreover, the burgeoning nationalist movement in modern China primarily focuses on establishing a necessary prerequisite for the normal development of modernization rather than directly defining the content of modernization. This directly gives rise to an overarching binary structure problem: "the coexistence, under conditions of continuous social change, of different social sectors, especially of a disorganized traditional one and a similarly unbalanced and unintegrated modern one."

The binary structure of early modernization in modern China is primarily manifested in the contrasting relationship between relatively

advanced modern industry and backward traditional agriculture. While China's modern national industry may not yet dominate the entire national economy, it has outpaced traditional handicrafts thanks to its superior capital and technological capabilities. In contrast, the agricultural sector presents a vastly different scenario. Despite facing various challenges, the fundamental economic nature of modern Chinese agriculture has remained largely unchanged. Before 1949, "the exploitative relationship in the Chinese rural rent and tenancy system was feudal exploitation. ... Capitalist exploitation also existed in Chinese rural areas, but its scale was considerably smaller compared with feudal exploitation." Moreover, it is worth noting that "China's rural productivity not only failed to progress but rather worsened, as evidenced by frequent famines, declining yields per acre, and increasing barren land." This agricultural backwardness poses severe obstacles to the growth of modern national industries by restricting the domestic market for national industries, hindering capital formation to a significant extent, and depriving urban industries of the essential grain supplies required by the urban population.

The binary structure of early modernization in China is also reflected in the realm of ideological concepts. On one hand, modern Chinese society witnessed a dynamic evolution in advanced ideological developments, progressing rapidly from the "Chinese essence with Western applications" of the Self-Strengthening Movement to the constitutional monarchy ideology of the Reformists, further expanding into the Three Principles of the People advocated by revolutionaries, embracing the "science and democracy" ideology of the May Fourth Movement, and ultimately culminating in the New Democracy ideology of the Communists. "This 'metabolic phenomenon' underscores the intellectual world's rapid transformation over a span of fifty years, demonstrating its growing vitality and robustness." On the other hand, traditional ideologies remain deeply ingrained. Old ideological concepts are not only upheld and practiced by the feudal ruling class but are also widely accepted by the majority of the population.

The binary structure of early modernization poses a significant obstacle, hindering not only the progress of modernization but also potentially distorting its very essence. Once established, this structure exhibits considerable inertia, persisting even as modernization enters a new stage. As one scholar aptly observed, this dualism "is chronic and not merely transitional. It is not due to a temporary phenomenon, in which case time could eliminate the discrepancy between superior and inferior



elements.” Addressing this persistent binary structure is crucial for the effective advancement of modernization. This entails narrowing the gap between these opposing components, preventing further widening of the divide, mitigating its negative impact on the normal course of modernization, and ultimately eliminating this binary structure altogether.

### (3) Pervasive conflicts

Unlike early-industrialized nations (such as England and France) and typical colonial nations, the early modernization process in China was marked by a pervasive and multifaceted conflict landscape. This conflict manifested in varying degrees, with some aspects being overtly visible and others subtly concealed.

These conflicts can be broadly classified into two categories: nationalistic conflicts and conflicts between new and old elements. Nationalistic conflicts, primarily characterized by the clash between China and foreign powers, were intensely evident. In contrast, conflicts between new and old elements, while predominantly pronounced, also included a degree of complexity, secrecy, and subtle expression.

Why do certain conflicts between new and old elements temporarily remain concealed? In modern China, despite the existence of various conflicts, conflicts of a nationalistic nature overwhelmingly prevail, as “the contradiction between imperialism and the Chinese nation is the most principal contradiction among all contradictions.” The Western policy aims to continually enhance its influence in Chinese politics and economy. Faced with the intimidating threat of Western invaders, “a harkening back to the past may be a crucial way of trying to survive as a people: of preserving identity and integrity in the face of powerlessness, decimation, and degradation.” At that time, tradition was closely intertwined with the essence of the old era. Preserving tradition did not necessarily imply embracing conservatism. Some backward individuals, while resisting new elements, prioritized opposing foreign aggression, leading them to staunchly uphold tradition. Additionally, national traditions held numerous elements of value, potentially encouraging some progressive individuals to embrace tradition for identity purposes. Under the unifying banner of nationalism, social forces with a “modern” orientation could potentially forge alliances with certain old, backward social forces. Together, they could confront foreign aggression. In this context,

conflicts between new and old elements might be temporarily mitigated and veiled to a certain extent.

The latent conflicts between new and old elements are only temporarily concealed and not eliminated. This can have adverse effects on the contemporary or subsequent processes of modernization. “Nationalism, a modernizing force in societies struggling for unity and independence, easily becomes a force for conservatism and oppression once nationhood is achieved.” This transformation occurs because within nationalism, old and backward elements often exert a corroding or distorting influence on new and modern forces. This occurs due to the tendency for compromise between these opposing forces, often without a clear awareness of the concessions being made. From the perspective of new elements, such compromises imply a dilution of their “modernity.” For old elements, preserving seemingly necessary backward factors indirectly supports the existence of other outdated elements that should be eradicated. Since old factors are products of a bygone era and their nature is at odds with new elements, the crucial point is that these backward old factors possess a certain intrinsic interconnectedness—they are often interlinked and mutually restrictive. Therefore, once other old factors face challenges, the preserved portion of old factors will vehemently support the impacted old factors, aiding them in returning to their original state. Consequently, the process of modernization becomes even more challenging.

#### (4) Excessive oscillation

In comparison to early-industrialized nations (such as England, France, and the United States), the modernization process in later-developing nations is characterized as “neither regular nor cumulative. Instead, it often exhibits an erratic and uneven trajectory. This pattern, characterized by episodes of rapid growth punctuated by abrupt halts, is particularly evident in China’s modernization experience before 1949. Despite its overall slow pace, China’s modernization process would occasionally witness sudden bursts of rapid development. One notable example is the period spanning the outbreak of World War I to the post-war years (1915–1921), during which China’s modern industries experienced a surge in investment, accounting for an astounding 60–70% of total industrial investment. However, these periods of accelerated growth were invariably short-lived, quickly reverting to a more gradual pace of progress.

This situation is not solely attributed to direct economic aggression from foreign powers but is intricately linked to the three characteristics of the modernization process in contemporary China. Given the prioritization of intentional pursuit over practical construction, the existence of a dual structure, and the proliferation of numerous points of conflict, the modernization process in modern China inevitably lacks a stable internal driving force and lacks smoothness in the development order, thereby exhibiting a scenario of excessive oscillation.

### 3 THE EXPERIMENTAL PHASE OF CHINESE MODERNIZATION

In general, the period from 1949 to 1978 spans 30 years and can be characterized as the experimental phase of Chinese modernization. The term “experimental” is employed because during this period, China’s modernization displayed a noticeable inclination toward “independent” exploration (though not yet reaching a stage of conscious advancement) on a large scale, as opposed to the previous “reactive” responses. Additionally, the strategies for advancing modernization underwent frequent changes, leading to a considerable degree of oscillation in the actual process of modernization.

#### *3.1 Prominent Features of the Experimental Phase of Chinese Modernization*

Regarding the content of modernization itself, this period’s modernization efforts exhibit two prominent features. Firstly, there is a strong emphasis on promoting social equality. Secondly, there is an irregular and high-speed progression in the economic modernization construction.

##### (1) A Strong Emphasis on Advancing Social Equality

A defining feature of China’s modernization efforts during this period was a concerted and far-reaching pursuit of social equality.

In the 1950s, China underwent a large-scale social reconstruction, achieving a preliminary and widespread promotion of social equality. This was notably manifested in unprecedented land reforms that dismantled the deeply rooted feudal landownership system spanning over two

millennia, liberating a substantial number of farmers. Additionally, a new labor relationship was established, leading to the initial but widespread attainment of equal social status for a significant number of workers. The abolition of the unequal marriage system, prevailing for thousands of years, and the substantial development and popularization of mass education marked transformative changes. Collectively, these measures revitalized the entire society, significantly liberating social productive forces.

However, it is crucial to recognize that the progress in social equality during this period had certain limitations. To a considerable extent, it constrained the freedom of society members, resulting in a situation characterized by a "relatively heavy emphasis on equality and a relatively light emphasis on freedom." Consequently, this imbalance had increasingly evident adverse effects on China's modernization.

## (2) Irregular and High-Speed Progression of Economic Modernization

The second salient feature of the modernization efforts during this period is the irregular and high-speed progression of economic modernization. This is notably evident in several aspects:

- **Rapid Growth in Economic Strength:** By assessing the figures at the prices prevailing in the respective years, China's social GDP and national income in 1952 were 101.5 billion yuan and 58.9 billion yuan, respectively. In 1978, these values rose substantially to 684.6 billion yuan and 301 billion yuan. When considering comparable prices, the indices for social GDP and national income, taking 1952 as the base year, were 726.3 and 453.4 in 1978, respectively. Calculated based on comparable prices, from 1953 to 1978, China's social GDP witnessed a growth rate of 7.9%, the national income grew at 6.0%, and the GDP increased by 6.0%. It is acknowledged that during this period, China's economic strength exhibited a relatively high growth rate. To illustrate this point, a comparison with the economic growth of some major countries worldwide is informative. Taking the average growth rate of Gross National Product (GNP) as an example, from 1960 to 1969, the United States, Japan, and India had rates of 4.1%, 11.2%, and 3.6%, respectively. From 1970 to 1981, the corresponding rates were 2.8%, 5.2%, and 3.9%. In

the capitalist world, the average growth rate of GNP from 1960 to 1970 was 5.2%, and from 1970 to 1977, it was 3.7%. Examining the average growth rate of national income during the same periods, the Soviet Union, Poland, East Germany, Czechoslovakia, Hungary, Romania, and Bulgaria recorded rates of 7.2%, 6.0%, 4.4%, 4.4%, 5.4%, 8.3%, and 7.6% from 1961 to 1970, and 4.9%, 5.4%, 4.7%, 4.6%, 4.9%, 9.2%, and 7.0% from 1971 to 1980. This comparison underscores that China's economic strength indeed positioned itself at the forefront globally during this period.

- **Inefficiency in Economic Modernization Achievements:** The economic modernization endeavors in China over the last three decades were fundamentally propelled by an extensive development approach rather than an intensive one, inevitably resulting in the inefficiency of the outcomes of economic modernization. This inefficiency is primarily manifested in high input-low output dynamics and high costs yielding low benefits. The proportion of material consumption to the total social output exhibited a gradually increasing trend: during the “First Five-Year Plan” period, it was 44.3%; in the “Second Five-Year Plan” period, it rose to 50.8%; from 1963 to 1965, it reached 48.6%; during the “Third Five-Year Plan” period, it was 48.1%; in the “Fourth Five-Year Plan” period, it escalated to 51.8%; and during the “Fifth Five-Year Plan” period, it peaked at 56.1%. The tax and profit realized per hundred yuan of capital in state-owned enterprises experienced a gradual reduction: during the “First Five-Year Plan” period, it was 29.4 yuan; in the “Second Five-Year Plan” period, it remained at 29.4 yuan; from 1963 to 1965, it decreased to 16.5 yuan; during the “Third Five-Year Plan” period, it rose to 18.9 yuan; in the “Fourth Five-Year Plan” period, it was 18.7 yuan; and during the “Fifth Five-Year Plan” period, it decreased to 15.5 yuan. The product output value per ton of standard coal provides another dimension to this inefficiency: in 1960, China's value was 168 US dollars, while Japan and India recorded values of 434.5 and 485 US dollars, respectively. By 1970, China's value increased to 267.1 US dollars, with Japan and India reaching 510.9 and 516.5 US dollars, respectively. This inefficiency further manifested in the sluggish improvement of labor productivity. “During the period 1952–1982, China's comprehensive factor productivity growth, compared with other developing countries, was generally low, even though certain sectors and periods

exhibited better performance than others.” Calculated at comparable prices, the index of average net output value per industrial worker was 100 in 1952 and rose to 409.3 in 1978. In contrast, the index for agricultural workers was 100 in 1952 and merely 102.9 in 1978. In summary, the increment in labor productivity during this period was minimal, making it incomparable to the growth rates of social output, national income, and Gross Domestic Product (GDP).

- **Unreasonable Industrial Structure:** A conspicuous manifestation of the inefficiency in economic modernization during this period is the severe imbalance in the proportion of agricultural, light, and heavy industries. The focal point of economic modernization in this era was evidently centered on heavy industry. “Our country’s economic development revolves around heavy industry, and this must be affirmed.” In the initial stages of modernization, it is rational to prioritize the development of heavy industry. Only by solidifying the foundation of heavy industry can effective modernization of agriculture and light industry be achieved, subsequently propelling their modernization. However, in the specific course of economic modernization in our country during this period, whether viewed from the perspective of infrastructure investment or growth rates, the proportions among agriculture, light industry, and heavy industry were excessively disparate. Taking the total investment as 100, the respective proportions during the “First Five-Year Plan” period were 7.1:6.4:36.2; during the “Second Five-Year Plan” period, they were 11.3:6.4:54; from 1963 to 1965, they were 17.6:3.9:45.9; during the “Third Five-Year Plan” period, they were 10.7:4.4:51.1; during the “Fourth Five-Year Plan” period, they were 9.8:5.8:49.6; and during the “Fifth Five-Year Plan” period, they were 10.5:6.7:45.9. The output value indices for agriculture, light industry, and heavy industry were all 100 in 1952, and when calculated at comparable prices, by 1978, the indices were 199.8 for agriculture, 1005.2 for light industry, and 2879.5 for heavy industry. The disproportionate dominance of heavy industry inevitably led to a substantial reduction in funding crucial for the development of agriculture and light industry, hindering their smooth development. Moreover, the issue extends beyond this; the structure of heavy industry itself is unreasonable, aligning with a self-serving model. Heavy industry has failed to play the necessary catalytic role for agriculture and light industry. For instance, from 1952 to 1979, the proportion

of national investment in heavy industry allocated to agricultural machinery, pesticides, and fertilizers was a mere 8.5%. Apart from the severe imbalance in the proportion of agricultural, light, and heavy industries, the irrationality of industrial structure is further evident in the relatively sluggish development of other sectors of social production such as construction, transportation, and commerce. Taking the indices of output values for construction, transportation, and commerce as 100 in 1952, when calculated at comparable prices, by 1978, the indices were 995.5 for construction, 700.9 for transportation, and a meager 344.8 for commerce.

- **Low Growth Rate of Personal Economic Income:** During this period, the growth in personal economic income was notably low. The index of the average wage for all workers, with the base year set at 1952 (100), only reached 110.3 by 1978. The improvement in the standard of living was also comparatively modest. Calculated at comparable prices, the national index for residents' consumption levels, with the base year set at 1952 (100), increased to 177 by 1978. This included a sub-index of 157.6 for rural residents and 212.6 for non-agricultural residents. Turning attention to personal savings, in 1978, the average urban per capita deposit was a mere 89.8 yuan, while rural deposits were a meager 7 yuan. The growth rates in personal economic income and consumption levels, whether compared with the increases in social total production, national income, and gross national product, or juxtaposed with the improvement in labor productivity, exhibited a distinctly sharp contrast.
- **Cyclical Fluctuations in Economic Development:** Reflecting on the economic development process of China over the past 30 years reveals a conspicuous cyclical pattern in the modernization efforts. This cyclicity appears as a relatively fixed recurring cycle, characterized by phases of rapid growth—economic downturn and aftermath management—followed by renewed rapid growth—subsequent economic downturn and another phase of aftermath management, and so forth. During the phases of rapid growth, the investment growth rate often peaked, propelling not only industrial production but the entire social gross production into a phase of rapid expansion. This, in turn, led to tensions in resource and capital supply, with fiscal deficits beginning to emerge. Consequently, the

unsustainable pace of economic high-speed growth had to be moderated, transitioning inevitably into a phase of economic downturn and aftermath management. In this stage, there was a noticeable decrease in growth rates, even reaching negative values in some instances. Investment scales sharply contracted, alleviating the previously tense conditions in resource and capital supply. Attention shifted toward prioritizing light industry, and the proportion of consumption expenditures relative to the total increased. Once the economic situation returned to a state of normalcy, a new phase of rapid growth would commence, marking the recurrence of the cyclic pattern.

This irregularity had extensive and profound implications for Chinese society during this time and beyond.

### 3.2 *Other Characteristics*

In addition to the prominent feature of irregular and high-speed advancement in economic modernization during the experimental phase in China, several other distinct characteristics are noteworthy over these 30 years.

#### (1) Relative Insufficiency in Social Differentiation

Social differentiation, broadly defined, encompasses the increasing diversity and complexity of social divisions of labor that arise alongside economic modernization. Any nation embarking on modernization inevitably undergoes social differentiation, albeit with varying paces. During this period of rapid economic growth, China exhibited a notable lag in both the extent and velocity of social differentiation.

The degree of social differentiation was remarkably low during this period. Social groups were highly homogeneous, and the connections between them were simple and straightforward. This simplicity directly contributed to the limited differentiation among individuals. People's positions were largely predetermined and inflexible, leaving them with minimal room for personal choice. Additionally, personal incomes were remarkably similar. For instance, from the 1960s to the mid-1970s, wages, the primary source of income for workers, remained largely fixed, with little upward movement. Moreover, the average wages of permanent



employees in state-owned units across various sectors of the national economy were quite comparable, with only minor variations. Based on 1975 statistics on the average wages of employees in nine sectors, the highest (construction and resource exploration sectors) was 722 yuan, and the lowest was 463 yuan, with a gap of 259 yuan. Most other sectors fell within the range of 590 to 670 yuan.

Regional differentiation also demonstrated a relative deficiency. Typically, during the early stages of a country's modernization, regional disparities tend to be more pronounced, not only in terms of widening economic gaps between regions but also in increasing disparities in personal incomes within different regions. By the middle stage of modernization, the income gap among various regions may start to narrow, but eliminating differences between regions as relatively independent entities remains challenging. China's situation over these 30 years is quite unique in this regard. While there were clear regional boundaries, the autonomy of each region was relatively limited. Higher-level authorities tightly controlled the regions they governed, and during the "Great Leap Forward," attempts were made to delegate some powers, such as planning decision-making, infrastructure approval, resource allocation, and financial autonomy, to increase the autonomy of each region, aiming to rapidly establish cooperative zones and industrial systems for each province. However, due to overly hasty implementation and a lack of necessary transitional measures, this resulted in confusion in the internal relations of each region and between regions. Consequently, the aforementioned powers were quickly retracted. It cannot be denied that the weakening of regional autonomy benefited the central government in executing large-scale projects and providing robust support for the development of some backward regions. However, due to excessive "robbing the rich to aid the poor," the relative deficiency in regional differentiation prevented regions with certain potentials from receiving the full development they deserved. This is evident in two aspects: firstly, the economic disparities between regions were essentially not widened, and secondly, the gaps in personal consumption, a crucial manifestation of individual income between regions, were relatively small.

(2)

### Relatively Slow Development of Modern Knowledge and Education

It is acknowledged that during the 30-year experimental stage of modernization, China made considerable achievements in the development of modern knowledge and education, establishing a relatively systematic framework for science, technology, and education. Substantial numbers of individuals with specific expertise were nurtured, and there was notable progress in mass education. However, when compared to the higher-paced economic development, the progress in modern knowledge and education in China was relatively sluggish, accompanied by various challenges. This is evident in at least two aspects:

Firstly, the overall investment in modern knowledge and education was relatively insufficient. The proportion of education expenditure to the national income was notably low and exhibited a declining trend: 1.87% in 1952, 2.41% in 1955, 4.14% in 1960, 2.85% in 1965, 1.43% in 1970, 2.64% in 1975, and 3.12% in 1978. The fundamental investment in the education sector as a share of the total national infrastructure was also minimal, displaying a decreasing trend year by year: 4.8% in 1950–1952, 2.8% in 1953–1957, 1.5% in 1958–1962, 2.1% in 1963–1965, 0.5% in 1966–1970, and 0.8% in 1971–1975. Although the proportion of scientific research expenditure to the national income showed a slight increasing trend, it remained within a low limit: 0.36% in the “First Five-Year Plan” period, 1.78% in the “Second Five-Year Plan” period, 1.97% in 1963–1965, 1.36% in the “Third Five-Year Plan” period, 1.61% in the “Fourth Five-Year Plan” period, and 1.72% in the “Fifth Five-Year Plan” period.

Secondly, the development of modern knowledge and education was relatively sluggish. The number of natural science and technology personnel per ten thousand workers increased from 269 in 1952 to 390.4 in 1960 and 593.3 in 1978. As for student enrollment in regular higher education institutions and secondary vocational schools, it stood at 191,000 and 636,000, respectively, in 1952; 288,000 and 537,000 in 1955; 962,000 and 2,216,000 in 1960; 674,000 and 547,000 in 1965; 48,000 and 64,000 in 1970; and 501,000 and 707,000 in 1975. Excluding the influence of overall national population growth, it is clear that the growth rate of students in higher education institutions was relatively slow, while enrollment in secondary vocational schools experienced a decline.

### (3) Limited Openness

For any country engaged in modernization, openness is not only a necessary prerequisite but also an inevitable trend.

In the 1950s, China's openness was characterized by a distinct one-sidedness, focusing heavily on socialist nations, particularly the Soviet Union, while maintaining a relatively closed stance toward Western countries. The Soviet Union's developmental model profoundly influenced China during this era, leaving visible imprints on its political and economic systems and modernization approaches. This Soviet influence extended to China's overall foreign trade. From 1952 to 1960, the annual figures were 1.94 billion USD, 2.37 billion USD, 2.44 billion USD, 3.14 billion USD, 3.21 billion USD, 3.11 billion USD, 3.87 billion USD, 4.38 billion USD, and 8.31 billion USD. Remarkably, trade with the Soviet Union consistently accounted for nearly half of China's total foreign trade, reaching roughly 1.06 billion USD, 1.26 billion USD, 1.29 billion USD, 1.79 billion USD, 1.52 billion USD, 1.36 billion USD, 1.54 billion USD, 2.1 billion USD, and 1.66 billion USD each year. When encompassing trade with other socialist countries, China's overall trade with the socialist bloc overwhelmingly dominated its foreign trade activities. Additionally, Chinese students pursuing overseas education predominantly chose socialist countries, particularly the Soviet Union.

During the 1960s and 1970s, a significant shift occurred in China's approach to openness. The previous one-sided scenario ceased to exist, and China's openness process experienced a substantial interruption. A closed and resistant stance emerged as a notable feature in China's modernization process during that period.

### (4) Relative Social Stability

The early stages of modernization often usher in a period of rapid societal transformation, accompanied by a surge in contradictions and conflicts, giving rise to a range of social issues, including excessive urbanization, stark wealth disparities, rampant unemployment, social anomie, soaring crime rates, and more. This intricate interplay of societal factors often leads to instability and upheaval. In stark contrast to many other countries embarking on modernization during this era, China's experimental modernization phase did not result in an overwhelming wave of

social problems. Instead, society exhibited a remarkable degree of stability before 1966, even as the economy experienced fluctuations. While the Cultural Revolution did bring about societal turmoil, it was not primarily driven by the modernization process.

China’s relative social stability before 1966 stemmed from two key factors: a relatively low prevalence of social problems and a high level of societal control mechanisms. Unlike other countries, China did not witness the rampant urbanization and significant wealth disparities that often accompany modernization. Moreover, society’s ability to effectively manage exceptional circumstances played a crucial role in maintaining relative stability. In 1960, a severe nationwide crisis emerged due to setbacks in modernization and other factors, impacting a significant portion of the population. The national mortality rate soared from 14.59‰ to 25.43‰, marking China’s only population decline since its founding. Yet, due to society’s strong control mechanisms, this crisis was effectively managed through corrective measures, averting a potential societal upheaval.

It is crucial to acknowledge that this period of relative social stability was distinctly temporal and may be difficult to replicate in subsequent eras.

### *3.3 Important Root Causes of Characteristics During China’s Experimental Phase of Modernization*

As previously discussed, China’s modernization approach during the experimental phase presented distinct characteristics compared to those of many other countries undergoing early modernization. These unique traits can be attributed to three primary factors.

#### (1) Displacement of the Central Task of the Era

The first significant factor lies in the displacement of modernization as the central task of the era. During this period, modernization efforts did not hold the paramount position in China’s national agenda. Instead, political movements such as “class struggle as the key link” gradually assumed the central stage, overshadowing the importance of modernization.

During this period, people recognized the importance of modernization to some extent and considered it a crucial goal for their endeavors. Initially, modernization was primarily equated with industrialization. In 1953, Mao Zedong emphasized the need for “gradually realizing the socialist industrialization of the country over a relatively long period.” This perspective guided societal understanding of modernization in the following years. For instance, the Eighth National Congress of the Communist Party of China declared the central task to be “transforming our country as soon as possible from a backward agricultural country into an advanced industrial one.” Starting in 1957, the term “modernization” gradually gained prevalence. In that year, Mao Zedong emphasized, “We will definitely build a socialist country with modern industry, modern agriculture, and modern science and culture.” In 1963, Zhou Enlai emphasized, “We aim to achieve modernization in agriculture, industry, national defense, and science and technology, transforming our nation into a robust socialist state.” In 1964, Zhou Enlai reiterated, “In the foreseeable future, we must transform our nation into a socialist powerhouse with modernized agriculture, industry, national defense, and science and technology, reaching and surpassing the world’s advanced standards.” This period marked the crystallization of people’s conception of modernization into what later became known as the “Four Modernizations,” a pivotal objective for the Chinese populace. However, this represented only one facet of the challenge.

A more pivotal issue was the gradual intensification and prioritization of political movements, which increasingly became the era’s de facto main task, encapsulated by the principle of “class struggle as the key link.” Although in 1956, China did prioritize modernization in its agenda, this focus was short-lived. “Following the completion of the socialist transformation, the party’s significant oversight over an extended period was its failure to shift the focus to economic development. It continued to prioritize class struggle, neglecting the fields of education, science, and cultural development, and overly emphasized class struggle in ideology, leading up to the turmoil of the ‘Cultural Revolution’.”

Since political movements increasingly became the focus and central task during this period, as “class struggle” was emphasized, undoubtedly, modernization construction could only assume a secondary position, subservient to political movements.

It is precisely because of this that the intensified political movements inevitably had a profound impact on China’s modernization construction during this period.

Firstly, there were frequent changes in the economic development strategy. It must be acknowledged that, “we still lack experience in economic construction because we have only been engaged in it for seven years and need to accumulate experience.” In such a situation, constantly reinforcing political movements inevitably deviates from the inherent rules of economic construction, causing the economic development strategy to be subservient to political movements. Consequently, the economic development strategy undergoes frequent changes in tandem with the fluctuations in political movements. For example, from 1958 to 1962, within a span of four years, China’s economic development strategy underwent continuous changes mainly influenced by political movements. The speed and magnitude of these changes are almost inconceivable when viewed from today’s perspective. While economic development strategies should have a certain stability, the issue lies in the constant updates not occurring as a seamless transition between old and new strategies but rather as the new strategy further supplementing the old one. Unfortunately, the actual situation was quite the opposite. A recollection by Bo Yibo illustrates this problem: “The ‘Great Leap Forward’ in 1958 was a response to the criticism of economic development during the ‘Anti-Rightist’ campaign in 1957 and subsequent ‘anti-rightist conservative’ movements. The ‘Great Leap Forward’ itself was the result of economic decisions following the political trend. The first round of the ‘Great Leap Forward’ had already exhausted the national economy. Still, in 1960, disregarding the significant difficulties at the time, the ‘Continuation of the Great Leap Forward’ was initiated. The serious setbacks caused by the ‘Continuation of the Great Leap Forward’ clearly demonstrated the consequences of economic decision-making blindly following the political trend.” In summary, the frequent changes in China’s economic development strategy during this period were highly inappropriate and inevitably brought a series of adverse effects to the modernization process.

Secondly, there was a pursuit of an unrealistic level of ownership purity. At that time, people often tended to view changes in ownership as the goal itself, rather than considering the development of social productivity as an inherent aspect. The belief was that ownership transformation would automatically lead to social productivity growth—meaning

increased production scale and a higher level of production socialization. As a result, there was the enthusiastic pursuit of “firstly big and secondly public” ownership structures. The focus was on expanding the scope of socialist ownership and increasing the level of public ownership. In 1958, there was a massive movement toward People’s Communes in rural areas. Within a short period from late August to early November, People’s Communes were established nationwide. By early November 1958, over 740,000 original agricultural cooperatives in rural areas had formed more than 26,000 People’s Communes, with over 126.9 million households participating, accounting for 99.1% of the total rural households. The basic characteristic of People’s Communes was “firstly big and secondly public.” Subsequently, China continued to upgrade and merge some collective ownership while implementing widespread cancellations or restrictions on individual economies. By 1978, the urban workforce numbered 94.99 million people, with only 150,000 urban individual laborers, a ratio of 633:1. These figures highlight the high degree of public ownership and its extensive scope during that period.

Thirdly, the focus of modernization efforts was primarily confined to the realms of economics, natural sciences, and technology. During this period, there was a notable conflation of economic development with the broader concept of modernization. As discussed earlier, the initial association was between industrialization and modernization, evolving into the idea of modernizing industry, agriculture, and science and technology. By the 1960s, the understanding of modernization settled into a relatively fixed form known as the “Four Modernizations.” Among these four, two were related to the economic sphere, and one specifically addressed the modernization of natural sciences and technology. This situation is undoubtedly linked to the frequent political movements of the time. Excessive political movements tended to foster two misconceptions. First, the idea that while China’s economy might be relatively backward, non-economic sectors were undoubtedly advanced, implying no issues of modernization in these areas. Second, the notion that China’s guiding ideology was Marxism-Leninism and Mao Zedong Thought meant there was no problem with modernization in the social sciences. The modernization efforts in science and technology were also limited to the natural sciences. The flaw in the first notion is the failure to recognize that modernization issues do exist in non-economic sectors. The flaw in the second notion is the equivalence of the nation’s guiding ideology with all social sciences. While Marxism-Leninism and Mao Zedong Thought

are undoubtedly correct, this does not negate the need for their further development. Moreover, the guiding ideology itself cannot substitute for the existence of various social sciences disciplines. Importantly, using these biased notions to guide the practical process of modernization will inevitably have profound adverse effects on the modernization endeavor.

Due to the excessively frequent political movements, such as the emphasis on “class struggle as the key link,” the experimental stage of China’s modernization acquired distinctive characteristics. The frequent shifts in economic development strategy inevitably led to pronounced oscillations in the economic development process. The strong emphasis on the “firstly big and secondly public” ownership structure transformed into an unrealistic pursuit of large-scale production and high speed, neglecting economic efficiency and disregarding the normal differentiation of society in the modernization process. Restricting modernization efforts to the economic, natural sciences, and technology domains resulted in a lag in modernization in non-economic areas like education. This, in turn, triggered a chain reaction of influences, exacerbating the phenomenon of excessive oscillation in the modernization process.

## (2) Implementation of the Planned Economic System

The second major factor contributing to the characteristics observed during China’s experimental stage of modernization is the emphasis on implementing a planned economic system to drive modernization.

In the 30 years before the initiation of economic reforms and opening-up, China operated under a planned economic system. It must be acknowledged that, at the inception of the People’s Republic of China, the planned economic system played a positive and beneficial role in certain aspects. For instance, it contributed to the recovery of social productivity, the construction of heavy industrial systems, and the execution of large-scale projects crucial for national development and people’s livelihoods. However, fundamentally, the planned economic system was entirely divergent from modern values such as human-centeredness and freedom. As time passed, the drawbacks of the planned economic system gradually surfaced, becoming one of the most significant obstacles hindering China’s development.



Beyond the drawback of lacking effective allocation of production factors, from the perspective of development dynamics, the most prominent issue with the planned economic system was its rejection of the “human-centered” philosophy, failing to effectively integrate national interests with the individual interests of society members. “The planned economy neglects entrepreneurial spirit, enforcing a uniform and consistent approach, permeating the entire economic development with a rigid style.” Besides, “under the planned system, administrative commands control sales volume and direction. Producers have no opportunity to exercise creativity to expand sales, nor do they face the threat of competition overtaking them.” Under the planned economic system, individuals were passive actors, and society members were mere components within the state machinery. The state of the national economy had almost no relation to the personal interests of society members; there was hardly any evident, inherent connection between the enhancement of individual laborers’ interests and the growth of the national economy. Due to the lack of genuine involvement in the economy, the absence of proactive participation in economic life, and the deficiency of enthusiasm for wealth creation, under the planned economic system, apart from relying on the forced mobilization of society to temporarily drive development during specific periods, authentic, internally generated development dynamics, particularly sustainable ones, were inevitably unattainable.

### (3) Unprecedented Social Mobilization

The third significant factor contributing to the formation of the characteristics during China’s experimental stage of modernization is the unprecedented scale and depth of social mobilization.

Over the 30 years from 1949 to 1978, the extent and depth of social mobilization in China were unparalleled. This phenomenon was not accidental but rooted in profound historical and social reasons. Firstly, it was driven by the nation’s quest for independence and unity. From the Opium Wars in the nineteenth century to the year 1949, China endured foreign aggression, existing in a semi-colonial and semi-feudal state with national division and frequent conflicts. “The national unity which was necessary to restore China’s greatness was a heartfelt goal for all patriotic.” After generations of struggle, China finally achieved independence and unity, fostering a fervent sense of national

pride among the Chinese populace. Secondly, it was linked to the reconstruction of society. In the early 1950s, China completed a large-scale social reconstruction project, where socialist public ownership replaced the millennia-old private ownership, shaping a new social structure. The socialist guiding ideology was established, and a blueprint for socialist construction was formulated. “After 1949, moreover, shared ideological commitment to Marxism and a broad consensus on ambitious industrialization and social transformation further contributed to elite cohesion.” Other people from the working class and farmers were liberated from old constraints, experiencing significant emancipation. Women’s status also saw rapid improvement, leading to considerable liberation. Consequently, the entire social landscape underwent a radical transformation, and the masses actively immersed themselves in the tide of building a new China. “Socialism is advancing triumphantly everywhere, leaving all obstacles behind. Society is moving forward every day, and people’s thoughts are being transformed, especially during periods of revolutionary fervor.” Thirdly, it was influenced by the inertia of the national liberation movement. In the decades before the establishment of the People’s Republic of China, the national liberation movement reached its peak during the Sino-Japanese War and the Liberation War, with nationalist mobilization and popular mobilization reaching unprecedented levels. The characteristics of the national liberation movement did not immediately disappear with the advent of the new era; instead, they were preserved to some extent as historical inertia, becoming an important source of momentum during the experimental stage of modernization in new China. Fourthly, it was influenced by international pressures. In the 1950s, there was a fierce confrontation between the socialist and capitalist blocs. In the 1960s, there were tensions between China and the Soviet Union and between China and the United States. The severe international situation heightened the Chinese people’s sense of national cohesion. In summary, under the influence of factors such as the nation’s quest for independence and unity, societal reconstruction, the inertia of the national liberation movement, and international pressure, the Chinese people of that time developed a powerful national cohesion and social centripetal force. This made the unprecedented social mobilization possible during that period. However, this potentiality was not yet a reality; it required further transformation to become one. At that time, there were two levers conducive to this transformation. One lever was Mao Zedong’s lofty prestige and

status in history, coupled with Mao's special emphasis on human liberation and his fondness for mass movements. The other lever was the centralized system of governance. At that time, the centrally planned economic system, coupled with effective central management and control over various regions and sectors, was highly efficient. The greatness of leadership figures and the effectiveness of the implementation system ultimately made unprecedented social mobilization a reality during that period.

The unprecedented social mobilization of this period had several distinct characteristics:

**Scope:** Social mobilization was conducted in almost all areas, including politics, economics, society, and knowledge. For example, Mao Zedong stated in September 1958 that "the development of the steel industry must be carried out through mass movements." Even the elimination of illiteracy in rural areas was often accomplished through social mobilization. Today, China's illiteracy rate is far lower than that of most developing countries, such as Brazil, Romania, Egypt, and India. This is undoubtedly due in part to the effective social mobilization in the rural cultural sphere at that time. Similarly, the establishment of public canteens in rural areas was also rapidly accomplished through political movements. Within a short period of time before and after the People's Commune Movement, millions of rural public canteens emerged. This would have been virtually impossible to achieve through conventional methods.

**Scale and intensity:** Many of the social mobilizations of this period involved the entire population and the entire country. A typical example is the "Great Leap Forward" of 1958. In 1958, the emphasis was placed on "steel as the key link," and all other industries had to make way for it. In the mass movement of the "Great Leap Forward," more than 240,000 small and medium-sized blast furnaces and earthen blast furnaces were built nationwide from January to August 1958, with hundreds of thousands of people participating. By September, more than 5 million people had gone to the mines and furnaces, and the number of earthen blast furnaces and small blast furnaces had increased to over 600,000. In total, over 90 million workers participated in the "Great Leap Forward," and over a million earthen blast furnaces were built for steel and iron smelting.

**Duration:** Social mobilization was virtually continuous for 30 years from 1949 to 1978. It took place in waves. By simply listing the major historical events that occurred during these 30 years, it is not difficult to see that social mobilization accompanied most of them.

Overall controllability: Although social mobilization during this period was sometimes too emotional and uncontrollable, it was generally orderly and controllable. The initiation of social mobilization during this period was often directly promoted by decision-makers, and once the goal was achieved or problems arose, it was often terminated by decision-makers.

In conclusion, the mass mobilization during this period was unparalleled and can be considered to have reached a zenith, exerting a profound influence on China’s modernization process.

This unprecedented social mobilization served as a crucial driver for the sustained advancement of economic modernization in China during this period. In the context of mass mobilization, the inherent capacities of people were maximized, and under the premise of a consistent technological level and unchanged total funds, larger labor inputs resulted in greater outputs. The unparalleled scale of social mobilization implied an unprecedented level of labor input, thus providing a crucial impetus for economic modernization. Moreover, within this extraordinary social mobilization, the convergence of individuals’ moral orientation, value systems, beliefs, and behaviors facilitated a collective mindset, reducing the emphasis on individual income growth and personal life concerns. This conducive environment favored the high accumulation of funds, emerging as a key factor enabling the sustained progress of economic modernization during this period.

The unprecedented social mobilization during this period contributed to a relatively low economic efficiency. As previously discussed, in such mobilization efforts, individuals often relied on total labor input to achieve higher output. In contrast, the people of this era did not prioritize labor productivity, technological innovation, or the improvement of their cultural and labor skills. Instead, there was a strong inclination toward employing mass tactics such as a quantity-oriented approach and large-scale mass movements. Consequently, the issue of output per unit of time was not given significant consideration. Given these circumstances, it is not difficult to understand why the increase in China’s economic output during this period far exceeded the improvement in labor productivity, resulting in consistently relatively low economic efficiency.

If not managed properly, the unprecedented social mobilization also had the potential to increase the volatility in the process of economic development. In the initial stages of modernization, with a relatively small development base, exponentially increasing labor input could easily lead to a significant numerical expansion of development outcomes. This was

precisely the situation during China's experimental period of modernization, making it prone to inflated expectations and setting overly ambitious development targets. Examining the economic development trajectory in China during the 1950s, we observe that the fervor of the "Great Leap Forward" and the "People's Commune Movement" fueled escalating expectations for rapid development. The enthusiasm for achieving high-speed development, divorced from the national context and unrealistically pursuing rapid progress, almost became a norm. Such a scenario inevitably resulted in excessive volatility in the economic development process.

Unprecedented social mobilization, as long as it remained under control, was conducive to social stability. This mobilization implied a high efficiency in societal centripetal and cohesive forces, a reduction in centrifugal factors, a decrease in heterogeneous elements within society, and an ease in forming consensus among people. As a result, the likelihood of social issues arising was diminished. Unprecedented social mobilization also contributed to the formation of an effective overall societal force, capable of mitigating some societal issues in reality and limiting their harm within a certain range, thereby preventing significant adverse effects on social stability.

Regarding the unprecedented social mobilization during this period, two points merit our attention: Firstly, in terms of its trend, it gradually converged with political movements centered around class struggle. In the 1950s, social mobilization was mostly associated with content related to modernization. However, a shift occurred in the early 1960s, and social mobilization became increasingly intertwined with political movements centered around class struggle. This had adverse effects on the modernization process from two perspectives. On one hand, the driving force of the modernization process itself began to weaken. On the other hand, the interaction and mutual inducement between social mobilization and political movements centered around class struggle led to the misuse of social mobilization, ultimately losing control. These factors collectively contributed to the "Cultural Revolution" movement, directly hindering the practical progress of China's modernization and even causing interruptions at certain periods. It is evident that the positive effects of social mobilization and the degree to which it was invested in political movements centered around class struggle were inversely related, while the negative effects were directly proportional. Of course, the situation is not as straightforward, as even during the "Cultural Revolution,"

some social mobilization efforts may have been related to economic content, such as the “Learn from Dazhai in Agriculture” movement. However, it must be acknowledged that these movements with certain economic content, on the whole, still prioritized political movements rather than purely economic modernization construction. Secondly, the unprecedented social mobilization during this period would indirectly have profound effects on the subsequent modernization process. Due to the unique historical conditions, people during this period were intensely mobilized, almost continuously, which resulted in two problems. One problem is that, starting from the 1960s, the negative effects generated by social mobilization became excessive. As a consequence, the enthusiasm of people was significantly affected, and social mobilization later relied almost on inertia. Therefore, once the original historical conditions began to change, this unprecedented social mobilization would rapidly cool down. Another problem is that, due to the high intensity of social mobilization during this period, the intrinsic potential of people was nearly exhausted. Consequently, to form a new social mobilization, a certain period of time is required to allow people to undergo necessary recuperation before they can be reinvigorated. It is evident that the unprecedented social mobilization during this period, to a certain extent, depleted the potential for subsequent social mobilizations and delayed their reformation.

### *3.4 Achievements and Lessons*

During the 30 years from 1949 to 1978, despite numerous challenges and immense costs in China’s modernization process, it is crucial to recognize a significant historical fact: through the strenuous exploration and substantial efforts of the Chinese people, substantial progress was achieved in China’s modernization construction:

Firstly, a large-scale societal reconstruction was accomplished. At the inception of New China, perhaps the most crucial undertaking was the completion of land reform. Through land reform, the majority of Chinese people (peasants) were liberated, attaining unprecedented equality. By formulating and implementing relevant social policies, half of the population, women, gained liberation. After the establishment of New China, substantial efforts were made toward national equality, achieving equal status among different ethnic groups, and the implementation of

numerous new educational policies promoting the rise and development of mass education.

Secondly, a relatively comprehensive modern industrial system was initially established. In 1949, machinery and large-scale industries in China accounted for only 17% of the total industrial and agricultural output value, far from constituting a fully developed modern industrial system. Over the following 30 years, this situation underwent significant changes. "The categories of China's industry are now basically complete, and the industrial system has been established. In addition to industries such as steel, coal, oil, and textiles, China has also established modern industries such as machinery manufacturing, petrochemicals, automobiles, aviation, nuclear industry, and electronics." Transportation also experienced substantial development: In 1949, China's operating railway mileage was 21,800 kilometers, rising to 46,300 kilometers by 1976. Similarly, the road mileage increased from 80,700 kilometers in 1949 to 823,400 kilometers in 1976. During this period, "considerable achievements were made in the development and management of the Yangtze and Yellow Rivers. Large-scale water projects such as the Sanmenxia water control project, large-scale water projects like the Liujiaxia, Qingtongxia, and Yanguoxia, as well as the construction of large reservoirs like the Danjiangkou Reservoir, not only played a role in preventing general floods in the lower reaches of the Yellow River and the main tributaries of the Yangtze River but also yielded benefits in various aspects such as power generation and irrigation."

A comparison between China and India during the same period is illuminating. In 1949, China's major industrial output was extremely low, even lagging behind India. By 1976, this situation underwent a fundamental transformation: China's raw coal production was 483 million tons, compared to India's 104 million tons; China's crude oil production was 871.6 million tons, while India's was 86.6 million tons; China's electricity generation was 203.1 billion kWh, surpassing India's 95.6 billion kWh; China's steel production was 20.46 million tons, exceeding India's 9.31 million tons; China's pig iron production was 22.33 million tons, compared to India's 10 million tons; and China's cement production was 457 million tons, whereas India's was 187 million tons.

Thirdly, a foundational basis for science and technology was laid. The number of natural science and technology personnel increased from 425,000 in 1952 to 4,345,000 in 1978. State financial allocations for scientific research expenditure rose from 540 million yuan in

1953 to 5.289 billion yuan in 1978. During this period, China established and developed emerging fields of science and technology such as atomic energy, electronics, semiconductors, automation, computing technology, and jet and rocket technology. It achieved notable breakthroughs, including the world’s first synthesis of biologically active bovine insulin using artificial methods, the successful launch and recovery of artificial Earth satellites, the proof of Chen Jingrun’s Goldbach Conjecture, and the theoretical and applied contributions of Chinese geologists, represented by Li Siguang, in the field of geomechanics. Additionally, a national security system centered on “two bombs, one satellite” (atomic bomb, missile, and artificial satellite) was established during this period.

## 4 THE INITIAL TAKEOFF PERIOD OF CHINA’S MODERNIZATION

The period from 1978 to 2018 marked the phase in which China achieved the initial takeoff of modernization. During these 40 years of reform and opening-up, China’s genuinely significant modernization construction commenced and experienced substantial development, achieving an initial takeoff with globally recognized monumental achievements. This period witnessed a transformative shift in China, solidifying modernization construction as an irreversible historical trend. To comprehend this, two crucial aspects deserve consideration: the basic formation of endogenous dynamics for modernization and the effective implementation of a gradual path in modernization construction.

### *4.1 Basic Formation Of Endogenous Dynamics for Modernization*

Reflecting on the experimental phase of China’s modernization before the advent of reform and opening-up, the fundamental reason for the lack of success in modernization construction at that time lay in the failure to adhere to the laws of modernization. The promotion of modernization construction relied more on artificial impetus and lacked an internal societal mechanism, namely endogenous dynamics.

In the 40 years following the initiation of reform and opening-up, corresponding to the period of China’s initial takeoff in modernization, the basic formation of endogenous dynamics for modernization occurred. This development propelled China’s modernization construction with an



irreversible momentum, establishing it as a historical trend. The evidence for this lies in several key aspects:

(1) The Clear Emphasis on Modernization as the Central Task of the Era

Since the year 1978, the Communist Party of China, as the ruling party, has aligned itself with the historical trends and explicitly stated that modernization must be the central task for the entire nation. The Third Plenary Session of the Eleventh Central Committee of the Communist Party of China declared in its communiqué the need to “shift the focus of the entire party’s work and the attention of the entire nation to socialist modernization.” Deng Xiaoping pointed out, “What is our main task in the current and quite a long historical period to come? In a nutshell, it is to carry out modernization.” He emphasized, “Make the four modernizations the overwhelming central task. On this basis, formulate a series of new policies, mainly reform and opening-up policies.” The Sixteenth National Congress of the Communist Party of China summarized similar statements in its report as “concentrating on construction with undivided attention and seeking development with a single-minded purpose.”

The proposition of explicitly designating modernization as the central task of the era constitutes a fundamental national policy. It holds immense practical significance for China’s modernization and serves as a fundamental guarantee for the smooth advancement of the processes of modernization and reform and opening-up. Only through such a formulation can the attention of the entire country, various social groups, and all sectors of society, along with the various resources required for modernization, be concentrated on the task of modernization. It is only through such determination that the numerous historical and practical challenges and dilemmas faced by modernization at that time and in the future can be resolved, using reform and opening-up to eliminate all conceptual barriers and ideological restrictions hindering modernization. “All ideological concepts that hinder development must be resolutely broken through, all practices and regulations that restrict development must be resolutely changed, and all institutional drawbacks affecting development must be resolutely removed.”

## (2) The Organic Integration of Modernization and the Basic Daily Life Needs of the People

In contrast to the 30 years before the advent of reform and opening-up, there is a notable distinction in China’s modernization since then—specifically, the organic integration between modernization and the basic daily life needs of the people.

In essence, modernization itself is not the end goal; rather, the purpose of modernization is the continuous improvement of the basic living standards of the people. Moreover, this improvement is not contingent upon the success of modernization; instead, it should gradually occur with the ongoing progress of the modernization process. Therefore, there exists a positive correlation between the degree of modernization and the elevation of the people’s basic living standards. As early as the 1980s, Deng Xiaoping emphasized, “We must honestly calculate and ultimately reflect it in the living standards of the people. People are very keenly aware of the issue. No matter how we calculate it at the top, their accounts are the most genuine.”

While the needs of the people encompass various aspects, it is essential to acknowledge that, over a considerable period, the most pressing concern for the Chinese people is the satisfaction and continuous improvement of their basic daily life needs. Hence, the tangible reality of a substantial increase in the standard of living of the people accompanying the progress of modernization since the reform and opening-up has led the people to highly endorse modernization, making them active participants and promoters of the modernization process. Consequently, modernization gains significant impetus. Crucially, the emphasis on the people’s basic daily life needs is a constant, providing a sustained and inexhaustible driving force for modernization.

Since the onset of the reform and opening-up era, the priorities of the Chinese people regarding their basic daily life needs have become increasingly clear. A thorough nationwide social survey reveals that, in the current phase in China, the foremost priority for individuals in their employment is “high income,” representing 50.5% of responses. This is closely followed by “long-term job security,” accounting for 23.8%. Other significant considerations include “social reputation and respect” (5.9%), “satisfaction of personal interests” (4.3%), and “utilizing personal talents and achieving a sense of accomplishment” (3.5%).

Crucially, the types of daily basic life needs of the people are continually expanding, and the standards for these needs are constantly upgrading, ushering in the era of mass consumption. Since the advent of reform and opening-up, the Chinese people are no longer satisfied with basic subsistence needs. Their fundamental daily life needs have extended to areas such as education, tourism, automobiles, housing, and other previously unimaginable domains. Furthermore, within each of these demand categories, the expected standards continue to rise.

### (3) The Organic Integration of Modernization and Market Economy

Since the initiation of reforms and opening-up, a significant breakthrough in China's modernization has been the abandonment of the previously planned economic system, gradually establishing a market economy system and thereby achieving an organic integration between modernization and the market economy. This is a crucial reason for the success and sustained progress of modernization in China.

During the era of the planned economic system before reforms and opening-up, one major reason for the gradual lack of intrinsic dynamism in China's modernization was the absence of an effective alignment between modernization and the market economy.

In the 30 years preceding reforms and opening-up, China implemented a planned economic system. It must be acknowledged that, at the inception of the People's Republic of China, the planned economic system played a beneficial role in certain aspects. For instance, it facilitated the restoration of social productivity at the beginning of the People's Republic, the construction of heavy industrial systems, and the development of large-scale projects crucial to national interests and people's livelihoods. However, fundamentally, the planned economic system diverged completely from the market economy system. As time passed, the inherent drawbacks of the planned economic system gradually manifested, becoming one of the primary obstacles hindering the generation of intrinsic dynamism for China's modernization.

The hindrance imposed by the planned economic system on the generation of endogenous dynamism for modernization is twofold. Firstly, there was no correlation between the specific production inputs of people and their individual interests. During the planned economic era, both

urban and rural income distribution patterns exhibited a highly egalitarian nature. The Gini coefficient in urban areas ranged between 0.16 and 0.17, while in rural areas, the Gini coefficients between provinces and counties and among production teams were 0.16 and 0.22, respectively. According to the 1975 statistics on the average wages of workers in nine departments, the highest (in construction and resource exploration departments) was 722 yuan, and the lowest was 463 yuan, with a gap of 259 yuan; most other departments were in the range of 590–670 yuan. Moreover, in factories, the “piece-rate” wage system and “bonus” distribution were gradually abolished. The main issue with absolute equality or absolute egalitarianism lies in “bringing the weak to want to draw the strong to their level and that reduces men to preferring equality in servitude to inequality in freedom.” Consequently, the tangible interests of people could not be effectively aligned with the economic development of the country, and there was almost no inherent connection between the enhancement of people’s interests and the country’s modernization. The result was that the populace lacked the initiative to participate in modernization and lacked the enthusiasm to create wealth. “Before the economic system reform in 1978, the lack of economic motivation due to the absence of incentive stimulation had become a chronic problem in the system and a hindrance to development.”

Secondly, it was unable to establish a rational and effective allocation of resources. The planned economy is an economic system controlled artificially by government directives. The formation and issuance of economic production directives are not based on market demand and economic laws but rely on arbitrary planning and political tasks. “Under the plan, with both the volume and the direction of sales mandated by official fiat, producers experience neither the opportunity to expand through their own initiative nor the threat of being eclipsed by rival suppliers... The plan system’s hostility to entrepreneurship enforces uniformities that inflate firm-level rigidities into economywide excesses.” In such a scenario, the market price system almost malfunctioned, making it impossible to achieve a rational and effective allocation of resources and, consequently, hindering the sustainable development of the economy. Correspondingly, intrinsic dynamism for modernization, especially sustainable modernization dynamism, could not take root in the planned economic system.

Since the onset of reforms and opening-up, there has been a gradual deepening of people’s understanding of the importance of the market economy, completely abandoning the deeply ingrained notions of the

planned economy. For modernization, this represents a historically significant and substantial progress. In 1987, the Thirteenth National Congress of the Communist Party of China's report pointed out, "The system of socialist planned commodity economy should be a system in which planning and the market are inherently unified." "Overall, it should be a mechanism of 'state regulation of the market, and the market guiding enterprises.'" In 1992, the Fourteenth National Congress of the Communist Party of China's report further stated, "The goal of our economic system reform is to establish a socialist market economy system to facilitate the further liberation and development of productive forces." In 2013, the Decision on Major Issues Concerning Comprehensively Deepening Reforms, passed at the Third Plenary Session of the Eighteenth Central Committee of the Communist Party of China, emphasized, "The market plays a decisive role in resource allocation." "The determination of resource allocation by the market is a general law of the market economy. The sound socialist market economy system must adhere to this law."

In tandem with the deepening understanding of the market economy by the public, China's market economy has, to this day, taken preliminary shape.

Firstly, the mechanism for resource allocation in the market economy has started to take form. After the 1990s, there was an initial shift from a dual-track pricing system to a market-oriented pricing system for industrial means of production. Subsequently, prices for production factors such as land, technology, capital, property rights, and labor began to be determined by the market. Essential components of the modern market, including commodity markets, financial markets, and labor markets, have essentially emerged, with a basic trend toward the free flow of production factors. For instance, although the long-standing household registration system has not been entirely abolished, its practical significance has significantly diminished, leading to extensive social mobility between urban and rural areas and among regions. By the end of 2017, the total number of migrant workers in China was 286.52 million, with 171.85 million working outside their hometowns. This phenomenon of population mobility represents the "largest peacetime migration in human history."

Secondly, income distribution has gradually become closely tied to the specific contributions of people. Since the initiation of reforms and opening-up, China first completely dismantled the previously prevalent

egalitarian distribution methods, emphasizing that the principle of distribution according to work is the fundamental income distribution system. Subsequently, adapting to changes in the era such as the emergence of various forms of ownership, significant transformations occurred in China's income distribution, with production factors becoming the basis for income distribution. The decision of the Sixth Plenary Session of the Sixteenth Central Committee of the Communist Party of China in 2006 emphasized, “Adhering to distribution based on work as the main form, with various distribution methods coexisting.” It also urged the “improvement of the system where labor, capital, technology, and management, among other production factors, participate in distribution based on their contributions.”

Thirdly, the legal protection of private property rights has been progressively established. These rights are fundamental to the functioning of a market economy. Private property not only serves as a crucial foundation for individuals' basic livelihoods but also acts as an essential safeguard against personal and familial risks. It's a key prerequisite for social cohesion and the free development of individuals. The significance of private property extends across all social strata, affecting both the wealthy and the less fortunate. “Without the legitimacy of private property, society would lack the motivation to generate wealth, making discussions on market economies and modernization purely theoretical.” A landmark development since the onset of reforms and opening-up is the acknowledgment of individual property rights within the legal framework. The Sixteenth National Congress of the Communist Party of China in 2002 made a pivotal declaration to “enhance the legal system that protects private property.” Subsequently, in 2004, the Constitution was amended to include the statement, “The lawful private property of citizens is inviolable,” thus affording constitutional protection to private property rights.

All of the above has facilitated the formation of China's market economy. Scholars have estimated that the level of development of China's market economy reached 69% by the end of 2001, surpassing the critical threshold for market economy standards and establishing the framework of a market economy. In 2003, the level of development of China's market economy reached 73.8%, marking China as a market economy country. Based on indicators such as “the relationship between the government and the market, the development of non-state-owned economy, the development of product markets, the development of factor

markets, and the development of market intermediary organizations and the legal environment maintaining the market,” scholars have assessed that the average market index for Chinese provinces and cities was 5.48 in 2008, 5.44 in 2010, and 5.98 in 2012, reaching 6.56 in 2012.

In conclusion, the alignment of modernization and the market economy has, on a macro level, enabled effective resource allocation, on a micro level, significantly enhanced efficiency, and, from a legal perspective, protected property rights crucial for engaging in market activities. Consequently, China’s modernization has gained robust momentum. “From 1997 to 2007, the contribution of the marketization index to economic growth averaged 1.45 percentage points annually. The progress of market-oriented reforms improved resource allocation efficiency and microeconomic efficiency. During this period, 39.23% of total factor productivity growth was contributed by market-oriented reforms. The primary contributing factor to the accelerated economic growth and increased total factor productivity during the reform period was marketization.” As a typical product of the market economy, the private economy is playing an increasingly significant role in China’s economic life. It has been summarized that the contribution and role of private enterprises can be encapsulated by the “56,789” model: “5” represents private enterprises contributing over 50% of the country’s tax revenue. “6” indicates that the domestic production value, fixed asset investment, and overseas direct investment of domestic private enterprises all exceed 60%. “7” signifies that high-tech enterprises account for over 70%. “8” points to over 80% of urban employment being provided by private enterprises. “9” highlights that private enterprises contribute 90% to the increase in employment. In 2013, the GDP contribution of the private economy exceeded 60%, and the proportion of fixed asset investment in urban areas by the private economy reached 62% of the national total. By the end of 2017, the total number of employees in the private economy in China was 198.817 million, with 142.253 million individuals employed in individual businesses. It is evident that a significant reason for the irreversibility of China’s modernization lies in the preliminary alignment achieved between modernization and the market economy.

#### (4) The Organic Integration of Modernization and the Social Class Structure in Modern Society

Modernization is propelled by individuals, and people are organized into distinct social class structures (structures of social forces). The specific condition of these social class structures has a profound impact on the specifics of modernization. We cannot underestimate the importance of this issue. Social class structures not only determine the societal support base for modernization but also influence the potential space for modernization. If modernization lacks a corresponding modern social class structure, it will undoubtedly lack intrinsic dynamism and will not progress far.

For a considerable period before the initiation of reforms and opening-up, a modern social class structure had not taken shape in China. Consequently, the country was unable to provide effective social support for modernization, representing a crucial reason for the lack of intrinsic dynamism in China's modernization during that period. It was only after the onset of reforms and opening-up that a modern social class structure in China began to develop and gradually take its basic form. This modern social class structure not only provided robust support for China's modernization but also, from a significant perspective, rendered China's modernization irreversible.

In the century before 1949, China existed in a semi-colonial and semi-feudal society. Foreign powers were formidable, and domestic forces of backwardness, namely the feudal landlord class and the bureaucratic comprador bourgeoisie, deeply entrenched. These two forces jointly influenced the political, economic, and social landscape of China, hindering the progress of modernization. In contrast, the driving force for the development of the domestic modernization process, such as the national entrepreneurial class, was weak and struggled to survive and grow in adverse conditions. Only during periods of heightened national liberation movements or when foreign powers were preoccupied with world wars did the national entrepreneurial class in China experience notable development. For instance, during the First World War and the subsequent years when foreign powers were preoccupied with their conflicts, the national entrepreneurial class in China developed rapidly, constituting “60–70% of total industry investment.” However, once these opportunities passed, the development of the Chinese national entrepreneurial class often reverted to a challenging state of survival and development. Clearly, under the historical backdrop of a semi-colonial and semi-feudal society, a modern social class structure could not take shape in China. Correspondingly, China's modernization during that time lacked the support



of a modern social class structure, failed to generate effective intrinsic dynamism, and struggled to progress sustainably. Therefore, to facilitate the normal progress of China's modernization, it was imperative to eliminate the social class structure that aligned with the semi-colonial and semi-feudal society and establish a modern social class structure.

Over the 30 years preceding the reforms and opening-up, the evolution of China's social class structure presented a complex trajectory. At the inception of the People's Republic of China, the entire society underwent reconstruction, eliminating foreign influences and the forces of backwardness, namely the feudal landlord class and the bureaucratic comprador bourgeoisie, which had hindered modernization. Social classes such as the peasant and worker classes, formerly situated at the social bottom, were liberated from unequal statuses and gained freedom. This created significant potential space for the normal progression of China's modernization. Unfortunately, during this period, the primary historical tasks were gradually misguidedly framed around class struggle. Various political movements ensued, and the entire society operated under a planned economic system. Aligned with such historical conditions, China's social class structure during this time exhibited a singular, abnormal state: economic elite groups were eliminated, knowledge elite groups were suppressed, and political elite groups developed abnormally. The peasant and worker classes, lacking awareness of economic benefits and competition, were unable to engage in the professionalized modernization process but were occupied with various movements. Furthermore, social mobility channels in China were generally blocked. This social class structure was not only unfavorable but directly obstructive to the development of professionalized division of labor necessary for modernization, thereby failing to provide the essential intrinsic dynamism for modernization. The inability of China's modernization during this period to progress normally and sustainably was a significant problem rooted in this structure.

In the 40 years since the initiation of reforms and opening-up, with the advancement of modernization and market economy processes, a modern social class structure in China has essentially taken shape. A prominent manifestation is the presence of the "should-have" classes. During this period, from the perspective of elite groups, the three major elite groups—economic elite, political elite, and knowledge elite—experienced synchronous development, altering the previous dominance of the political elite group. Within the peasant and worker classes, numerous professional groups based on specific industries emerged. Simultaneously,

new classes such as the white-collar class began to form and gradually play crucial roles. Moreover, each class not only developed awareness of benefits and competition aligned with the market economy but also witnessed increasing levels of professionalization and specialization. For instance, the political elite group shifted its orientation from “revolution” to “construction,” significantly enhancing its awareness and capabilities in public service. Additionally, social mobility channels became increasingly unblocked, providing more opportunities for upward and horizontal mobility of society members.

It should be noted that the emergence of the essentially formed modern social class structure since the initiation of reforms and opening-up has undoubtedly, from a significant perspective, strengthened the intrinsic dynamism of China’s modernization. The established modern social class structure, for the healthy and sustainable progression of China’s modernization, offers robust human resources support and a solid foundation for social identity. For example, the synchronized development of various elite groups during this period has “played a huge and irreplaceable role in leading the development of the social economy, disseminating modern ideas, creating social wealth, stimulating social vitality, and promoting innovation in modern institutions.”

#### (5) The Organic Integration of Modernization and Openness to the Outside World

Embracing the outside world is both a prerequisite and an inevitable trajectory for modernization. On a global scale, every nation or region that has successfully undergone modernization has effectively opened itself to the world.

Since the initiation of reforms and opening-up, China has placed significant emphasis on engaging with the world, and its comprehension of this interaction has evolved. In the 1980s, Deng Xiaoping emphasized, “Openness to the outside world is of great significance. Any country aspiring to develop cannot isolate or cut itself off from the rest of the world.” He asserted, “To achieve development, we must adhere to both open and reform policies.” At the start of the twenty-first century, Xi Jinping underscored that “practice has shown us that we must actively respond to the trend of economic globalization, uphold openness to the outside world, and fully utilize the advanced scientific and technological

achievements and beneficial management experience created by human society.”

Aligned with this deepening understanding of global engagement, China’s process of opening-up has progressed rapidly. In 2001, China officially joined the World Trade Organization, marking a pivotal step in its integration into the global community. Presently, China boasts the world’s largest total imports and exports.

Openness to the outside world holds irreplaceable significance for China’s modernization. Through such openness, China can harness substantial external pressure and transform it into a driving force for modernization. Prolonged isolation would not only hinder economic development but might also foster an attitude of arrogance or an unwarranted sense of superiority among the people. For instance, in the 1950s and 1960s, despite China’s lagging economic development, its closed state led to a lack of understanding of other nations and the development of a peculiar mindset focused on liberating other countries rather than self-improvement. However, by engaging with developed countries and regions, China, through openness, generates substantial pressure for modernization and subsequently converts this pressure into a driving force. Furthermore, through openness, China can gain essential insights and benchmarks from developed counterparts. By importing advanced science and technology, China effectively propels its own social, economic, technological infrastructure, education, and scientific development. Additionally, openness enables China to exchange resources with other nations, directly facilitating the process of modernization.

#### *4.2 The Effective Implementation of The Gradual Path to Modernization*

##### (1) The Necessity and Feasibility of the Gradual Path to Modernization

The choice of the implementation path for modernization is a crucial determinant of a country’s ability to continually advance the modernization process, consolidate existing achievements, effectively address various societal conflicts, and reduce the costs associated with modernization. It is indispensable for ensuring the safe, smooth, and sustainable progress of modernization.

From a significant perspective, the realization path of modernization can be broadly categorized into radical and gradual types. The radical path is characterized by a strategic approach aimed at minimizing the duration of the modernization process, attempting to swiftly complete the tasks of modernization by replacing the “old” with the “new.” This involves the aggressive implementation of a comprehensive set of policies and reforms. On the other hand, the gradual path to modernization is characterized by a strategic approach focused on steadily and effectively advancing modernization. It employs a step-by-step policy arrangement, actively promoting the organic growth of modernization factors, and striving to balance various societal forces to avoid potential social upheavals, gradually propelling modernization.

Looking specifically at modern China, the central focus of the century preceding 1949 was the struggle for national independence and people’s liberation, creating necessary conditions for the normal progression of modernization, with modernization itself not yet being the central task of the era. In the 30 years before the initiation of reform and opening-up, due to a misalignment of the central focus of the era, a lack of internal dynamism for modernization, true modernization had not commenced. From a global perspective, modernization during this period was subordinate to the overarching theme of “class struggle” and fluctuated with the ebb and flow of political movements. Finally, in the 40 years since the initiation of reform and opening-up, modernization has become the central task of the era. In this context, the choice of the modernization path becomes a critical decision that China must make.

Regardless of the perspective, whether from a necessity or feasibility standpoint, it becomes evident that the gradual path to modernization adopted by China over the past 40 years is rational, feasible, and effective.

From the perspective of necessity, China must adopt a gradual path. Compared to other countries and regions, China faces a myriad of challenges in modernization. “Compared with advanced societies, Chinese society has to complete a series of tasks, such as the transition from a traditional economic form to a modern economic form and the transition from a traditional social structure to a modern social structure, within a relatively short period. Compared with most other developing societies, Chinese society also faces the unique and arduous task of transitioning from a planned economic system to a market economic system.” China is also a country with extreme developmental imbalances, with diverse interests from different systems, groups, and regions. If various

complex interest demands are not handled properly, they can evolve into numerous social conflicts and disputes. Moreover, China is of a colossal scale, being not only the most populous community but also, with economic development, poised to become the country with the world's largest economic aggregate. If serious turmoil were to occur in the vast expanse of China, the cost would be enormous, and the difficulty of reassembly and recovery would be substantial. Considering these circumstances, adopting a gradual path to modernization is the only rational and appropriate choice for China.

From the feasibility perspective, the gradual path is likely to be widely accepted by the Chinese populace, enjoying broad public support. One prominent reason is that the Chinese people harbor a universal expectation to avoid social upheavals and various societal instabilities. In the first half of the twentieth century, the Chinese people experienced various wars, upheavals, and hardships. In the 30 years before reform and opening-up, characterized by an era of "class struggle," the Chinese people endured various political movements and upheavals. In particular, the "Cultural Revolution" from May 1966 to October 1976 dealt the party, the country, and the people the most severe setbacks and losses since the founding of the nation. It can be said that, compared to the populace of many countries and regions, generations of Chinese people have a universal, profound memory and almost instinctive fear of any societal instability, dreading the return of such disturbances to their daily lives. Chinese people have "a desire, in fact an obsession, with stability—a deep—seated need for social order and an almost paranoid fear of turmoil and chaos." The Chinese people universally and urgently hope for a stable and prosperous life. This widespread expectation among the populace can only be satisfied through the adoption of a gradual path to modernization.

## (2) Evident Characteristics of the Gradual Path to Modernization

The gradual path to modernization pursued by China since the onset of reform and opening-up exhibits several distinct characteristics:

Firstly, it involves government-driven initiatives.

Unlike the modernization processes in advanced countries that originated from grassroots movements, a robust and proactive government is a crucial prerequisite for the smooth progression of China's modernization. The modernization endeavor in China "must be conducted in

an organized, top-down manner.” This was especially evident during China’s early stages of modernization. This can be understood for several reasons. Firstly, it directly propelled the establishment of a market economy system. The formation of China’s market economy system can be described as a process from nonexistence to existence. As the establishment occurred in a social environment lacking sufficient foundational conditions, direct advocacy and intervention by the government were necessary. The government played a role in nurturing market actors, establishing market rules, and addressing market failures. Secondly, it facilitated the coordination of resource allocation. During the societal transition period, frictions and competitions over resource allocation were inevitable among regions, societal strata, and industries. A detached coordinator was needed to avoid societal chaos, and this role could only be undertaken by the government acting as the societal control center. Thirdly, it organized social mobilization. The driving force behind social development comes from both economic factors and non-economic factors. Social mobilization holds a significant position among the non-economic factors. To date, any developing country that has achieved relatively successful modernization has effectively utilized social mobilization as a driving force. Social mobilization does not occur automatically but requires direct organizational and coordinating efforts by the government.

Given these considerations, China’s modernization must concentrate necessary authority within the government, emphasizing the authority of the government, especially the central government. “The central government must have authority... When the central government formulates measures, local governments and departments must resolutely implement them promptly and forcefully, otherwise governance will be difficult... Macro management should be reflected in the central government’s credibility.” Almost all major initiatives in modernization since the initiation of reform and opening-up, such as the establishment of the market economy system in China and accession to the World Trade Organization, underscore the irreplaceable role played by the government.

It is essential to recognize that, with the gradual formation of modern society and market economy, the form of government-driven modernization initiatives should continuously adapt. The government should opportunistically withdraw from economic and social domains, entrusting a significant portion of economic and social affairs to the market economy and social organizations. Simultaneously, the government must also pay

attention to the regularization of public authority itself. Failure to do so may impede the normal development of modernization.

Secondly, emphasis on social security in the gradual path to modernization.

The paramount principle of the gradual path to modernization in China is to ensure social security. Effectively maintaining social security is not merely a question concerning the continued progression of China's modernization but also one that safeguards the achievements already attained in modernization from being jeopardized.

The absence of social security implies, to varying degrees, an increased probability of social upheaval. For Chinese society, social upheaval undoubtedly constitutes a major catastrophe. Firstly, it signifies the interruption of the modernization process. Social upheaval implies the loss of basic social order, economic order, and rule systems, leading the entire society and economy into a chaotic and tumultuous state. In such circumstances, normal modernization endeavors are bound to stall. The painful lesson of the "Cultural Revolution" unequivocally illustrates this principle. Secondly, it indicates the loss of existing modernization achievements. Under conditions of social upheaval, some individuals may illegitimately seize a portion of the existing modernization achievements, while others may gradually lose their value due to the lack of supportive conditions. Some achievements may even be destroyed directly in the midst of societal turmoil. Thirdly, it implies that people's lives will be plunged into a state of hardship. Social upheaval can lead to the shutdown or reduction of many economic sectors, causing inflation and directly lowering the living standards of the people. Social upheaval may even compromise the basic security of the public. Additionally, social upheaval can trigger a series of other severe societal problems. These disruptions are sufficient to disrupt the daily order of people's lives and rapidly deteriorate their living conditions and psychological states. Many countries experiencing social upheaval provide ample evidence of this point. Fourthly, it signifies the weakening of comprehensive national strength. Once a country enters a state of turmoil, its comprehensive national strength will inevitably rapidly decline. Correspondingly, the country's capacity for security protection will also decrease, and the dignity and sovereignty of the nation will be inadequately upheld.

It is crucial to note that the larger a country's economic output, population, and social complexity, the greater the cost incurred by social upheaval, and the higher the social cost paid.

Because the issue of social security is of utmost importance, the successive leaders in China since the initiation of reform and opening-up have invariably attached great importance to this matter. They have often emphasized the overriding significance of social stability, formulating corresponding policies and measures accordingly. Deng Xiaoping pointed out, “To carry out reforms, there must be a stable political environment. For China, the most crucial thing is stability. Without a stable environment, nothing can be accomplished, and the achievements already obtained will be lost.” China’s understanding of social security has deepened and expanded from the previous emphasis on political security to include economic security, social security, cultural security, and environmental ecological security. For example, China increasingly values the protection of arable land area, a baseline for people’s livelihood, and addresses issues related to strategic reserves of food. Furthermore, China places increasing emphasis on energy security, a baseline for economic development, and addresses the strategic reserves of oil.

It can be said that since the initiation of reform and opening-up, China’s efforts in the realm of social security have been highly effective, providing a crucial prerequisite for the advancement of China’s modernization.

Thirdly, gradual progression in the modernization process.

Since the initiation of reform and opening-up, China’s modernization process has adopted a methodical and gradual progression. This approach exhibits two distinct characteristics.

The first characteristic involves arranging the content of modernization according to a logic of prioritizing the economy before other aspects. China’s modernization, post-reform and opening-up, commenced with a focus on the economic sphere. Deng Xiaoping explicitly stated, “First, we need to boost the economy; then everything will fall into place. Now, we have to grit our teeth and boost the economy. This is the overarching priority; everything must submit to it. ...Without the central focus on economic development, there is a risk of losing the material foundation.” As the economy advanced to a certain stage with a significant material base, China began to shift attention to aspects like social development, cultural development, and environmental and ecological construction. This approach offers several advantages. On the one hand, it aligns with the laws of societal development, as the development changes in the economic base determine the changes in the superstructure, an undeniable law. For a country’s modernization process, this holds



particularly true. Only when the economy reaches a certain stage can it provide the necessary material foundation and impetus for the advancement of modernization in other areas. On the other hand, it ensures broad public acceptance of modernization. Whether modernization can continue to progress depends crucially on gaining widespread acceptance from the populace. If the public does not benefit from modernization over an extended period, there will be a sense of alienation and indifference toward the process, making the modernization journey difficult and unlikely to succeed. The key to gaining broad public acceptance lies in ensuring that the basic living standards of the people continuously improve on the basis of economic development. Only through this can the entire population actively endorse modernization.

The second characteristic is that the modernization drive has gradually shifted from a step-by-step approach to a push-driven approach to social contradictions. At the beginning of the reform and opening-up, China adopted a step-by-step approach, which was to “nurture new things and new systems in areas where the influence of the old system is relatively weak, and then use these as a breakthrough point to spread to the surrounding areas.” China first carried out reform in rural areas, where the difficulty of reform was relatively low. After the rural reform achieved great results, it was carried out in cities. By the beginning of the twenty-first century, the situation of the step-by-step approach to modernization began to change greatly. “China’s reform has entered the deep-water zone after 30 years. It can be said that the easy reforms that everyone is happy with have been completed, and the good meat has been eaten. What is left are the hard bones that are difficult to chew.” In line with the changes in the situation, China’s modernization construction path began to gradually shift to a push-driven approach to social contradictions. The characteristic of this approach is that it is based on the overall consideration of top-down design, and according to the specific circumstances of reality, it selects key and influential social contradictions, focuses on breakthroughs to solve them, and makes them produce positive effects in a chain.

### 4.3 *China’s Initial Achievement of Modernization Takeoff*

After over four decades of reform and opening-up, China has, through unwavering endeavors, significantly cultivated its internal forces propelling modernization. An effective developmental trajectory, marked

by a gradual and progressive approach, has been firmly established. Importantly, in contemporary China, modernization has become an irreversible trend, representing the prevailing course of the times. China’s modernization has garnered globally recognized tremendous achievements, marking the initial realization of the takeoff phase, as the country transitions from a traditional society to a modern one—a monumental historical turning point with profound implications spanning millennia.

A set of statistics vividly illustrates China’s preliminary takeoff in modernization. From 1978 to 2017, China’s total GDP increased from 367.87 billion yuan to 113,323.98 billion yuan, with an average annual growth rate of 8.7% (1979–2021); per capita GDP rose from 385 yuan in 1978 to 80,237 yuan in 2021, demonstrating an average annual growth rate of 8.1% (1979–2021). At the beginning of the twenty-first century, China’s economic scale had already positioned itself as the world’s second-largest economic entity, and the nation increasingly played a pivotal role on the global stage. China’s share of the world’s Gross Domestic Product (GDP) was 1.7% in 1978, 1.6% in 1990, 3.6% in 2000, 9.2% in 2010, and 18.5% in 2021. The country held the top position in the world in terms of foreign exchange reserves, accounting for 25.2% of the global total in 2016.

#### *4.4 Facilitating the Sustained and Healthy Progress of China’s Modernization*

Since the reform and opening-up, China’s modernization has achieved undeniable and remarkable success, marking the initial phase of takeoff. However, it is important to note that there are still a number of obvious issues in China’s modernization drive, and the country still has a long way to go before achieving comprehensive takeoff. These issues include excessive reliance on extensive economic growth, a conspicuous lack of intensive development, and an insufficiently mature market economy. Additionally, there is a noticeable lag in non-economic development, resulting in a pronounced imbalance with economic progress and subsequently giving rise to a multitude of evident social conflicts, manifesting various discernible constraining effects, and more. While China’s modernization has become an inexorable historical trend, and a regression in China’s modernization is implausible, the critical challenge lies in effectively addressing these issues. Failure to do so would impede the

further advancement of China's modernization, making progress increasingly arduous and even risking deviations, thereby presenting formidable obstacles to the comprehensive takeoff of China's modernization.

In the context of the new era, how can the positive momentum of modernization construction, maintained for nearly 40 years, be effectively sustained? How can the comprehensive, healthy, and continuous advancement of China's modernization construction be ensured, leading to a comprehensive takeoff and a smooth transition to the "mature stage of modernization"? Regarding this, there are multifaceted considerations, with a crucial focus on the key issue of the endogenous driving forces of modernization construction. The following actions are crucial in this regard:

#### (1) Further Promoting the Construction of the Market Economy and the Opening-up Process

The core of the endogenous driving forces of modernization construction lies in the market economy and opening-up. While the market economy is not a panacea, it is only through a market economy that a society's production factors can be effectively allocated, latent potential can be activated, and comprehensive efficiency can be achieved. Through opening-up, a country can integrate into global and era trends, activate its development vitality, draw essential development experiences from other countries, and facilitate necessary resource exchanges crucial for modernization construction. Although China has established a basic market economy system, it is not yet fully standardized and systematic. Similarly, while opening-up is a trend, it is not yet comprehensive. Therefore, it requires further effective promotion.

#### (2) Emphasizing Holistic Development

Modernization construction does not solely depend on the unilateral driving force of a specific field or aspect. With the deepening of the modernization process, various elements in society become more complex, and specialized division of labor becomes more refined. Each field has increasingly autonomous and dynamic factors. Modernization construction is a form of holistic development, and its sustained and

healthy progress relies on the mutual promotion and coordinated development of various fields, sectors, and constituent elements within the social organism. Unilateral advances not only lack sustainability but often generate increasingly harmful negative effects, potentially leading to issues that impact the overall modernization construction. As modernization construction advances, the demands for holistic development are inevitably heightened.

### (3) Upholding and Promoting Social Justice

While modernization construction is undoubtedly crucial and a foremost concern determining a country's future, strictly speaking, modernization construction itself is not the end goal; rather, it is a fundamental means to achieve the primary objective of social justice. Social justice has two fundamental value orientations: first, ensuring that all members of society share in the fruits of social development, guaranteeing the basic dignity of each member as the modernization process advances, and continually raising the baseline living standards of every member; second, providing ample space for the free development of each member of society. These two fundamental value orientations of social justice are mutually reinforcing and indispensable. Reform and development should have the starting point and foothold of “promoting social fairness and justice, enhancing people's well-being.” Only through continuous efforts to uphold and promote social justice can the goal orientation of modernization construction be effectively addressed, and the fundamental institutions of Chinese modern society be arranged accordingly. It should be clearly recognized that, due to various historical and current reasons, there are numerous instances of social injustice in China at the present stage, exerting highly unfavorable influences on the entire society. To ensure the sustained and healthy progress of China's modernization construction, it is imperative to continuously uphold and promote social justice.

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## Planning and Modernization in China

Strictly speaking, the true modernization of China began with the reform and opening-up policies. Looking further, one important reason why the modernization efforts since China's reform and opening-up have achieved globally recognized success is the effective planning of modernization construction under the condition that the market economy gradually plays a decisive role in resource allocation. In other words, there is a high correlation between China's modernization construction and its planning since the reform and opening-up. Overall, development planning has effectively boosted China's modernization. Compared with many developing countries and regions, this is a distinct characteristic and significant advantage of China's modernization since the reform and opening-up. At the same time, it is important to recognize that once planning behavior exceeds reasonable boundaries, it will inevitably cause many negative effects on modernization construction.

# 1 THE NECESSITY AND CHARACTERISTICS OF PLANNING IN CHINA'S MODERNIZATION CONSTRUCTION

## 1.1 *The Manifestation of Planning in China's Modernization Construction Since The Reform and Opening-Up*

The so-called planning of modernization construction mainly refers to the development goals and corresponding policy orientations set by the government based on modern value concepts for advancing modernization construction within a specific period. The essence lies in the consistency of goals and policy orientation, the continuity of goals and policies over time, and the integrity of policy layout to ensure the safety and sustained effective advancement of modernization construction. The main actor in this behavior is the government.

It should be said that only since the reform and opening-up has China begun to plan for modernization construction in a true sense. This planning is mainly manifested on three levels:

First is the long-term planning of modernization construction at the macro-strategic level.

Such long-term macro planning is significant because it is not only the long-term goal of China's modernization construction but also the basis for the planning of other specific fields or stages of modernization construction. At the beginning of reform and opening-up, Deng Xiaoping proposed the profoundly influential "three-step" modernization strategy, namely: "The first step is to double the GDP of the 1980s. Based on the GDP per capita of only \$250 in 1980, to double it would reach \$500. The second step is to double it again by the end of this century to reach a per capita of \$1000. Achieving this goal means we enter a moderately prosperous society and transform a poor China into a moderately prosperous one." "The third step, which is more important, is to double the GDP twice more in the next century over thirty to fifty years, generally reaching a per capita of \$4000. By achieving this step, China will have reached the level of a moderately developed country."

More than thirty years later, based on this foundation, in light of the new era's circumstances, Xi Jinping further elaborated on the "third step" in 2017 with a more specific, clear, and essential extension design, enriching the strategic goal of the "three-step" modernization, making it more feasible and operational, namely: "From 2020 to the middle of this century, it can be arranged in two stages." "The first stage, from

2020 to 2035, on the basis of building a moderately prosperous society in all respects, we will strive for another fifteen years to basically realize socialist modernization.” “The second stage, from 2035 to the middle of this century, after having basically achieved modernization, we will strive for another fifteen years to build our country into a strong, democratic, civilized, harmonious, and beautiful modern socialist country.”

Looking back at the more than 40 years since the reform and opening-up, it can be seen that although Chinese society has undergone earth-shaking changes, such a long-term planning goal of “three steps” for modernization construction over more than 70 years has been very stable overall. China can be said to have maintained long-term adherence to this plan. This is also an important reason why China’s modernization construction has been able to continue to advance and achieve success since the reform and opening-up.

Second is the medium-term planning of modernization construction at the mesoscopic level.

China’s “Five-Year Plans” for national economic and social development, formulated every five years since the reform and opening-up (originally called “Five-Year Plans”), are typical medium-term plans for modernization construction. The report of the Communist Party of China’s National Congress, which is held every five years, also falls into this category. Long-term strategic plans for modernization construction cannot possibly plan comprehensively for every specific period, but require phased implementation, hence the need for medium-term plans for modernization construction. Without medium-term planning, long-term modernization plans cannot be achieved. The significance of medium-term planning lies in, according to the actual socioeconomic situation, decomposing the long-term strategic goals of modernization construction on the macro level into several operable medium-term phased goals and developing the necessary paths to realization. Compared to the stability of long-term strategic planning, medium-term planning requires more flexibility and adaptability.

Thirdly, specific planning for modernization construction at the micro level.

The medium-term planning solves the staged goals and path of modernization construction, but this is not enough. It needs to be further broken down into specific modernization construction planning for specific areas, specific industries and specific regions. This enables different areas, different industries and different regions to formulate

specific and operational modernization construction planning based on the overall national development planning and combined with their own specific conditions. This mainly includes: First, the five-year plans for different areas and industries formulated based on the national five-year plan, such as “Made in China 2025,” “National Agricultural Modernization Planning (2016–2020),” “National Education Development ‘13th Five-Year’ Plan,” “Outline of China’s National Plan for Medium and Long-term Education Reform and Development (2010–2020),” “13th Five-Year National Plan for Science and Technology Innovation and Social Development,” “National New Urbanization Planning (2014–2020),” “‘13th Five-Year’ Plan for the Development of Human Resources and Social Security,” “‘13th Five-Year’ Plan for Ecological and Environmental Protection,” and so on. Second, the five-year plans formulated by different provinces and cities based on the national five-year plan, such as “Beijing’s 13th Five-Year Development Plan,” “Guangdong Province’s 13th Five-Year Plan for National Economic and Social Development,” “Shandong Province’s 13th Five-Year Plan for National Economic and Social Development,” and so on. In addition, the five-year plans of different prefectures, counties, and county-level cities are formulated based on the five-year plans of their provinces and cities, as well as the five-year plans of various areas or industries within these prefectures, counties, and county-level cities based on their own five-year plans.

## 1.2 *The Necessity of Planning for Modernization Construction*

Since the reform and opening-up, the government must plan modernization construction out of necessity determined by China’s historical and practical circumstances.

First, planning is imperative in order to break the dual dilemma of material capital and human capital shortages faced by modernization takeoff.

For the takeoff of modernization in developing countries and regions, material capital and human capital are two crucial supporting factors. China was extremely deficient in both at the beginning of reform and opening-up. “The ten years of turmoil during the ‘Cultural Revolution’ brought China’s economy to the verge of collapse, making people’s livelihoods problematic and national construction at a standstill.” In 1978, the per capita disposable income of urban and rural residents nationwide was only 171 yuan. In 1978, the Engel coefficient of urban and rural

residents was as high as 57.5% and 67.7% respectively. The balance of RMB deposits in financial institutions was only 100 billion yuan, foreign exchange reserves were only 1.67 billion US dollars, there were only 856,000 students enrolled in regular institutions of higher learning, and only 1777 overseas students. National education expenditure was only 7.33 billion yuan, and the total scientific research expenditure was only 5.333 billion yuan. Under the dual scarcity of material capital and human capital, it would be impossible to form effective investment or consumption demand pull, nor to provide effective human capital support. As a result, China's modernization takeoff would not be possible. Moreover, it should be recognized that within a relatively short period of time, if only relying on the "natural growth" of material capital and human capital itself, it would be impossible to break the extreme scarcity. Apparently, the effective way to break this dilemma can only be through effective planning, concentrating the extremely limited and relatively scattered material capital and human capital for use; purposefully and plannedly forming various effective channels to "attract investment" domestically and "introduce foreign investment" from abroad; in addition, concentrating resources to promote the "leapfrog" development of education and science and technology. Through such planning and implementation, it is possible to rapidly form a certain scale of material capital and human capital necessary for China's modernization drive, thus effectively facilitating the takeoff.

Second, planning is imperative in order to resolve "market failures."

China's modernization construction since the reform and opening-up has been carried out under market economic conditions. The problem is that market economies inevitably have "failures." "In fact, two types of market failure wreck the idealized perfectly competitive world assumed in the invisible hand theory: imperfect competition and externalities." If the market economy is allowed to grow "naturally" without any constraints, negative effects such as monopolies and vicious competition in economic activities will inevitably emerge, resulting in a lack of public services, delays in livelihood improvements, increasingly prominent social injustice, and environmental damage. This will inevitably hinder or distort the process of modernization construction. Importantly, the formation of a sound market economy requires a long historical process. China's market economy has been gradually formed since the reform and opening-up, and is still far from mature and well-regulated. Therefore, the negative effects of "market failures" could be particularly salient. For this reason, in

order to ensure the healthy and sustainable progress of China's modernization drive, it is necessary to make plans for modernization construction to effectively avoid the harm caused by "market failures."

Third, planning is imperative in order to resolve uneven development.

Any country or region will inevitably have uneven development to varying degrees at the initial stage of modernization takeoff, and it is impossible to have balanced development. Compared with other countries and regions, due to its huge population, vast territory, and extremely complex intertwining historical and contemporary factors, China's modernization and market economy have generated tremendous momentum during the rapid transition period. "Some factors develop faster, some even faster, some slowly, and some remain stagnant. This inevitably leads to coexisting 'linkage' and 'stagnation' phenomena, and the complex and diverse situations of mutual contradiction between many elements and variable blocks." Therefore, the advancement of China's modernization drive will inevitably see significant imbalances. Under the inducement of imbalanced development, various pulling forces are formed, people's expectations are generally high, and social anxiety permeates the entire society. If imbalances evolve to a serious extent, not only will they affect effective cooperation among all social groups and the integration and stability of the entire society, but they will also introduce uncertainties that hinder the normal advancement of modernization. In view of this, China must make necessary plans to seek the greatest common denominator in development goals and behaviors of all groups and regions, so as to mitigate imbalances and ensure the coordinated and sustainable advancement of modernization.

In summary, as the largest developing country in the world, China's modernization drive cannot do without necessary planning. In other words, planning is a prerequisite for the effective advancement of China's modernization drive.

### *1.3 Distinctive Features of Planning in China's Modernization Efforts*

Since the reform and opening-up, under the era centered on modernization efforts, the planning of China's modernization has displayed two prominent features.

The first distinctive feature is the foundation of a market economy system. Without this groundwork, planning for modernization would



be meaningless and unfeasible. It must be recognized that for modernization, planning is a technical means that must be subordinate to the fundamental economic system. In the 30 years prior to the reform and opening-up, China operated under a planned economic system, which was incapable of effective resource allocation and could not afford society's members ample opportunities for mobility. Modernization planning based on this system could only be a "willful plan" with an artificial character, implemented through administrative orders and compulsory actions. Such methods, in a specific historical period, may have mobilized certain aspects of modernization, such as facilitating major construction projects. However, fundamentally, a planned economy is an institutional arrangement that rejects the market economy, thus not conforming to the laws of modernization and inevitably hindering the sustainable and healthy progress of modernization in the long run. After the reform and opening-up, China gradually established a market economy system. Market economy is now common sense, but for China, it was a profound understanding formed on the basis of numerous lessons. Modernization and market economy are intrinsically linked. "That market determines resource allocation is a general principle of market economy, and essentially, a market economy is one where the market decides resource allocation." Only under a market economy can various essential production factors be effectively allocated, members of society potentially achieve full mobility, and modernization be sustainably and healthily advanced.

Further analysis shows that only with the market economy system as the basic condition does the planning for modernization acquire true significance. In this regard, planning for modernization firstly must conform to the laws of the market economy and provide necessary services and protections for it. Secondly, it should prevent and restrain the negative effects of "market failure" on society, such as "external diseconomies," which means actions that "appear beneficial from within a company but disrupt ecological balance and resources, causing water, air pollution, etc." Thirdly, the planning should offer guidance to micro-decision entities rather than mandatory instructions. Only in this way can modernization planning play its positive role.

The second distinct feature of China's modernization planning is its clear adaptability to the times.

After the reform and opening-up, as modernization became the center of the era, China's true modernization planning began to take shape. Importantly, its standards have been advancing with the times. This is first

reflected in the increasingly pragmatic nature of the planning content. During the planned economy era, modernization planning often set overly ambitious and changeable development targets, disconnected from realistic capabilities, rendering the modernization goals almost unattainable. Also, these impractical modernization goals objectively limited the actions of the modernizers themselves, depleting their potential. “Those who overly preconceive and rely on certain eventualities would find themselves more challenged to adapt to unprecedented changes, thus binding their own hands and feet.” Since the reform and opening-up, modernization planning has gradually shed this aspect and has increasingly become more pragmatic—emphasizing working within one’s means and focusing on quality and effectiveness. It can be said that seeking moderate development and valuing quality have become increasingly distinct and central threads throughout the planning of modernization post-reform and opening-up. The adaptability of modernization planning is also evident in the increasingly scientific, standardized, and comprehensive design of its content, reflecting the deepening understanding of the laws of modernization alongside the advancement of actual modernization. In formulating the “Twelfth Five-Year Plan,” the government proposed the principle of “four considerations,” namely: “First, balance between comprehensiveness and focus; second, continuity and phase; third, needs and possibilities; fourth, expectations and binding nature.” As modernization efforts progressively deepen, even the very names of China’s modernization plans have undergone significant changes. Starting in 1981, the previous “Five-Year Plans for National Economic Development” were renamed “Five-Year Plans for National Economic and Social Development,” thus eliminating traces of the planned economy era’s influence on development planning. Moreover, planning indicators themselves have become more comprehensive and rational. For instance, in the indicators for modernization planning, economic indicators previously had a larger proportion, but since 2011, this has significantly changed. “In the ‘Twelfth Five-Year Plan,’ indicators related to people’s livelihoods, population, resources, and the environment are more prominent, with all social categories combined accounting for 87.5%.”

## 2 THE IMPORTANT DRIVING SIGNIFICANCE OF PLANNING FOR CHINA'S MODERNIZATION CONSTRUCTION

Since the reform and opening-up, the planning of modernization construction has played an irreplaceable and significant role in the effective advancement of China's modernization drive. This is mainly manifested in the following aspects.

### *2.1 Effectively Promoted the Realization of The Fundamental Goals of Modernization Construction*

Modernization construction is not conducted for modernization's sake. As a conscious human activity, modernization construction has its fundamental goals. Modern society emphasizes people-oriented development, and the fundamental goal of modernization construction is to achieve social justice. Social justice includes two complementary and indispensable basic value orientations. The first is to allow all members of society to share the fruits of social development. Engels pointed out that we should "put an end to the situation where the needs of some are satisfied by sacrificing the interests of others;" "enable the abilities of all members of society to be fully developed." Deng Xiaoping pointed out that "the greatest superiority of socialism is common prosperity, which is the essence of socialism." The second is to achieve human liberation and provide sufficient space for the free development of each individual. Engels pointed out that the socialist system should "provide beneficial work for all, provide abundant material life and leisure time for all, and provide true and complete freedom for all." Marx and Engels also pointed out that "the free development of each is the condition for the free development of all." These two basic value orientations are indispensable. Without either one, social justice would be incomplete.

Clearly, the fundamental value orientation of social justice has a "fundamental guidance" for modernization construction. Social justice not only concerns the institutional arrangements of modern society and the formulation of important policies, but also matters to whether economic modernization construction is "positive" in nature. Clearly, social justice is an issue concerning the guiding principles of modernization construction planning. "Determining the guiding principles of planning is the soul and core of formulating the plan, and it is also the basis and premise

for setting planning goals, tasks and related policies.” Precisely because social justice is so important, modernization construction should “take promoting social fairness and justice and improving people’s welfare as the starting point and foothold.”

Over the past 40 years since the reform and opening-up, China’s cognition process regarding social justice has largely manifested a synchronous process that has kept pace with the continuous advancement of the modernization drive, namely the unification of cognitive logic and practical logic. In the early days of reform and opening-up, although China identified modernization construction as the central task of the times and set long-term modernization goals, it must be recognized that due to the lack of sufficient theoretical preparation and empirical reference for modernization construction, China could only “cross the river by feeling the stones.” Correspondingly, China’s cognition of social justice could only gradually deepen and become more complete as the process of modernization construction gradually advanced. Objectively, since the 1990s, with 2003 as the boundary, cognition regarding social justice has formed two distinct periods before and after, and the different cognitions of social justice have had varying impacts on the planning of modernization construction, which in turn resulted in different effects on the actual state of modernization construction.

In the 1990s, in order to break the deeply entrenched concept of egalitarianism and the planned economic system, China began to develop the notion of “efficiency first, fairness second.” This notion gradually became a policy orientation and was reflected in the planning of modernization construction, and exerted great influence. Objectively, this approach had a certain historical rationality in that specific historical stage. Under the specific historical conditions at that time, this approach played an important and even irreplaceable role in liberating productive forces, strengthening the economic awareness of the Chinese people in general, eliminating egalitarian concepts and distribution methods, removing obstacles to the growth of the market economy, eliminating personal dependence, forming self-motivated behaviors among social participants, promoting social mobility, promoting human liberation, and thus promoting the overall modernization drive. However, it should be recognized that “efficiency first, fairness second” was only an effective strategic notion for a specific historical period, rather than a fundamental value concept of modern society. The main limitation of this notion is that it does not conform to the concept of “shared development.” If

this notion was adhered to in the long run, as times changed, it would lead to over-compensation, causing society to overemphasize economic benefits and issues like GDP that are “instrumental” “means,” while undervaluing or even ignoring fundamental issues concerning the fundamental goals of modernization construction. In such circumstances, major issues like improving people’s livelihood would not receive due attention and planning. In the 1990s, even areas that were typically basic public services like education and healthcare appeared some planning orientations of “educational industrialization” and “healthcare industrialization,” with significantly inadequate public investment in areas like social security, compulsory education, public health, employment security and housing security, thus leading people to refer to issues in education, healthcare and housing as the “three big mountains.” All these contributed to the increasingly prominent phenomenon of social injustice.

Since 2005, China has gradually gained a deeper understanding of the importance of social justice, elevating it to the essence of the socialist system and the “starting point” and “foothold” of reform and development, rather than just a matter of “consideration.” In 2005, Hu Jintao pointed out, “Upholding and realizing social fairness and justice relates to the fundamental interests of the broadest masses of the people. It is an inevitable requirement for our Party to adhere to the principle of serving the public good and exercising governance for the people. It is also an essential requirement of China’s socialist system.” In 2007, the report of the 17th National Congress of the Communist Party of China stated that we must “promote social fairness and justice, and make efforts to ensure that all the people have access to education, employment, medical services, elderly care, and housing. This will help build a harmonious society.” In 2013, Xi Jinping pointed out, “Comprehensively deepening reform must take promoting social fairness and justice and improving people’s welfare as the starting point and goal.” Accordingly, planning contents related to social justice began to take shape and advanced with unprecedented efforts. For example, around 2010, China’s annual public spending growth in people’s livelihood areas like education and social security exceeded 10–20%.

Due to the accumulation of difficulties and the lag effect of policies, some issues of social injustice in China are still quite pronounced, such as the large rich-poor gap. Fundamental improvements will take time. This is an objective reality. However, even under such circumstances, in recent years, China has made significant progress on key issues of

social justice like adjusting the national income distribution structure and ensuring basic livelihood security for the people, through effective planning and implementation. This is especially manifested in the important progress made in expanding the middle-income group and targeted poverty alleviation.

Whether national income distribution is fair or not is largely reflected in the proportion of the middle-income group. The report of the 19th National Congress of the CPC pointed out that we should “expand the size of the middle-income group” and “significantly raise the proportion of the middle-income group.” In 1999, “the proportion of employed persons who could be classified as middle class was only about 15%.” After more than a decade of efforts, the proportion of the middle-income group has expanded, showing a positive trend. According to the standards of the National Bureau of Statistics, in 2015, “middle-income households accounted for 24.3% of all households in China”; based on the relative standard (the median income standard), the proportion of China’s middle-income group was 38% in 2015.

The complete elimination of poverty is an outstanding achievement in realizing shared development since China’s reform and opening-up. Since the 1990s, China has regarded eliminating poverty as an important planning goal for modernization drive, and formulated and implemented the “National Seven-Year Poverty Alleviation Plan (1994–2000),” “Outline for Development-Oriented Poverty Reduction Program for Rural China (2001–2010),” and “Outline for Development-Oriented Poverty Reduction Program for Rural China (2011–2020).” In recent years, the state has placed it as an extremely important planning goal. The 13th Five-Year Plan proposes “making all-out efforts to fight poverty.” The report of the 19th Party Congress stated that we must “secure a decisive victory in building a moderately prosperous society in all respects and in the fight against poverty” and “ensure that by 2020, all rural residents living below the current poverty line are lifted out of poverty, and poverty is eliminated in all poor counties and regions.” To this end, a series of related specific plans have been introduced, such as the “Decision of the CPC Central Committee and the State Council on Winning the Fight Against Poverty” and the “13th Five-Year Plan on Poverty Alleviation” issued by the CPC Central Committee and the State Council, as well as the “Implementation Plan for Establishing a Poverty Alleviation Mechanism” and “Notice on the 13th Five-Year Plan on Relocation of Poor Residents” issued by ministries of the State Council. It can be said that China has

spared no efforts in advancing these poverty alleviation plans and achieved tremendous recognized results.

The important significance of completely eliminating poverty lies not only in its positive role in easing social conflicts and promoting social stability, raising the basic level of shared development across society, and realizing the fundamental goals of modernization drive; at the same time, the implementation of targeted poverty alleviation planning has also made tremendous contributions to poverty reduction efforts worldwide.

## *2.2 Effectively Promoted the Formation of Modern Economic Structures*

The role of modernization planning in positively boosting the formation of China's modern economic structure is mainly reflected in the following aspects:

Firstly, it has effectively promoted the establishment of a market economy system.

The market economy is the fundamental institutional arrangement of modern economic forms. A necessary condition for modern productive forces is the full mobilization and allocation of resources, which requires the foundational institutional support of a market economy system. Therefore, without a market economy system, a modern economic form cannot exist, or at least cannot exist sustainably. Specifically for China, the market economy has developed from nonexistence to its current state. The evolution and development of the market economy since the reform and opening-up have been directly related to the national planning.

As the reform and opening-up deepened, the state's understanding of the market economy gradually became more profound, with corresponding planning and promotion efforts continuously intensifying. In 1982, the report of the 12th National Congress of the Communist Party of China (CPC) first introduced the term "market" in the party's documents, indicating that the economy should be "planned as a primary means, with market regulation as a supplement." In 1984, the Third Plenary Session of the 12th CPC Central Committee adopted the "Decision of the CPC Central Committee on Economic System Reform," proposing a "planned commodity economy." The report of the 13th National Congress of the CPC in 1987 suggested establishing a mechanism where "the state regulates the market, and the market guides enterprises." The 14th CPC National Congress report in 1992 was

epoch-making, clearly proposing the establishment of a socialist market economy system. Subsequently, in 1993, the Third Plenary Session of the 14th CPC Central Committee passed the “Decision on Several Issues Concerning the Establishment of a Socialist Market Economy,” which concretized the goals and tasks for establishing a socialist market economy. The report of the 15th CPC National Congress in 1997 proposed to “uphold and improve the socialist market economy system, allowing the market to play a fundamental role in resource allocation under state macro-control.” In 2003, the Third Plenary Session of the 16th CPC Central Committee’s “Decision on Several Issues Concerning the Improvement of the Socialist Market Economy” stated to “persist with the reform direction of the socialist market economy,” “to allow the market to play a greater role in resource allocation.” In 2013, the Third Plenary Session of the 18th CPC Central Committee’s “Decision on Major Issues Concerning Comprehensively Deepening Reforms” indicated that “the market should play a decisive role in resource allocation.” In 2017, the report of the 19th CPC National Congress asserted the need to “unswervingly consolidate and develop the public sector and encourage, support, and guide the development of the non-public sector, letting the market play the decisive role in resource allocation.” Importantly, the state’s significant decisions on establishing a market economy system were not just on paper but were concretely implemented through various levels of planning. These specific plans include: “Several Opinions of the State Council on Encouraging, Supporting and Guiding the Development of Individual, Private and Other Forms of Non-Public Economy,” “Several Opinions of the State Council on Encouraging and Guiding the Healthy Development of Private Investment,” “Several Opinions of the State Council on Encouraging Social Forces to Run Education and Promote the Healthy Development of Private Education,” “Notice on Implementing Several Measures to Further Support and Serve the Development of the Private Economy,” “Notice on Related Issues of Preferential Tax Policies for Small and Micro Profit Enterprises,” in addition to a series of related and specific planning measures in various regions, and so on.

All these measures have powerfully driven the formation of China’s market economy system. Today, the market economy system has been fundamentally established and has become an organic part of Chinese society. “In 2013, the overall score for marketization was 8.35.” Additionally, data provided by the National Development and Reform



Commission shows that in 2016, the degree of price marketization in China reached 97.01%. “This means that in 2016, the proportion of prices managed by the government was less than 3%.” “The price marketization degree of the primary industry reached 100%. In 2016, the secondary industry’s price marketization degree was 97.37%, and the tertiary industry’s price marketization degree was 95.90%.”

Furthermore, as the foundational supporting force of the market economy system, the private economy has also seen remarkable growth that has caught the world’s attention, playing an increasingly important, and indeed irreplaceable, role in China’s socioeconomic life. By the end of 2017, “China had 27.263 million private enterprises and 65.793 million individual industrial and commercial households, with registered capital exceeding 165 trillion yuan.” The private sector has made significant contributions to China’s modernization efforts. “To summarize, the private economy has the ‘56,789’ characteristics, contributing more than 50% of tax revenue, over 60% of GDP, more than 70% of technological innovation outcomes, over 80% of urban employment, and more than 90% of the number of enterprises.” Today, it is inconceivable to imagine the normal operation and development trajectory of China’s socioeconomic life without private enterprises.

Secondly, there has been a significant expansion in the volume of material wealth.

For developing countries and regions, at the outset of their modernization, they inevitably face the bottleneck of scarce capital and wealth, which is a common issue. Without resolving this problem, modernization cannot take off. At the beginning of China’s reform and opening-up, the economic foundation was extremely weak, and the volume of material wealth was too small. In 1978, China’s per capita GDP was only 379 yuan, urban per capita savings balance was only 89.8 yuan, and rural areas had a mere 7 yuan. From this perspective, whether looking from the angle of investment-driven or consumption demand-driven growth, the propelling force for modernization construction was very weak.

In such a context, seizing the opportunity to focus exclusively on economic development and expanding the total volume of material wealth became an urgent priority for China at the initial stage of its modernization drive. Deng Xiaoping pointed out, “China’s economic development must strive to advance to a new level every few years.” “If there is an opportunity for development, do not hold back; where conditions permit,

try to move faster; as long as there is efficiency, quality, and an outward-oriented economy, there is nothing to worry about. Low speed equals stagnation, and even retreat.” Moreover, “fundamentally speaking, having more at hand puts us in a proactive position when dealing with various contradictions and problems.” It can be said that since the reform and opening-up, China’s planning for modernization construction has been formulated and implemented according to the principle that “development is the absolute principle” and the grand strategy of continuously advancing the economy rapidly to higher levels. This grand strategy is evident in both national and regional modernization plans.

Overall, such effective planning for modernization construction has vigorously driven the rapid growth and even substantial expansion of the volume of material wealth. Over the 40 years since the reform and opening-up, “China’s GDP grew from 367.9 billion yuan to 82.7 trillion yuan in 2017, with an average annual real growth of 9.5%, far exceeding the global economy’s average annual growth rate of about 2.9% during the same period. China’s share of global GDP increased from 1.8% at the start of the reform and opening up to 15.2%.” In 2017, China’s per capita GDP reached 8827 US dollars, with foreign exchange reserves of 3.1399 trillion US dollars (maintaining the world’s largest for many consecutive years). Some scholars believe that “by the end of 2016, China’s net social wealth (the sum of non-financial assets and net foreign assets) totaled 437 trillion yuan (RMB), equivalent to 70.7% of the United States’ wealth at the same period, ranking second in the world.” “73% of China’s net social wealth is owned by residents, with the remaining 27% held by the government.” Other research shows that “in 2017, the per capita wealth of Chinese households was 194,332 yuan. Urban household per capita wealth was 274,724 yuan, and rural household per capita wealth was 84,099 yuan.” “Per capita household time deposits, demand deposits, and cash in hand reached 18,465 yuan, 9582 yuan, and 2951 yuan, respectively.” “In 2017, one-third of households owned a car.” The tremendous change in China can be accurately described as a complete transformation.

The substantial increase in material wealth not only provides indispensable material conditions for the further advancement of China’s modernization and the mitigation of various risks but also offers a robust economic foundation for the widespread improvement of people’s livelihoods.

Moreover, it has effectively promoted the upgrading and transformation of the industrial structure.

The modern economy faces not only the issue of “quantity,” i.e., “magnitude,” but also the issue of “quality,” including the “industrial structure.” The issue of industrial structure is extremely important, whose level of development is not only a matter concerning the quality and advancement of economic growth but also a matter concerning a nation’s economic competitiveness. Furthermore, it is critical to whether a nation’s economy can achieve sustainable development.

Industrial structure encompasses many aspects, among which the most crucial are the structural relationship between the three major industrial sectors and the internal structure of the manufacturing industry. It should be noted that since the reform and opening-up, China’s modernization plans have effectively propelled a large-scale and significant upgrade in the three major industries and manufacturing structures.

Since the reform and opening-up, and with the boost from modernization planning, the structure among China’s three major industries has undergone a fundamental optimization. In the 30 years before the reform and opening-up, China long neglected the tertiary sector, and a structural ratio of “secondary-primary-tertiary” gradually took shape; that is, the secondary industry received the largest investment, followed by the primary industry, with the tertiary industry being the last. “The traditional economic growth mode of prioritizing heavy industry over commerce and accumulation over consumption has, to some extent, suppressed the normal demand for the tertiary industry.” “By the end of the 1970s, the added value of the tertiary industry accounted for only 20% of the Gross Domestic Product (GDP), which was severely lagging behind the development of the national economy.” Since the reform and opening-up, this situation has fundamentally changed. In 1992, the “Decision of the Central Committee of the Communist Party of China and the State Council on Accelerating the Development of the Tertiary Industry” stated that “the accelerated development of the tertiary industry is the inevitable result of the improvement of productivity and social progress. The level of the tertiary industry is an important indicator of the economic development of a modern society.” “To seize the current favorable opportunity, to accelerate the pace of reform and opening up, and to focus on boosting economic construction, in accordance with the ten-year plan for national economic and social development and the requirements of the Eighth Five-Year Plan, the tertiary industry must experience comprehensive and rapid development.” Thereafter, from the national to local government levels, vigorous

development of the tertiary industry has been implemented as an important goal of modernization planning, achieving significant success. By now, the structure of the three major industries has shifted from the original “secondary-primary-tertiary” to the modern economic characteristic of “tertiary-secondary-primary.” “From 1978 to 2017, the added value of the tertiary industry as a proportion of GDP increased from 24.6% to 51.6%, a rise of 27 percentage points; the proportion of the secondary industry decreased from 47.7% to 40.5%, a decline of 7.2 percentage points; and the proportion of the primary industry decreased from 27.7% to 7.9%, a decrease of 19.8 percentage points.”

Since the reform and opening-up, China’s manufacturing industry has achieved unprecedented development. “China has established a relatively complete industrial system, with the scale of its industries accounting for about 20% of the global manufacturing industry.” China has emerged as the largest manufacturing nation in the world—a remarkable historical leap. However, it should be recognized that the international competitiveness of China’s manufacturing industry is relatively weak; it is far from being a “manufacturing powerhouse.” Against this historical backdrop, and based on a thorough summation of experiences, lessons, and the emulation of successful practices from developed countries, China has formulated a comprehensive and profoundly influential industrial development plan—“Made in China 2025.” The goal of this plan is to “implement the strategy of strengthening manufacturing, coordinate planning and foresight, and strive to become a leading manufacturing powerhouse by the centenary of the founding of the People’s Republic of China through three decades of effort.” The plan’s objectives are divided into three stages: “The first step: to strive to join the ranks of the powerful manufacturing nations within ten years.” “The second step: by 2035, for China’s manufacturing industry as a whole to reach a medium level within the world’s manufacturing powerhouses.” “The third step: by the centenary of the founding of New China, to consolidate the status of a great manufacturing nation and to enter the forefront of the world’s manufacturing powerhouses.” The plan covers ten key areas, including the new generation of information technology industry, high-end CNC machine tools and robotics, aerospace equipment, marine engineering equipment and high-tech ships, advanced rail transit equipment, energy-saving and new energy vehicles, electric power equipment, agricultural machinery equipment, new materials, biomedicine, and high-performance medical devices. In response, various relevant government

departments and local governments at all levels have successively rolled out corresponding supporting plans. Although the plan has not yet had a widespread actual effect due to the time factor, there is no doubt that it has clearly defined the direction and goals of China's industrial modernization construction, and it will inevitably have a leading and significant impact on the development of China's manufacturing industry over a long period in the future.

### 2.3 *Effective Promotion of Substantial Development of the Modernization Construction Workforce*

Modern society is characterized by the widespread dissemination of knowledge and rapid, almost daily changes. "The history of modern science shows that modern knowledge has been growing at an exponential rate. Whether in terms of the accumulation of quantity or the leaps in quality, modern knowledge has been advancing by leaps and bounds." Accordingly, for a country, the higher the educational level of its modernization construction workforce, the greater the level of scientific and technological innovation within that workforce will be, and thus, the more smoothly modernization efforts can be advanced. In other words, the educational level and innovation capability of the modernization construction workforce largely determine the extent of human support a country's modernization can receive, how much of a commanding height it can occupy in the realm of science and technology, and how far it can go. All these, to a large extent, depend on the state of a nation's education.

Since the reform and opening-up, the state has conducted a series of planning for the development of the educational sector and implemented them. In 1977, under the direct impetus of Deng Xiaoping, higher educational institutions, which had suspended their unified entrance examinations for ten years, began to enroll students, marking a return to the right track for China's educational undertakings. In 1985, the "Decision of the Central Committee of the Communist Party of China on the Reform of the Educational Structure" was promulgated, which was "the real starting point of education in the new era and greatly propelled the process of socialist modernization." This decision provided a comprehensive plan for the reform goals of the higher education system, the nine-year compulsory education system, and the vocational education system. Subsequently, a series of national-level decisions and plans

related to education were formulated and promulgated, such as the “Outline for Reform and Development of Education in China” in 1993, the “Implementation Opinions of the State Council on the Outline for Reform and Development of Education in China” in 1994, the “Decision of the State Council on Vigorously Developing Vocational and Technical Education” in 1991, the “Decision of the CPC Central Committee and State Council on Deepening Educational Reform and Comprehensively Promoting Quality Education” in 1999, the “Decision of the State Council on the Reform and Development of Basic Education” in 2001, the “Decision of the State Council on Further Strengthening Rural Education Work” in 2002, the “National Education Development Plan for the 13th Five-Year Plan” and the “National Medium and Long-Term Education Reform and Development Plan Outline (2010—2020)” in 2017, and so on. At the same time, various relevant national authorities and local governments have formulated corresponding supporting policies around the national-level educational development plans, or made corresponding arrangements in their respective “Five-Year Plans,” and implemented them.

Since the reform and opening-up, China has been increasing its planning and implementation efforts for the educational sector, which has effectively driven the massive development of the educational cause and cultivated a large, indispensable, and highly educated modernization construction workforce. A set of statistical data is illustrative of the progress. In 1978, the enrollment number for ordinary undergraduate and junior college students (across two academic years of 1977 and 1978) was 402,000, and in 2017 it was 7.615 million; In 1978, the number of students enrolled in ordinary institutions of higher education was 856,000, while in 2017 it was 27.536 million; In 1978, there were 206,000 full-time teachers in ordinary higher education institutions, and in 2017 there were 1.633 million; In 1978, the number of graduate students was 9, and in 2017 it was 578,045; In 1978, the number of people studying abroad was 860, and in 2017 it was 608,400; In 1978, the number of returning students who had completed their studies abroad was 248, and in 2017 it was 480,900. In 1981, the gross enrollment rate for high school education in China was 39.56%, and for higher education, it was 1.6%; in 2017, the gross enrollment rate for high school education was 88.3%, and for higher education, it had reached 45.7%.

It is worth mentioning that the modernization construction workforce that China has formed since the reform and opening-up not

only effectively supports the modernization of the economic field but also supports the modernization of the scientific and technological fields, driving the continuous development of scientific and technological modernization. “The World University News Network announced that, according to ‘Essential Science Indicators,’ there were a total of 6,078 highly cited scientists globally in 2018, with Chinese scholars ranking third, accounting for 7.9%.” “...some institutions have investigated and compared 138 frontier disciplines around the world. The results show that the United States is in a global leading position in 82 research fields and China in 32 research fields.”

#### 2.4 *Effective Promotion of the Coordinated Development of Modernization*

Maintaining a coordinated development of modernization is of paramount importance. Society is an organic whole composed of various aspects such as economy, society, politics, and culture, none of which can be dispensed with. The various components of the social organism, such as the economy, politics, culture, education, science, and technology, as well as the social structure, should maintain a relationship of mutual promotion and common growth. It is impossible for any single aspect to make significant progress in isolation. Therefore, modernization must be a co-growth of all aspects and fields and a coordinated development across all areas. In this regard, at the beginning of China’s reform and opening-up, a potential mistake was the one-sided rush in economic development that outpaced corresponding advancements in social, political, and cultural areas. The result was “the unevenness of development led to the unevenness of revitalization.” Consequently, not only was it impossible for the economy itself to continue to develop in a sustained and healthy manner, leading to serious problems in economic modernization such as excessive energy consumption, redundant construction, overcapacity, and low economic efficiency, but it also led to numerous social conflicts, unfavorable to the secure operation of society.

Since the beginning of the twenty-first century, China has increasingly emphasized the issue of coordinated development in modernization. In 2003, the 16th Central Committee’s third plenum of the Chinese Communist Party adopted the “Decision of the CPC Central Committee on Several Issues Concerning the Improvement of the Socialist Market Economy.” The decision stressed, “Adhere to the human-centered

approach, establish a comprehensive, coordinated, and sustainable development concept, and promote the comprehensive development of the economy, society, and people.” In 2015, Xi Jinping proposed the “Five Development Concepts,” namely, “we must establish and implement the development concepts of innovation, coordination, green, openness, and sharing.” Importantly, the Scientific Outlook on Development and the Five Concepts were concretely incorporated into the national five-year development plans, as well as the development plans of various government departments and local governments, and were implemented. It can be said that although China still has many deficiencies in coordinated development, eliminating one-sided development and achieving coordinated development has become a social consensus and has made significant practical achievements. It can be said that coordinated development has become a trend of development. As some scholars have said, the Chinese government “continuously seeks balanced development, including making the social security system more comprehensive and using fiscal transfers to resolve contradictions between urban and rural areas, regions, labor and management, development, and the environment as much as possible.”

It’s important to note that coordinated development is not synonymous with even development, nor does it mean that all areas of society should “march in step.” The essence lies in the dynamic balance of overall modernization construction, which is stable and progressive, meaning integrated development.

Regarding the promotion of coordinated development, two aspects of China’s modernization planning are particularly important.

First, there is an emphasis on nurturing reasonably advanced development poles or “development extremes.” It is impossible for modernization construction to progress in a state of absolute balance; it is always necessary to form some reasonably advanced development poles to produce demonstrative and driving effects on other parts. China’s modernization planning includes nurturing these development poles. For instance, special economic zones and development areas such as Shenzhen and Pudong have been established. In the Shenzhen Special Economic Zone, some advanced and open policies and institutional arrangements were made, which were difficult for many people on the mainland to accept at the time. The result is that Shenzhen has not only become an important hub of national wealth, an important part of foreign opening, and a significant base for high-tech, but it has also set a benchmark for the



development of the vast mainland. These have had an important impact and demonstrative effect on China's overall modernization. The same is true for the advanced planning and deployment of key infrastructure in China, especially the relatively advanced planning and implementation of transportation infrastructure. In 1978, China's railway operational mileage was 51,600 kilometers, increasing to 127,000 kilometers by 2017; high-speed rail grew from nothing to about 29,000 kilometers by the end of 2018, accounting for about two-thirds of the world's total; the same is true for highways, by the end of 2017, China's highway operational mileage reached 136,400 kilometers; in 1978, China's passenger volume was 253.993 million, and by 2017 it had increased to 1,848.62 million. Clearly, without the advance planning and development of transportation infrastructure, China's overall modernization efforts could not have progressed smoothly. In recent years, China has invested heavily in internet infrastructure, with the development of the Internet in China now leading the world, which is of great significance for the upgrading and transformation of China's industries.

Secondly, there is a significant focus on the prevention of socioeconomic risks. China's modernization planning places great emphasis on bottom-line thinking and adheres to a safety-first principle. In the context of modernization efforts, an inability to effectively address socioeconomic risks could lead to severe setbacks that might not only sap the vital energy of the development achievements but could also potentially lead to their complete undoing. Deng Xiaoping pointed out, "First, we must not make major mistakes, and second, we must quickly correct them if something is found to be wrong." Similarly, Xi Jinping has asserted, "China is a large country, and we absolutely cannot make fundamental, subversive mistakes on critical issues. Once made, such mistakes could be irretrievable and irreparable. Our stance is to be bold yet steady; we must be daring in exploration and brave in breaking new ground, yet also prudent and careful, thinking thrice before acting."

Socioeconomic risks include both directional risks and those that arise within the course of "normal development." Having established modernization as the central task of the era and the basic approach of coordinated development, and ensuring that no "subversive" errors occur in the overall direction of modernization efforts, China has progressively incorporated an increasing number of relevant measures into its modernization planning to ensure the safe operation of the socio-economy. These measures include red lines such as the non-reduction of arable land area,

unemployment rate thresholds, inflation boundaries, environmental and ecological baselines, as well as strategic material reserves.

### 3 THE REASONABLE BOUNDARIES OF PLANNING IN CHINA'S MODERNIZATION CONSTRUCTION

Undoubtedly, since the reform and opening-up, planning activities in modernization construction have played an extremely important and even irreplaceable role in facilitating the smooth advancement of China's modernization process. In a sense, without these generally reasonable and effective modernization construction plans, there would not have been the tremendous success of China's modernization construction since the reform and opening-up. However, it must also be recognized that planners themselves have cognitive limitations regarding real-world situations. For instance, "The information that individuals or organizations can use to adapt to the unknown is necessarily partial." Moreover, real-world situations are constantly changing and evolving. As the aggregate social wealth expands, the pace of scientific and technological advancement accelerates, and economic globalization progresses, the variables and uncertainties in the whole of society are also increasing rapidly. Therefore, planning for modernization construction must follow the objective laws of modernization itself. Modernization construction has its own reasonable boundaries. Once these reasonable boundaries are crossed, modernization construction planning will inevitably lead to various degrees of mistakes, which will in turn lead to mistakes in China's future modernization construction. Among them, one factor that needs sober recognition is that China's social mobilization system for concentrating efforts on major initiatives has a dual attribute in practice: On one hand, once the goals of modernization construction planning are correct and feasible, this social mobilization system will generate tremendous positive momentum to achieve many great things; on the other hand, if the goals are wrong, this powerful mobilization system will lead to tremendous negative effects, or obviously lead to the pronounced negative effects of "concentrated efforts making big mistakes." Specifically for modernization construction planning, the existence of China's reality of extremely strong social mobilization capability will further amplify the negative effects of mistakes in China's modernization construction planning.

For China's modernization construction planning, there are several reasonable boundaries that must be observed and must not be crossed.

Once these boundaries are crossed, modernization construction planning will violate the objective laws of modernization construction and lead to negative social effects and delays in the modernization process.

### 3.1 *Appropriate Development Speed*

Both history and reality show that one of the issues most prone to occur in China's modernization construction is the complex of high-speed development, or the impulse for rapid growth. This is understandable. China was trapped in poverty for a long period. Chinese people know deeply what poverty means, and have an instinctive fear of poverty and eagerness to get rid of it. Moreover, after all, the history of China's modernization construction is relatively short, and Chinese people lack the necessary cognition and experience regarding modernization. Thus, rapid growth became a deeply entrenched mindset among Chinese people for a period. "The 'soul of growth rate' implies a competitive spirit that opposes slower growth compared to other countries. It demands making growth rate acceleration the main goal of long-term planning." " 'Increasing the growth rate' remained a fact of economic life in all Third World nations. People call for the "dethronement of GNP" as the major objective of economic activity was widely heard." Reflecting on China's modernization construction planning over a relatively long period, in general, there was a habit of taking high-speed growth as the most important goal of modernization construction.

Modernization construction planning that blindly pursues high-speed growth has obvious harm. As Deng Xiaoping pointed out, "The few mistakes we have made since the founding of the People's Republic are all because we demanded too much too soon, set targets that were too high, and departed from Chinese reality, so that development was actually held back." Blindly pursuing high-speed growth will not only fail to generate corresponding effective social wealth, leading to imbalances in economic modernization construction itself, massive waste of resources, and ecological damage, but will also lead to imbalances in the social structure, giving rise to large numbers of social contradictions that affect social stability. More importantly, as the modernization process advances and the economic base expands significantly, the harm caused by blindly pursuing high-speed growth will become increasingly salient.

Since blindly pursuing high-speed growth is clearly problematic, does blindly pursuing low-speed growth make sense? Not exactly. Blindly

pursuing low-speed growth will inevitably delay modernization construction. Appropriate development speed is clearly the reasonable choice for modernization construction planning.

Modernization construction planning with the goal of “appropriate development speed” transcends the “speed” issue. It considers the problem from a more reasonable angle, namely the feasibility and efficacy of modernization construction planning goals. Only by proceeding from the development laws of modernization construction itself, in other words, only by considering from the perspective of the feasibility and efficacy of advancing modernization construction in a given period and given environment, can the reasonable pace and speed of advancing modernization construction be determined. This thinking or approach “grasps the relationship between development and speed from a more rational perspective. It sees speed as something extrinsic rather than intrinsic to development itself. The speed target is determined by the feasibility and efficacy of development, not vice versa. However, this is not to say that development is unrelated to speed. From the development process, as determined by efficacy itself, the externally manifested speed may be ‘high’ at times, and ‘low’ at other times.” Although development speed is extremely important, it must serve the actual needs and actual support capability of the modernization construction process. When circumstances call for rapid advancement, then rapid advancement should be pursued; when circumstances call for slowing down, then the speed should be reduced.

### 3.2 *Appropriate Investment Inputs*

Naturally, modernization construction planning requires necessary investment target settings to guide modernization construction. The issue is that such investment target settings must be based on the principles of maximizing benefits and proceeding according to capabilities. Once investment target setting is inappropriate, it will lead to varying degrees of harmful effects on the modernization construction process.

It should be noted that due to the psychology of impatience, the complex of rapid growth, the simplicity and ease of operation of an extensive development model, and other factors, China has long placed too much emphasis on large investments in modernization construction. This can be clearly seen in various modernization construction plans and their actual implementation. China’s investment rate rose rapidly from 38.9%

in 1978 and 32.4% in 1981, to 44% in 1993, 47.9% in 2010, 48.0% in 2011, and 44.4% in 2017. Since 2003, China's investment rate has remained above 40%. Over the 40 years since reform and opening-up, the high investment rate in China and its long duration are rare worldwide. In some regions, the investment rate has reached staggering levels. "In a provincial-level region, GDP growth reached 14–15% for consecutive years, but as investment kept increasing, according to the region's total GDP, last year's investment rate was about 89%, and how much was it in the first half of this year? 120% of local GDP."

Large investment target setting in modernization construction planning causes serious harm. Firstly, it damages "normal" development momentum. After a country has gotten rid of extreme poverty, the main driving force of its economic modernization construction in "normal" circumstances comes from consumption demand. However, excessive investment demand such as over-investment in real estate will inevitably squeeze out funds originally for consumption demand, preventing effective improvement in the consumption rate. Secondly, it leads to a huge waste of resources for modernization construction. Large investments not only lead to huge invisible waste in the form of severe overcapacity, but also cause a lot of visible waste. The World Bank estimated that during the "7th Five-Year Plan" to "9th Five-Year Plan" period, China's misguided investment decisions resulted in 30% inefficiency, with 4000–5000 billion yuan in wasted funds. In a less developed prefecture-level city in western China with only over 100,000 people, in order to change the urban landscape and attract investment, large squares were planned and constructed in the south, north and west of the city since 2002, with a total area of over 900,000 square meters, making the per capita occupied square area reach as much as 6 square meters. Thirdly, it leads to serious debt issues. The government wants to make large investments, but generally lacks sufficient funds. Thus, it has to find ways to borrow from banks. The larger the intended investment target, the greater the amount of loans. The inevitable result is that the borrowing side becomes seriously indebted. Some research shows that "from 2000 to 2016, China's government debt rose from 2 to 27 trillion yuan, expanding 13-fold." If the debt of various types of enterprises is also included, China's total debt has become an important inducing factor for major financial and socioeconomic risks, increasing the uncertainties in China's modernization drive. Notably, the aforementioned harms of large investments can easily become intertwined and mutually reinforcing,

thus further amplifying the total harm caused by the phenomenon of large investments.

### 3.3 *Appropriate Regional Differentiation*

China's modernization construction planning faces modernization construction across China's vast territory. In such a vast country like China, the climate, natural resources, population, and biological species vary greatly across regions, and the levels of development as well as geographical locations in terms of economic significance also differ vastly between regions. Under such circumstances, if the "one-size-fits-all" approach is adopted and modernization construction across all regions is planned and implemented according to the same planning goals and standards, it would be impossible to effectively promote modernization construction in each region. Some inland regions with lower development levels simply do not have the conditions to establish international financial centers like some developed coastal cities. Regions like the Sanjiangyuan area have extremely precious yet fragile ecological environments, so large-scale industrialization construction cannot be carried out there, and environmental and ecological protection and construction should be the priority. Some less developed inland regions in western China have relatively weak fiscal capabilities, so they cannot be expected to make large investments in improving people's livelihoods like compulsory education, social security, and public health like developed regions. Meanwhile, developed coastal regions like the Pearl River Delta and Yangtze River Delta not only have high development foundations, but also distinct locational advantages that allow massive aggregation of resources for modernization construction. Therefore, these regions should play bigger roles in GDP growth, high and new technologies, financial centers, and improving people's livelihood.

Clearly, based on the vastly differing conditions across regions, the state must take appropriate regional differentiation as the principle to formulate integrated modernization construction planning. The essence is that based on each region's specific conditions, act according to local conditions by formulating and implementing modernization planning tailored to each region's concrete conditions. This would maximize the use of each region's unique advantages in resources and locations, fully stimulate enthusiasm for modernization construction in each region, and enable the modernization construction in all regions across the country

to form an organic whole that is not only full of dynamism, but also achieves mutual promotion and effective complementarity. To this end, in formulating and implementing modernization construction planning, the state must avoid excessive meticulousness and over-tight control over the modernization construction planning of each region, which would stifle the vitality and creativity of modernization construction in every region. Once modernization construction in each region loses vitality and creativity, modernization construction across the whole country would also correspondingly lose vitality and creativity.

It should be noted that the principle of appropriate regional differentiation that modernization construction planning should follow is not about robbing the rich to help the poor or protecting “backward regions,” but rather about enabling each region to develop comparative advantages in modernization construction to achieve coordinated, differentiated yet integrated development under the same strategy across the country.

### 3.4 *Appropriate Exercise of Public Authority*

Appropriate exercise of public authority is also an extremely important reasonable boundary for modernization construction planning. China’s modernization is government-driven, and the government is the main entity responsible for China’s modernization construction planning, at least for a long period of time. Modernization construction planning has multiple reasonable boundaries, of which appropriate use of public authority is a crucial one, which is a necessary premise and safeguard for observing reasonable boundaries like appropriate speed, appropriate inputs, and appropriate differentiation in modernization construction planning.

Objectively, in China, the exercise of public authority tends to fall into a dilemma: the authority of public power must be maintained, but at the same time, inappropriate expansion of public power is inevitable.

At the current stage in China, due to the needs of the specific historical stage, path dependence, imperfect rule of law, and other factors, the status of public authority is relatively high and its influence is relatively large. In a sense, “we cannot indefinitely expand the public domain and still leave the individual free in his own domain. Once the publicly controlled allocation of resources exceeds a certain fraction of the total, authoritarian allocation necessarily dominates the system. Though the government controls

directly only the allocation of a large part of available resources, its influence on the remaining part is so great that it almost wholly determines the character of the system indirectly.” A public authority that lacks necessary constraints and has excessive influence will inevitably have varying degrees of negative impact on the formulation and implementation of modernization construction planning.

Excessively large public power will excessively intervene in the market economy and damage the fundamental rules of equal competition among producers under market economic conditions. This is most saliently manifested in the unequal competitive position private enterprises are in. Although private enterprises’ impact on China’s socioeconomic life has surpassed that of state-owned enterprises, compared to state-owned enterprises, private enterprises face relatively high barriers and get relatively fewer loans from banks. Statistics show that from 2001–2010, “state-owned enterprises contributing less than 30% of industrial added value used over 70% of credit, while private enterprises contributing over 60% of GDP growth got less than 30% of financial support.” As a helpless solution, private enterprises can only rely heavily on social financing to resolve the issue. But social financing costs more. Thus, with increasing production costs, the loan amounts private enterprises can obtain continue to decrease. “By the end of July 2018, the growth rate of social financing had dropped to 10.3%, declining for 13 consecutive months, hitting the lowest level since the end of 2003.” In contrast, not only can state-owned enterprises get loans from banks relatively easily, they can even get a lot of “subsidies” from the government. In 2017, “the scale of government subsidies to enterprises in China was in the hundreds of billions. Taking a neutral estimate, the subsidies enterprises received in 2017 exceeded 430 billion yuan.” “Looking at the distribution by corporate attributes, government subsidy funds tended to favor state-owned enterprises, while private enterprises were at a disadvantage. Among listed companies in 2017, the median level of government subsidies received by central state-owned enterprises was around 0.2 billion yuan, ranking first among enterprise types, while the median level for local state-owned enterprises was close to 0.16 billion yuan, while for private enterprises it was less than 0.1 billion yuan, less than half of central enterprises.” Hence, we can easily identify an important reason why private enterprise development in China today is so arduous.

Without necessary supervision and restraint, inappropriate use of public authority will also inevitably lead to tremendous waste. Someone



combed through the 20 central enterprises' 2015 annual financial income and expenditure audit results published by the National Audit Office and found that "by the end of 2015, the amounts involved in enterprises' internal violations or erroneous decisions had reached nearly 1 trillion RMB; among which, due to projects running out of control, the asset losses had exceeded 60 billion." In addition, "in the 2004 audits of economic responsibilities during the terms of 10 former central enterprise leaders, two numbers make interesting comparison: the amount of economic crimes was 1.6 billion yuan, while losses from wrong decisions and poor management totaled 14.5 billion yuan. In contrast, the huge losses from wrong decisions were paid for by the state." Furthermore, without supervision and restraint, public authority will inevitably carry varying degrees of officials' personal and departmental interests, thus leading to rather serious rent-seeking and corruption.

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## The Multiplicative Effects of China's Modernization

After the arduous efforts of several generations, the modernization of China has finally begun to take a significant leap forward since the beginning of the twenty-first century. A key manifestation of this significant leap is the formation and emergence of the multiplicative effect of China's modernization in the early twenty-first century. Moreover, due to unique factors such as a vast national scale, a powerful mobilization system, and effective planning, China's modernization multiplicative effect is relatively more pronounced compared to some other countries that have experienced a similar phenomenon. This effect has had a broader and more profound impact on the process of modernization.

China is currently in the period of "comprehensively building a socialist modernized nation." China has now established the vision of "basically realizing socialist modernization by 2035" and set the long-term goal of "struggling for another 15 years from 2035 to build our country into a prosperous, strong, democratic, civilized, harmonious, and beautiful socialist modernized power by the middle of this century." Against this backdrop, the formation and manifestation of the multiplicative effect of modernization is a rare and significant opportunity for China's modernization. If this opportunity is well utilized, China's modernization could gain a powerful and beneficial impetus. Otherwise, the reverse would be true. Precisely because the multiplicative effect of China's modernization is so important, it should be an important topic in the field of modernization research.

# 1 THE POSSIBILITY OF MODERNIZATION'S MULTIPLICATIVE EFFECT

## 1.1 *The Meaning of Modernization's Multiplicative Effect*

The so-called modernization's multiplicative effect mainly refers to the phenomenon that a country's modernization construction, after a relatively long period of "gentle" accumulation and breaking through certain thresholds, rapidly forms a "mutation" and "doubling" effect within a relatively short period of time, unlike the "normal" and "slow" development of the past. This means that modernization not only shows a widespread expansion in the "quantity" aspect and significant advancement in the "quality" aspect, but also exerts an unprecedented influence on every aspect of the nation's socio-economy and rapidly expands its global influence.

Throughout the history of world modernization, it is not hard to find that countries such as the United Kingdom and the United States, which were "early developers," as well as "latecomers" like China, have all experienced or are experiencing this modernization's multiplicative effect.

The "modernization's multiplicative effect" mentioned here is different from the "multiplier phenomenon" discussed by economists like Keynes and Samuelson. Samuelson, when discussing the relationship between investment and employment, believed that in the presence of massive unemployment, "if other aspects of investment do not decrease and the government increases its public investment, the total increase in employment caused by this will be ten times the first-level employment provided by the public investment itself." Keynes also pointed out that "assuming we start to increase output again in the face of unemployment. Increasing output through the accelerator causes new investment. New investment further increases output through the multiplier." However, it is important to note that the multiplier effect discussed by Keynes and Samuelson is mainly limited to the economic field and primarily concerns the specific quantitative relationship between investment and employment within the economic field, without extending to the broader field of modernization construction or involving issues of qualitative upgrading in modernization. Despite this, the discussions by Keynes and Samuelson can provide some inspiration for our understanding of the modernization's multiplicative effect, such as the notion that the advancement of modernization is not completely uniform in speed and that under



the influence of various historical and current conditions, the various influencing factors of modernization do not correspond to the various results of modernization in a completely fixed and unchanging one-to-one relationship.

At a glance, the modernization's multiplicative effect has several distinct features; one is that modernization construction shows a rapid and widespread diffusion trend in terms of quantity. Another is the trend of upgrading in terms of quality of modernization construction, such as the formation of a large industrial system, a marked increase in labor productivity, and an improvement in product hierarchy. A third is the emergence of a significant interplay and mutual promotion between the quantity and quality aspects of modernization construction, leading to an overall leap forward in modernization. Finally, the modernization construction in various fields begins to integrate, with increasing interconnections and decreasing barriers and disparities between different fields and regions.

### *1.2 The Generation Rule of Modernization's Multiplicative Effect*

The generation rule of modernization's multiplicative effect can at least be understood from the following key aspects.

First, the modernization multiplier is more likely to appear in larger-scale countries.

Undoubtedly, the size of a country's scale is an important factor in the modernization multiplier effect. The necessary prerequisite for the formation of the modernization multiplier effect is a sufficient accumulation in quantity. Only when the accumulation in quantity reaches a certain level can the modernization multiplier effect form. Precisely because of this, the issue of the size of a country's scale, which is directly related to quantity, is of fundamental significance in the formation of the modernization multiplier effect. In general, it is only in larger-scale countries that a phenomenon like the modernization multiplier effect is possible. By comparison, although it is not entirely impossible for smaller-scale countries to form a modernization multiplier effect, it should be recognized that the probability or possibility of such countries experiencing a modernization multiplier effect is relatively small.

There are several reasons why the formation of a modernization multiplier effect is more likely in larger-scale countries. One reason is that

larger-scale countries relatively possess a more abundant supply of production factors necessary for modernization construction. The most needed production factors for modernization construction are population and natural resources. Larger-scale countries relatively have larger populations and more abundant and diverse natural resources. Thus, they can provide a large amount of labor and natural resources for modernization construction. At the same time, the domestic market formed on the basis of a large population and abundant natural resources allows for more convenient human and material flows and relatively lower transaction costs. These factors undoubtedly favor the formation of the modernization multiplier effect. Another reason is that larger-scale countries have relatively stronger internal complementarity. Due to various natural, historical, and current factors, larger-scale countries have noticeable differences and imbalances between different fields and regions, as well as relatively more differences in development levels and orientations among different groups. In a sense, these differences foster the complementarity, gradation, and abundance of references essential for modernization construction. As a result, it is relatively easier to form a complete industrial system, industrial chain, and vast domestic market. Furthermore, larger-scale countries are more likely to form multiple effective growth points for development. One of the most difficult things for countries that have just started modernization construction is the lack of capital and talent, as well as corresponding development growth points. Larger-scale countries can concentrate capital and talent for use by effective national mobilization, even under conditions of relatively low per capita income and relatively small total professional talent, thereby forming several effective development growth points and using them as breakthroughs to drive the country's overall modernization construction. Moreover, larger-scale countries tend to form a relatively strong capability to resist adverse impacts from other countries. A country must open up to the outside world as long as it undergoes modernization construction. As long as it opens up, a country must face various adverse impacts, such as the transfer of economic risks from other countries, especially economically powerful countries. To a certain extent, how well a country can resist economic risks from other countries is a fundamental issue that directly affects whether the country can smoothly advance its modernization construction. If this issue is not well resolved, it will not only affect whether the country's modernization process can advance smoothly, but in severe cases, it may even lead to an interruption in the country's

modernization process or a deformed development situation. Therefore, whether a country undergoing modernization construction can form an effective resistance to economic risks from other countries becomes an important matter that affects whether these countries can advance their modernization process autonomously, continuously, and healthily. Relatively speaking, larger-scale countries are more likely to form stronger resistance capabilities. This can be understood from two aspects. On one hand, larger-scale countries have relatively more substantial overall economic strength. The strength of a country's economic power is crucial to resisting foreign economic risks. Since economic strength is to a certain extent focused on the size of the total, larger-scale countries still possess relatively more substantial overall economic strength and a relatively strong ability to resist foreign economic risks, even under the same conditions of not high per capita income, thus effectively ensuring the normal advancement of autonomous modernization construction. On the other hand, larger-scale countries have relatively greater leeway. Compared with smaller-scale countries, larger-scale countries have relatively more depth in their modernization construction space. "A big country can not only enter the international market by opening up but also can greatly tap into the domestic market." By contrast, "a small country must enter the international market, and if it is blocked, its passive situation is evident."

It should be noted that the relative advantage of larger-scale countries in forming the modernization multiplier effect is only a possibility. Whether this possibility can become a reality still depends on whether other conditions are met.

Second, the formation of a modernization multiplier effect necessitates a relatively long period of incubation and accumulation.

The emergence of a modernization multiplier effect does not occur spontaneously; it requires a prolonged process of quantitative accumulation of modernization factors. Within this accumulative process, three aspects are of utmost importance. The first is the growth of a modern large-scale industrial system. Modern large-scale industry is not only a defining feature of modern society but also serves as the fundamental material production base upon which modern society depends and develops. Compared to traditional agricultural production, which was the primary material production base of traditional societies, modern large-scale industry has broken through the limitations of human physical capacity and animal-powered sources, vastly liberating productive forces. In particular, the increasing integration of science and technology with

productive forces has enabled rapid improvements in labor productivity. Marx noted that the enhancement of labor productivity “depends on the general level of science and technological progress, or in other words, the application of science in production.” The significance of modern large-scale industries is such that the formation of any nation’s modernization multiplier effect is predicated on the growth of these industries. In other words, without modern large-scale industry, the modernization multiplier effect is either not sustainable or cannot be discussed at all. Historically, whether in the case of the United Kingdom or the United States, the formation of the modernization multiplier effect has validated this point.

The second aspect is the effective development of human resources. The formation of a modernization multiplier effect relies not only on the “material” factors, i.e., the support of modern large-scale industry, but also on “human” factors, namely the impetus of modern human resources. Consequently, education, as the most critical pathway for developing modern human resources, has increasingly highlighted its status and become pivotal in the potential formation of the modernization multiplier effect. “Investment in education is no longer seen as consumption investment without economic benefits but as productive investment with positive implications, and the economic benefits of such investment often exceed those generated by material investment.” In the initial stages of modernization, the popularization of mass education and the development of higher education have effectively tapped into modern human resources, thereby significantly advancing the modernization process.

The third is the significant expansion of socioeconomic mobility. The formation of a modernization multiplier effect depends on an unobstructed socioeconomic space that allows for the autonomous aggregation of various social and economic elements and their full competition with one another. In this regard, two aspects are particularly important. On the one hand, from an institutional arrangement perspective, a society must have a market economy system that adapts to the growth of modernization factors. This is because, under market economy conditions, every member of society can organically combine their personal interests with their specific contributions, thereby infusing society with the dynamism to create wealth. On the other hand, from a physical infrastructure perspective, nations engaged in modernization must undertake effective infrastructure development. Infrastructure construction is critical to the formation of a modernization multiplier effect. “Growth in infrastructure investment contributes directly to economic growth by promoting capital

accumulation and generating positive externalities; it also plays an indirect role in economic growth by improving the utilization rate of production capacity.”

In terms of modernization, the absence of basic infrastructure makes the growth of modern large-scale industry challenging, and even the flow and aggregation of basic production factors and the improvement of the quality of life for society’s members become impossible. The emergence of the United States’ modernization multiplier effect at the end of the nineteenth and the beginning of the twentieth century was significantly due to the extensive construction of highways, waterway transport networks, and railway networks across the nation over more than half a century.

Third, the modernization multiplier effect tends to manifest itself in a relatively short period through rapid diffusion.

In a large nation, if the initial stages of modernization can be sustained and accumulated smoothly over an extended period, then, upon reaching a certain temporal milestone, the nation’s modernization efforts may break through a critical threshold, transitioning from quantitative to qualitative change. Consequently, the fruits of modernization could rapidly diffuse on a large scale within a relatively short time, leading to an upgrade in the level of modernization. This situation is somewhat akin to what Rostow described as the “take-off” stage of economic development@@: “the scale of productive economic activity reaches a critical level and produces changes which lead to a massive and progressive structural transformation in economies and the societies of which they are a part, better viewed as changes in kind than merely in degree. One significant reason why the achievements of modernization can rapidly diffuse in a relatively short time, thus forming a modernization multiplier effect, is due to the “aggregation effect” that begins to emerge among the modernization factors in various fields, especially in some key areas, at this point. During the initial stages of modernization, various modernization factors start to form within different domains, but their interconnectivity is not very high, and they remain somewhat separated from each other. However, as the modernization process advances, these factors gradually grow and strengthen. In a certain sense, their influence evolves from isolated “points” to a comprehensive “surface,” meaning that numerous “growth points” of modernization in various fields have developed into a “growth surface.” Importantly, the influence of these modernization factors has increased significantly compared to the past. Especially the

establishment of the modern large-scale industrial system and the corresponding massive growth in material wealth have a tremendous propelling effect on all aspects of society. On a foundation of equivalent modernization levels and consistent demands, “new energies,” “new demands,” and “new ideas” with modern qualities from multiple fields and aspects converge, overlay, and integrate, thereby generating a vast, synergistic, and far-exceeding simple quantitative addition of aggregate effect. The formidable efficacy of this aggregation effect should not be underestimated. Based on this effect, further tremendous potential from economic, political, social, and cultural dimensions can emerge, effectively driving the modernization process toward a comprehensive breakthrough and widespread diffusion.

### *1.3 The Intrinsic and Extrinsic Manifestations of the Modernization Multiplier Effect*

From the perspective of intrinsic and extrinsic manifestations, the modernization multiplier effect is primarily characterized by the following phenomena: within a relatively short period, a country experiences a sustained and rapid increase in GDP; the level of modernization is significantly upgraded; a large-scale infrastructure is essentially established; the total volume of imports and exports continues to grow substantially, occupying an increasingly larger share in global trade; bottlenecks that previously hindered development are quickly resolved; the country’s economic influence and voice in the world expand rapidly and strengthen; a new social structure begins to take shape; there is a significant shift in public attitudes; the lifestyles of the populace diversify, and their quality of life improves markedly; the confidence and hope of the people become widespread and, in some cases, even double, leading to a kind of halo effect.

In this regard, the United States at the turn of the nineteenth and twentieth centuries serves as a classic example. Since the beginning of the nineteenth century, especially from the mid-nineteenth century, the United States undertook arduous modernization efforts in industries such as textiles, railways, steel, and energy, making substantial progress. On this foundation, by the turn of the twentieth century, the modernization multiplier effect began to manifest in the United States, catapulting it to the status of the world’s most developed country. In 1870, the United States produced 77,000 tons of steel, which increased to nearly 5

million tons by 1890; railway mileage went from 74,000 miles in 1875 to 193,000 miles by 1900; oil production rose from 2–3 million barrels per year during the Civil War to 50 million barrels by 1890; the first power station appeared in 1882, and by 1898 there were 3,000 power stations nationwide; the number of workers increased from 885,000 in 1860 to 32 million in 1890; the US share of the global economy grew from 1.87% in 1820 to 15.81% in 1900; by the early twentieth century, the US manufacturing output surpassed the combined total of Britain, France, and Germany, making it the largest industrial nation. At the same time, there were significant changes in the social structure of the United States, with a substantial increase in the number of workers and the entrepreneurial class taking on an increasingly important role; the lifestyles and quality of life of the American populace underwent significant changes; and the United States' influence around the world grew ever larger.

By the beginning of the twenty-first century, a hundred years after the emergence of the modernization multiplier effect in the United States, China also exhibited a typical modernization multiplier effect. As the largest developing country in the world, China endured an extremely difficult process of modernization. After more than a century of struggle, China ended its semi-colonial, semi-feudal state with the proclamation of the People's Republic of China, making independent and self-reliant modernization possible. From 1949 to 1978, China made important progress in modernization through extremely arduous exploration and at great sacrifice, laying an indispensable material and social foundation for the next stage of modernization. Since the start of the reform and opening-up policy in 1978, China has committed to modernization and achieved universally recognized tremendous accomplishments within 40 years. On this basis, since the beginning of the twenty-first century, China's modernization multiplier effect has begun to emerge. From 2000 to 2019, China's GDP grew at an average annual rate of 9.0%, the highest among all nations during the same period. China established a complete modern industrial system. China's share of global GDP increased from 3.6% in 2000 to 16.4% in 2019; its share of total merchandise trade in imports and exports rose from 3.6% in 2000 to 12.0% in 2019; its foreign exchange reserves share grew from 8.5% in 2000 to 26.3% in 2019. At the same time, China's social structure, governance model, ideologies, and lifestyles have all undergone profound changes.

## 2 THE PRIMARY REASONS FOR THE FORMATION OF CHINA'S MODERNIZATION MULTIPLIER EFFECT

Compared with early-developed countries like the United Kingdom and the United States, the modernization multiplier effect began to form and manifest in China within a relatively shorter period. What are the reasons behind this? This can be explained from two aspects: objective and subjective.

### 2.1 *Objective Reasons for the Formation of China's Modernization Multiplier Effect*

From an objective standpoint, the vast scale of China's nationhood, being the largest in the world, provides a significant potential for the emergence of the modernization multiplier effect. Moreover, since the reform and opening-up policy, China's modernization efforts have been carried out in a relatively peaceful international environment, which has enabled the uninterrupted progression of China's modernization, avoiding the potential disruptions of war. Clearly, these objective factors play an important role in explaining why the modernization multiplier effect could occur in China. However, the issue is that other large countries, such as India and Brazil, also possess similar favorable objective conditions, yet India is still some distance away from the formation of a modernization multiplier effect, and Brazil has seen a different situation: its modernization efforts, such as industrialization, were progressing well for a time but did not last long, leading to a phenomenon known as "hollowing out" of its modernization progress. Consequently, the multiplier effect in Brazil was fleeting and failed to sustain its presence. Evidently, the objective conditions are a secondary reason for the formation of China's modernization multiplier effect, while the primary reason lies within, namely the subjective reasons that are the primary drivers behind the successful establishment of the modernization multiplier effect in China's development.

### 2.2 *Subjective Reasons for the Formation of China's Modernization Multiplier Effect*

From a subjective perspective, the formation of the modernization multiplier effect in China's construction can be attributed to several favorable factors.



First, the diligent labor of the populace is driven by their aspirations for a better life. The populace is the main force behind modernization. The orientation of their life goals and the corresponding efforts they make are undeniably crucial to the concrete outcomes of modernization efforts.

The Chinese people have always placed great importance on their real-life conditions. Undoubtedly, modern society is a secular one, and historically, the Chinese people have always exhibited a clear secular tradition, which can be considered an ingrained “historical gene” of China. Traditional Chinese society was secular rather than religious. Chinese hopes were pinned on achieving a good life in the tangible world (this-worldly) rather than pursuing the elusive afterlife (other-worldly). “Confucianism does not dwell on spirits, and the practice of ‘worshipping gods as if they are present’ indicates a general indifference to anything beyond immediate life. The common people tend to secularize heaven; they do not seek to change reality with ideals. Instead, they seek to realize heaven in this world, using reality as the blueprint for their ideals, propelling the present world into a heavenly state.” This aligns closely with the inevitable secularization in modern society, further solidifying the secular life goals of contemporary Chinese people. Having a good life is the utmost aspiration of the Chinese people. The significance lies in the fact that these aspirations are not just personal matters but relate to the well-being of the entire family. The Chinese place a high value on family, and each individual bears an almost boundless responsibility toward their relatives. According to data from the Chinese General Social Survey (CGSS), “among the various relationships of ‘fundamental significance to personal life,’ familial and kinship ties rank the highest (over 60%), four to six times more significant than ‘personal and societal relationships,’ and eight to nine times more than ‘personal and national/ethnic relationships.’” Particularly during times of rapid societal change, the Chinese focus intently on how to ensure that not only their current standard of living does not decrease but that it continually improves. For the sake of future generations, Chinese people are willing to make almost any sacrifice.

It is precisely because the Chinese are so invested in their own and their family’s real-life conditions and are willing to make all necessary sacrifices that they are willing to engage in arduous labor to achieve their real-life aspirations. Historically, “the diligence and work ethic of the Chinese have always been regarded as unparalleled.” Even today, the industriousness of the Chinese workforce stands out among nations with

comparable levels of development. This is evident in at least two aspects. On one hand, among the large developing nations, China's labor participation rate is one of the highest. Generally, the higher a country's level of development, the lower its labor participation rate, and vice versa. In 2019, China's labor participation rate was 75.6%, significantly higher than the world average of 66.4%, and higher than the rates in BRICS countries such as Russia (74.4%), India (52.1%), South Africa (60.1%), and Brazil (70.4%), and also higher than in many less developed countries like the Philippines (61.9%), Indonesia (69.8%), Egypt (49.5%), and Nigeria (53.6%). On the other hand, the number of working days and hours for Chinese workers is relatively high. Labor participation rates alone do not fully reflect the intensity of labor input. Even with high participation rates, it's difficult to gauge the actual number of working days per year and the amount of time invested each day. Therefore, it is worth noting the annual number of working days and daily working hours of laborers. In this regard, the diligence of the Chinese workforce is undoubtedly among the highest in the world. "In July 2018, statistics from the National Bureau of Statistics of China showed that the average working week for employees in Chinese enterprises was 46 hours. Calculated over 52 weeks and deducting 13 days of statutory holidays, this amounts to an annual working time of 2,272 hours, ranking first in the world." Among various groups in China, migrant workers likely have the longest working hours. Data from the Chinese General Social Survey (CGSS) indicates that "the average weekly working hours for migrant workers is about 57 hours, 1.4 times the standard 40-hour workweek stipulated by the Labor Law, signifying that overtime work among migrant workers is a severe issue." Moreover, "the older generation of migrant workers works on average 3 hours longer per week than the newer generation, indicating that they face greater life and work pressures than their younger counterparts."

Second, China places immense importance on the construction of the material production foundation and the development of a talent pool.

The modern material production foundation and the building of a modern talent pool are cornerstones of modern society. China has highly prioritized and substantially invested in these areas.

China has always paid great attention to the construction of a modern material production base, achieving tremendous success in the output of major industrial products. Since the 1950s, China has highly valued steel production, even advocating the strategy of "taking steel as the key link" to drive the development of the entire industrial sector. However,

for various reasons, China's steel output did not achieve a significant breakthrough before the economic reforms and opening-up, leaving a long-standing concern in the hearts of the Chinese people. China's crude steel output first exceeded 10 million tons in 1958, reaching 13.69 million tons; in 1960, it was 27.16 million tons; in 1965, it dropped to 10.77 million tons; and in 1978, it was 34.79 million tons. After the economic reforms and opening-up, China's steel production increased at an unimaginable rate. According to the World Steel Association, the global crude steel production in 2020 was 1.864 billion tons, with China's production reaching 1.053 billion tons, accounting for 56.5% of global crude steel production. Notably, China's steel output increased rapidly under strict production restrictions. Furthermore, China has also claimed the top spot in the world in many other major industrial products. By 2017, China led the world in coal production, electricity generation, cement, and fertilizer production.

Today, China has become the largest manufacturing nation in the world. In 2000, China's manufacturing industry accounted for 6.0% of the global share, ranking fourth worldwide; by 2010, this share increased to 19.8%, making it the world leader, a position it has maintained ever since; by 2020, China's manufacturing industry contributed nearly 30% to the global manufacturing sector. More importantly, since the establishment of the People's Republic of China, especially since the economic reforms and opening-up, China has built the most complete industrial system in the world. "China is the only country in the world that has all 41 industrial categories, 207 middle categories, and 666 subcategories as classified by the United Nations."

China has also achieved tremendous success in talent development. Modernization cannot be discussed without a large, culturally and professionally skilled workforce to drive it. From the founding of the People's Republic of China in 1949–1978, China made significant strides in primary education. Since the economic reforms and opening-up, China has not only made important progress in primary education but has also achieved remarkable results in higher education, cultivating a vast professional workforce essential for modernization. In 1978, the number of students enrolled in regular undergraduate programs (covering two academic years, 1977 and 1978) was 402,000, which rose to 9.149 million in 2019; the number of students in regular higher education institutions was 856,000 in 1978 and 30.315 million in 2019; full-time faculty in regular higher education institutions numbered 206,000 in 1978,

increasing to 1.74 million in 2019; the number of graduate students who completed their studies was only 9 in 1978, jumping to 640,000 in 2019; the number of students going abroad was 860 in 1978, reaching 608,000 in 2017; and the number of students returning after studying abroad was 248 in 1978, rising to 520,000 in 2019. “Since the economic reforms and opening-up, higher education has cumulatively trained and delivered 99 million high-quality specialized talents for the country, and vocational schools have trained and delivered more than 200 million technical and skilled talents. ... The proportion of the new labor force with higher education exceeds 45%, and the average years of education reached 13.5 years, higher than the global average.” China’s significant achievements in talent development have strongly supported and propelled the overall modernization of the country.

Third, the expansion of the mobility space and channels has been widely and significantly extended.

Modernization implies the release of human potential and the liberation of productive forces. However, the release of human potential and the liberation of productive forces rely on the breadth of the socioeconomic mobility space and the smoothness of mobility channels. Otherwise, the optimal use of human and material resources would be impossible.

Since the economic reforms and opening-up, China has established a basic market economy system. Under the impetus of the market economy, the influence of China’s previous Hukou (household registration) system has gradually decreased in real life, and in some regions it has essentially vanished, allowing for the broad expansion of the mobility space for various production factors. This is prominently manifested in the significant increase in opportunities for people to choose their own professions and start their own businesses, in the emergence and development of a vast number of private enterprises, and in the extensive movement of residents between urban and rural areas as well as among different regions. The scale of social mobility in China can be described as “the largest-scale migration in human history during peacetime.” For example, in 2020, the number of migrant workers in China was 285.6 million. It can be said that migrant workers have made an indispensable foundational contribution to China’s modernization. Another noteworthy phenomenon is the increasing number of Chinese people going overseas for work. According to data from the Ministry of Commerce, there were 992,000 various types of Chinese laborers working abroad at the end of 2019.

The large-scale construction of transportation infrastructure has significantly enhanced the efficiency of “human flow” and “logistics” in China from a hardware perspective. Since the economic reforms and opening-up, China has invested enormous funds and efforts in transportation infrastructure and has achieved tremendous accomplishments. China’s high-speed rail has been developed from scratch, continuously breaking world records. In 2020, the operational mileage of high-speed rail reached 38,000 kilometers. China’s high-speed rail mileage exceeds the total high-speed rail mileage of all other countries combined, with “more than three-quarters of the world’s high-speed rail mileage.” In 2019, China’s highway mileage was 149,600 kilometers, also ranking first in the world. In 1978, China’s passenger volume was 253.993 million people, and by 2019 it had increased to 1,760.436 million; in 1978, the freight volume was 319.431 million tons, and by 2019 it had increased to 4,713.624 million tons.

Fourth, the strong impetus from the government. China’s modernization is characterized by government-driven initiatives. In the construction of modernization in China, the government plays an essential and vigorous role in actively promoting progress, at least over a long historical period. This is distinct from the modernization processes of many other countries. As some scholars have pointed out, during the period of reform and opening-up, the Chinese government has followed “the renewal and revitalization of the state during the reform era, leading to the economic transformation of the country.”

Since the reform and opening-up, the government’s effective and powerful promotion of modernization construction has manifested in several aspects, four of which are particularly prominent: First, scientific and effective planning. Since the beginning of the reform and opening-up, the government has taken the construction of a modernized powerhouse as a primary goal, defining modernization as the central task of the era. Importantly, the government, based on the principle of operational feasibility, breaks it down into a series of interconnected short-term, medium-term, and long-term goals for planning. “Adhering to the integration of medium and long-term goals with short-term objectives, and coordinating comprehensive planning with a focus on key points.” This planning includes long-range plans for modernization at the macro-strategic level, medium and near-term plans at the meso-level, and specific plans at the micro level. It can be said that “the construction of modernization in China since the reform and opening up is highly correlated

with planning. Overall, the development plans have effectively propelled China's modernization. Compared with many developing countries and regions, this is a distinct feature and significant advantage of China's modernization since reform and opening up." Second is the strong execution of the government. In modernization, the government not only formulates a series of effective plans but also places great emphasis on their concrete implementation. Increasingly based on market economy principles, the government fully utilizes its strong mobilization capacity to promote the realization of these planning goals. This is exemplified in the area of foreign investment attraction, where the proactive approaches of many local governments are evident. For example, Dongguan City in Guangdong Province "focuses on attracting key projects, targeting industries such as equipment manufacturing, high-end electronic information, biomedicine, and modern service industry, carries out coordinated investment attraction, and opens 'green channels' and 'express lanes' for project approval." "By adopting the 'one issue, one discussion' method for major projects, 'green channels' and 'express lanes' are opened for project approval, focusing on resolving departmental approval issues that affect project implementation." Regarding such practices, a foreign official commented: "China's various positive actions to attract foreign investment, like 'one-stop' approvals, special handling of special cases, and 'three connections and one leveling' (referring to the provision of water, electricity, roads, and land leveling.), have produced evident results and have become a model for other emerging economies." This is something that many countries find challenging to achieve. Third, the high enthusiasm of local governments for modernization. It goes without saying that in every region of China, the achievements of modernization construction are an important indicator of local officials' performance and have a significant impact on local fiscal revenues. For this reason, "local governments in China have played a very important role in the economic growth of their regions, and their enthusiasm for seeking all possible sources of investment to promote local economic development is rare in the world." To some extent, the behaviors of local governments in modernization construction sometimes resemble a kind of tournament. Objectively, this approach helps to enhance the initiative and enthusiasm of various regions for modernization and is conducive to its advancement. Fourth, attention to error correction and keeping pace with the times. Since reform and opening-up, the government has adhered to the spirit of seeking truth from facts and has been very pragmatic. The government is able to adjust

some outdated and ineffective policies in a timely manner according to changes in the actual situation, while also developing policies that align with new development trends. Moreover, before the introduction of new policies, pilots are often conducted, followed by broader implementation. "In the new era, top-down central policy directives and local experiments guided by the central authority play a leading role in the diffusion of policies." Such practices have ensured that since the reform and opening-up, China has not made major strategic errors in its modernization construction. This is an important reason why China's modernization construction has been able to continue to advance healthily and sustainably.

In summary, since the reform and opening-up, the Chinese people's expectations for a better life and their diligent efforts have given modernization construction sufficient momentum; China's unremitting construction and continuous accumulation of a modern industrial system and modern talent pool have provided a solid material foundation and human resource security for modernization construction; the significant expansion of the mobility space for people and goods has provided a smooth "vascular network" for acquiring dynamic energy for modernization construction; and the government's active and effective promotion has not only avoided major strategic mistakes but also been promoted consistently and effectively. On the basis of the above situation, the formation and appearance of China's modernization multiplier effect will become the inevitable result.

### 3 THE POSITIVE IMPACT OF THE MODERNIZATION MULTIPLIER EFFECT IN CHINA

The formation and manifestation of the modernization multiplier effect are not only important indicators of China's advancement to a new stage of modernization but also have a tremendous propelling influence on the further development of modernization in the country.

#### 3.1 *Facilitating the Initial Integration of Various Sectors of Modernization into an Organic Whole*

Prior to the emergence of the modernization multiplier effect, there was a clear imbalance among the various sectors of modernization in China. For instance, industrial modernization was relatively advanced compared to the largely semi-agrarian production methods in agriculture. Although

a heavy industry system had been established, manufacturing capabilities remained backward. In the field of science and technology, China could achieve world-class standards in specific projects like “Two Bombs, One Satellite” but was overall far behind developed countries. A large number of civilian consumer products were outdated and hardly compatible with modern industrial and scientific standards. Social development was noticeably lagging behind economic construction, and so on. Consequently, there was often a lack of connectivity and symbiosis between the various sectors of modernization.

By the dawn of the twenty-first century, under the widespread “flooding” effect of the modernization multiplier, China’s modernization efforts, in general, received a comprehensive boost. The modernization of various sectors began to show significant connectivity and symbiosis, and many of the previous “shortcomings” were mitigated to varying extents. This was primarily reflected in:

- (1) The overall upgrading and modernization of industrial production capabilities. In the early stages of reform and opening-up, China’s industrial manufacturing capacity was relatively backward, with labor-intensive production dominating. At that time, exporting several hundred million shirts could only be exchanged for one Boeing aircraft. However, driven by the modernization multiplier effect, China’s manufacturing industry has now taken a significant leap forward. The upgrading of China’s machinery industry is particularly symbolic. The “Top 50 Global Construction Machinery Manufacturers 2021” list revealed that “in recent years, Chinese construction machinery manufacturers have made significant breakthroughs in product and technological innovation, with high-end, large-scale, intelligent equipment emerging in droves; these new products not only lead the trend in China but also globally in the construction machinery industry, becoming the main force in the construction of many major engineering projects. With increasingly competitive products, Chinese construction machinery is comprehensively replacing imported products.” Xuzhou Construction Machinery Group Co., Ltd. (XCMG) entered the global top three, marking the first time a Chinese brand has been among the top three. SANY Heavy Industry and Zoomlion ranked 4th and 5th globally, while LiuGong was 15th.” Furthermore, figures indicate that “the



- domestic market share of domestically produced shield tunneling machines has exceeded 90%, and the global market share is close to 70%.” In addition, the integration of China’s high-tech and manufacturing industries has also made significant progress. In 2018, the export value of China’s high-tech products accounted for 31.4% of finished product exports, far exceeding the levels of 20.2% for high-income countries and 22.3% for middle-income countries.
- (2) Agricultural production capacity has taken a great leap forward. Agricultural mechanization has long been a pursuit in China, but progress was very slow in the past. Since the beginning of the twenty-first century, agricultural mechanization has rapidly advanced. “In 2020, the comprehensive mechanization rate of plowing, planting, and harvesting of wheat stabilized at over 95%; for rice and corn, the rates exceeded 85% and 90% respectively.” In 2019, China had 201 million sets of agricultural machinery equipment, with a total power of 1.03 billion kilowatts. The comprehensive mechanization rate of plowing, planting, and harvesting of crops reached 70% nationally.” Moreover, the capacity for high-tech agricultural production has begun to grow rapidly, with technologies such as drip irrigation, hybrid techniques, crop cultivation technologies, and the Internet of Things for crops entering a period of swift development.
  - (3) Science and technology have achieved rapid and significant development. In recent years, China’s science and technology have climbed a considerable step. “A number of major original achievements have been made in areas such as quantum information, iron-based superconductivity, stem cells, and synthetic biology. The Chang’e-4 probe made the first landing on the far side of the moon, the Beidou Navigation Satellite System achieved global networking, the C919 aircraft successfully completed its maiden flight, and a series of scientific experimental satellites such as Wukong and Mozi were successfully launched.” In 2000, there were 25,346 patent applications filed by Chinese residents; by 2018, this number soared to an astonishing 1,393,815 applications, accounting for 60.7% of the global total of 2,294,847. According to information disclosed by the World University News Network, “Clarivate Analytics, using the ‘Essential Science Indicators’, identified a total of 6,078 highly cited scientists globally in 2018, with Chinese scholars ranking third, making up 7.9% of

the list.” “Other institutions have examined and compared 138 frontier disciplines globally, with the results indicating that the United States leads in 82 research fields, while China leads in 32.” Additionally, as per the World Intellectual Property Organization (WIPO) ‘Global Innovation Index Report 2021’, Switzerland ranked first for the 11th consecutive year, followed by Sweden, the United States, the United Kingdom, and South Korea from second to fifth places; China ranked 12th, leading the middle-income economies and surpassing developed economies such as Japan, Israel, and Canada. This marked a steady rise in China’s global innovation index ranking over nine consecutive years since 2013.

- (4) The Internet has seen significant development. As a modern scientific and technological achievement, the internet did not start early in China. However, influenced by the modernization multiplier effect and other factors, the Internet has developed rapidly and has become a significant influence on the public. In 2018, internet users in the United States accounted for 88.5% of the population; in 2019, the figures were 88.1% for Germany, 83.3% for France, and 82.6% for Russia. Objectively, due to the relatively high proportion of rural residents in China, internet penetration should be lower. Nevertheless, internet penetration in China has still reached a high level. According to the 47th “Statistical Report on Internet Development in China” by China Internet Network Information Center (CNNIC), in 2020, there were 989 million netizens in China, with an internet penetration rate of 70.4%. “Since 2013, China has been the world’s largest online retail market for eight consecutive years. In 2020, the online retail sales reached 11.76 trillion yuan.” “The scale of online shopping users reached 782 million, an increase of 72.15 million from March 2020, accounting for 79.1% of the total internet population.”
- (5) Modernization in non-economic domains has made significant progress. This condition is reflected in multiple aspects, such as a profound shift in people’s ideologies and concepts; the formation of modern social class structures; significant changes in people’s lifestyles, with a substantial improvement in the quality of life, and so on.

### *3.2 Contributing to the Formation of a Great Domestic Consumption Demand, a Driving Force for Sustainable Advancement of Modernization*

The emergence of a modernization multiplier effect has given birth to a tremendous domestic consumption demand, which is essential for China's modernization efforts. Since the reform and opening-up, for a considerable period, due to limited production supply capacity and people's incomes, China's economic development overly relied on investment and foreign trade. However, the emergence of the modernization multiplier effect signifies a substantial general increase in people's incomes. The basic needs of Chinese citizens have shifted from survival needs to developmental and higher-quality life demands. Coupled with the fact that "the middle-income group has reached more than 400 million people, which means China now has the world's largest and most growth-potential middle-income group. This group possesses strong consumption power, not only to meet basic living needs but also shows robust purchasing power in areas such as leisure travel, and buying cars and houses"; in the future, the aging population in China will lead to a significant increase in the proportion of the elderly, thereby placing higher and more extensive demands on social pensions. Additionally, the rapid development of China's tourism industry also typically demonstrates the rapid increase in Chinese people's developmental life demands and the need for a higher quality of life. In 2015, China's domestic tourism revenue was 3,419.505 billion yuan, which surged to 5,725.092 billion yuan by 2019. In 2000, the number of inbound (overnight) visitors to China was 31.23 million, which dramatically increased to 62.90 million by 2018. All these factors have greatly promoted the enhancement of the domestic consumption demand. In 2019, China's total retail sales of consumer goods amounted to 41,164.9 billion yuan. This figure signals that China is on the verge of becoming the world's largest consumer goods market. Another aspect to consider is that with the advancement of urbanization and significant development of public services, China's domestic demand is expected to continue to rise over a longer period in the future.

### 3.3 *Contributing to China's Increasingly Greater International Influence and Discourse Power*

The multiplier effect of modernization has played a certain role in enhancing China's international influence and discourse power. In 2019, China's contribution to the global economic growth rate was about 30%, which is the main force continuously propelling the growth of the world economy. In 2020, China had 124 companies in the Fortune Global 500, surpassing the United States (with 121 companies) for the first time. As a developing country in 2000, China's foreign direct investment was 0.92 billion US dollars, which surged to 117.12 billion US dollars by 2019. Chinese brands such as Huawei's 5G and mobile phones, DJI drones, Xiaomi mobile phones, and Alipay have become famous international brands. "In August 2017, TikTok, the international version of Douyin, was launched on Google Play, marking Douyin's official journey overseas. As of January 2020, TikTok has covered more than 150 countries worldwide, with the number of daily active users exceeding 400 million, becoming a typical case of successful 'going global' for Chinese internet platforms." It would have been almost unimaginable for such a scenario to occur 20 years ago. Knowing this, it is not difficult to understand why the United States now regards China with such wariness, which is one of the significant reasons for its concern. Furthermore, the substantial increase in China's international influence and credibility has also created a sort of siphoning effect on foreign capital, attracting a large amount of foreign investment. In 2000, foreign direct investment in China was 40.71 billion US dollars; by 2019, it had surged to 141.23 billion US dollars, second only to the United States and ranking second in the world.

### 3.4 *Contributing to the Safe Operation of Society*

Generally speaking, during the process of modernization, the socioeconomic structure is bound to undergo substantial and widespread changes. The diverse and intricate interests and perspectives held by members of society will inevitably give rise to a plethora of social contradictions, potentially impacting the smooth functioning of society. During periods when the modernization multiplier effect was evident in countries like the United Kingdom and the United States, a plethora of social conflicts and contradictions emerged, and the safe operation of society could not be guaranteed. At the end of the nineteenth and the beginning of the

twentieth century, the United States was in a period of rapid economic development, during which the modernization multiplier effect took shape and became apparent. The country had just ascended to the position of the world's leading economic power. It was exactly during this period that the law of the jungle prevailed in society, employers cruelly exploited workers, and massive social wealth was not distributed fairly, leading to severe social injustice. "Factory laborers worked ten hours a day, six days a week; in the steel industry they worked twelve hours a day. Many worked in appallingly unsafe or unhealthy factories. Industrial accidents were frequent and severe." This severe social injustice implied significant social deprivation, directly impacting the basic survival of the populace and thus sparking numerous social conflicts and jeopardizing the safe operation of society. In September 1919, an unprecedented strike erupted in several cities across the eastern and western United States. About 370,000 steelworkers halted production, demanding an eight-hour workday and recognition of their unions. "Employers hired armed guards to disperse picket lines and escort strikebreakers into factories. It climaxed in a riot in Gary, Indiana, in which eighteen strikers were killed."

Compared with the United Kingdom and the United States, China at the current stage—that is, during the period when the modernization multiplier effect has emerged and become evident—relatively speaking, is not experiencing severe social conflicts and can maintain a relatively normal and safe operational state. In 2008, public security organs filed 4,807,517 criminal cases and handled and dealt with 8,709,398 public security cases; by 2013, they filed 6,598,247 criminal cases and handled 13,307,501 public security cases. In 2019, 4,862,443 criminal cases were filed, with 9,624,881 public security cases handled. Looking at the numbers for criminal and public security cases filed by police from 2008 to 2019, China's social order went from a "general situation" in 2008 to a "tending to be serious" situation in 2013 and then fell back to a "general situation" in 2019. This trajectory should be considered relatively favorable compared to other countries. A survey on the public's "sense of security" from 2006–2017 revealed that "scores for personal and property safety within the scope of public security have been slowly increasing and are relatively high." According to the "Global Law and Order" report published by Gallup in 2020, "China ranks third, only behind Singapore and Turkmenistan." "This survey is based on a comprehensive assessment of public confidence in the police, personal safety, and the number of thefts and other crimes in the past year. Countries are

ranked on a percentage scale. The higher the score, the higher the proportion of the population that feels safe.” It must be acknowledged that the survey results have a certain degree of validity.

The reason China has been able to maintain a safely operating society during the period when the modernization multiplier effect has become apparent is multifaceted. One important reason is that China continuously utilizes a portion of the fruits of modernization—economic wealth—to improve people’s livelihoods, linking the enhancement of basic living standards directly with the emergence of the modernization multiplier effect. This has ensured a certain synchronicity between the two. Consequently, the process through which the modernization multiplier effect becomes evident in China is also a process of unprecedented improvement in people’s livelihoods, demonstrating a clear correlation between the two. This approach is distinctly different from the practices of early-developed countries such as the United Kingdom and the United States.

The Chinese populace places significant importance on basic livelihood issues. If these issues are not addressed, they become a primary cause for escalating social tensions within Chinese society. It is precisely in the past decade or so that China has placed great emphasis on social justice and the improvement of people’s livelihoods. Xi Jinping pointed out that reform and development should aim to “promote social fairness and justice and enhance the well-being of the people” as its starting point and ultimate goal. China has implemented this concept into practical life with substantial investments, leading to a significant leap in the standard of living. From the perspective of national fiscal expenditures on livelihoods, there has been a considerable shift in the structure of fiscal spending over the 20-year period from 1999 to 2019. Expenditures on economic construction and administrative management (general public services) decreased from 38.4% and 15.3% in 1999 to 19.6% and 8.5% in 2019, nearly halving. In contrast, spending on social welfare, education, and culture, which primarily contribute to improving livelihoods, increased from 27.6% in 1999 to 53.2% in 2019, nearly doubling.

From the perspective of the specific state of livelihoods, there has been a comprehensive improvement: there are more types of livelihood improvements, such as rural and urban subsistence allowances, the New Rural Cooperative Medical System, and exemption from miscellaneous fees for compulsory education; the coverage of livelihood improvements has expanded to include most of the population through programs like

urban and rural residents' basic pension insurance and basic medical insurance; and the standards for livelihood improvements have continuously risen, as seen by the consecutive 17-year increase of the basic pension for enterprise retirees from 2005 to 2021. It is especially noteworthy that China's poverty alleviation efforts have achieved globally recognized monumental success. According to the World Bank's estimates, based on the international poverty line of \$1.90 per person per day, China has lifted over 800 million people out of poverty since its reform and opening-up, contributing to over 70% of global poverty reduction. Particularly from 2015 to 2020, China's poverty alleviation campaign achieved resounding success. "Under the current standards, all 98.99 million rural poor people have been lifted out of poverty, all 832 designated poor counties have been relieved of their status, and 128,000 poor villages have been removed from the list, resolving regional poverty in its entirety and completing the arduous task of eliminating absolute poverty." This is a great miracle in human history, an inconceivable achievement for many countries.

The substantial and widespread improvement in basic livelihoods has been an exceedingly important factor in ensuring the safe operation of Chinese society.

The sustained safe operation of society is of paramount importance for China's overall modernization efforts. Not only does a secure society enable the continuous emergence of China's modernization multiplier effect without deviating from the normal development trajectory—thereby reducing the cost of modernization—but it also provides the necessary preconditions for normal societal integration and cooperation, and additionally, it provides effective momentum for the advancement of the modernization process.

As can be seen, the modernization multiplier effect in China not only effectively drives the various facets of China's modernization to integrate preliminarily into an organic whole, accumulating tremendous potential energy for modernization efforts and significantly enhancing China's influence on the global stage, but it also ensures the safe operation of Chinese society. All of this has facilitated a comprehensive upgrade and transition in China's modernization effort, propelling it into an entirely new stage.

## 4 THE HIDDEN RISKS OF CHINA'S MODERNIZATION MULTIPLIER EFFECT AND COUNTERMEASURES

For a considerably extended period in the future, China's modernization multiplier effect is expected to persist in a widespread and evident manner. The skillful utilization of this multiplier effect is of significant importance to the effective advancement of China's modernization efforts. While the modernization multiplier effect has an exceedingly positive role in China's modernization, we must also recognize that the effect carries a substantial inertial potential and certain inherent risks. If not properly managed, these risks could amplify and propagate the various drawbacks within China's modernization endeavors, thereby exerting numerous negative impacts on the future course of China's modernization. Moreover, given the vast scale of China's national framework and the baseline of the achievements in modernization, the potential negative effects caused by the modernization multiplier effect could be proportionately larger. If mishandled, this could hinder the full realization of the positive aspects of the multiplier effect and may even lead to deformities, distortions, or abandonment of modernization efforts to varying degrees. To this end, it is imperative to pay sufficient attention and implement appropriate strategies to minimize the potential adverse impacts, ensuring a healthy and continuous progression of China's modernization process.

To address the risks associated with the modernization multiplier effect and ensure the healthy and sustained advancement of China's modernization, numerous measures need to be taken. Of these, special emphasis should be placed on the following aspects:

### *4.1 Forming a Sober and Accurate Judgment of the Overall Standard of China's Modernization*

In a sense, one of the most striking aspects of China's modernization since the initiation of reform and opening-up has been its rapid pace. In just over 40 years, China has leaped from a starting point of a GDP per capita of just over 100 USD to surpassing the significant threshold of 10,000 USD. Such a rate of development is exceedingly rare in the history of world modernization, and for a major country, it is unprecedented. The second aspect has been its grand scale. China's total GDP has already risen to the second position globally, trailing only behind



the United States. Furthermore, with the manifestation of the modernization multiplier effect, the matter of China's GDP overtaking that of the United States to become the world's largest is simply a question of time. Thirdly, the strong developmental momentum. A powerful and complete industrial system, an increasingly perfected market economy, immense contributions from the populace, and the government's pragmatic and effective policies are among the many significant factors that robustly support China's modernization. Modernization has become an irreversible historical trend in China.

At the same time, we must soberly recognize that modernization requires a long historical period to develop and cannot be achieved overnight. This is a principle of modernization construction, and China is no exception. Objectively speaking, China's modernization is currently at the threshold of entering a modern society and has achieved primary modernization, with the overall standard of modernization not being high. This is evident in all aspects of the modernization process. Considering one of the most fundamental indicators of modernization—the GDP per capita—in 2019, China's GDP per capita was 10,410 USD, only one-sixth of that of the United States. In comparison, this figure is not only slightly below the global average of 11,570 USD but also significantly lower than the average of 45,307 USD for high-income countries.

Maintaining a sober and accurate judgment of the overall standard of China's modernization has significant implications. On the one hand, it can instill in us sufficient confidence in our modernization efforts. We believe that what developed countries have achieved, China can also accomplish and potentially surpass. On the other hand, it can effectively prevent the emergence of complacency and an inflated sense of pride. Objectively, the “amplifying” effect inherent in the modernization multiplier effect can easily foster a blind sense of arrogance and complacency among the populace. If a country develops such a mindset during its modernization journey, it is prone to severely underestimate the long-term and arduous nature of modernization. This could lead to a propensity for grandiose achievements, resulting in hasty and ill-considered actions, and ultimately causing various mistakes. Such errors can lead to excessive costs and delay the smooth progression of modernization efforts.

#### 4.2 *Emphasizing the Foundation of a Comprehensive Manufacturing Production System*

The cornerstone of modern society lies in modern productive forces, with modern manufacturing serving as the foundational component. Once a nation's modernization construction loses its manufacturing base, shifting from substance to vacuity and excessively relying on natural resources, real estate wealth, and financial wealth, the modernization process is bound to become deformed or stall. The experiences of Brazil and Japan exemplify the perils of this issue from two perspectives. On one hand, an overreliance on natural resources can delay the progress of modernization. While the modernization quagmire of Brazil is due to multifaceted reasons, the gradual weakening of its manufacturing base is undoubtedly a significant factor. From the end of World War II to the mid-1980s, under the protection of export-oriented and trade policies, Brazil's industrial sector's share of GDP increased from 20% in 1947 to 36% in 1985. However, since 1985, this percentage began to decline. By 2010, the industrial sector's share was barely above 15%. Lacking viable alternatives, Brazil had to rely excessively on the export of natural resources to sustain its economy, resulting in a modernization process that advanced slowly and experienced relatively large fluctuations due to the absence of foundational manufacturing support. On the other hand, an over-reliance on financial wealth can also delay the progress of modernization. In the late 1980s to early 1990s, the Plaza Accord forced the Japanese yen to appreciate significantly, creating an excess of surplus funds. Coupled with the Japanese banks' prior preferential financing policies for corporations, a massive amount of capital flowed into the Japanese stock and land markets, spawning a vast financial bubble. Real estate wealth rapidly inflated, and modern-day absurdities unfolded. On paper, the land value of the Tokyo area alone was equivalent to the total land value of the entire United States. This led to a noticeable hollowing out of the manufacturing industry, with a severe shift from substance to vacuity, ultimately stalling Japan's modernization process for over a decade.

In contrast, Germany has consistently placed great importance on the development of its manufacturing sector. In 2000, Germany's manufacturing added value was 399.24 billion USD, which rose to 747.73 billion USD by 2019. More importantly, within the share of major industries, Germany's machinery and transport equipment accounted for 32.7% in 2000 and increased to 44.5% by 2017. It goes without saying that this

approach is a fundamental reason why German modernization has been able to steadily progress.

If a complete manufacturing production system is crucial for the modernization and construction of any country, then it is especially so for China. The significant achievements and the vast potential for further development of China's modernization since the reform and opening-up owe much to the advantage of a robust and comprehensive manufacturing system. This advantage is pivotal to the century-long plan of sustainable advancement of China's modernization and must be continuously strengthened, not weakened. "To ensure our country's industrial and national security, we must strive to build an independent, controllable, safe, and reliable industrial chain and supply chain. We should aim for all important products and supply channels to have at least one alternative source, forming a necessary industrial backup system."

#### *4.3 Focusing on the Upgradation and Transformation of Industrial Structure*

Relatively speaking, due to the focus on the quantitative large-scale expansion inherent in the multiplier effect of modernization, it is relatively easy to foster extensive development and to overlook the enhancement of quality. At the current stage in China, people possess a significant amount of idle funds and a strong desire for rapid wealth accumulation, yet there is a lack of diverse investment channels. Under such circumstances, once a growth point in a certain domain is identified, massive and even enormous sums of capital will swarm into that sector. For instance, since 2018, under the impact of the United States' sanctions and pressure against Chinese semiconductors, the domestic production of chips has become a new growth point for China's industry. Accompanying this development, vast amounts of capital have rapidly poured into the semiconductor field. "Amidst the calls for 'domestic chip production', major factories such as Huawei's HiSilicon, SMIC, and Yangtze Memory have risen, while over 270,000 semiconductor companies have sprung up like bamboo shoots after a rain." "From 2018 to 2020, the investment in China's semiconductor industry exceeded the total of the previous decade."

In the impulse of rapid wealth expansion, people are more concerned with maximizing output, and relatively less attention is given to labor productivity, that is, the efficiency of production. A stark contrast is

evident when, despite China's rapid economic growth, its labor productivity has not seen a corresponding increase. In 2019, the GDP per employed person in China (exchange rate method, constant 2010 US dollars) was 15,332 US dollars, which is not only significantly lower than the United States' 114,003 US dollars and Japan's 93,851 US dollars, but even markedly below Malaysia's 26,341 US dollars, Brazil's 24,870 US dollars, Argentina's 23,126 US dollars, and Iran's 19,522 US dollars. At the same time, China's "energy consumption per ten thousand US dollars of GDP" remains high. In 2014, China's indicator was 1.88 tons of standard oil, far exceeding the world average of 1.21 tons of standard oil, the average of high-income countries at 1.02 tons of standard oil, and the average of middle-income countries at 1.4 tons of standard oil.

Clearly, improving labor productivity is a fundamental issue concerning the potential upgrade and transformation of China's entire industry. A key factor in enhancing labor productivity lies in promoting the integrated progress of science and technology.

It must be recognized that in recent years, China has made numerous achievements in various scientific and technological fields, with the government significantly increasing investment in science and technology, a large number of patents being filed, and a wealth of academic papers being published, among other advancements. However, strictly speaking, China has only made progress in certain "points" of science and technology, rather than in "areas" or the overall level of development. From an "area" or overall level perspective, China's science and technology are currently "followers," far from being "leaders." "Although China's investment in basic research has been growing year by year, it hovers around 5% of the total societal R&D expenditure, which is still far from the United States' 19% and Japan's 12.3%. In China's investment in basic research, government contributions account for over 90%, with the enterprise and other social forces contributing less." It is evident that for China's science and technology to achieve integrated progress and to attain the world-recognized scientific and technological "high ground" of original significance, it needs to address various shortcomings including those in basic science and undergo an extremely arduous struggle.

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# The Advantages and Disadvantages of Late Development

As countries that have developed later than the early developers, late-developing countries possess their unique “late-developer advantages,” as well as their unique “late-developer disadvantages.” This duality has complex and profound effects on the modernization process of late-developing countries. For a large late-developing country like China, which is the largest of its kind, this is especially true. As some scholars have stated, “The advantages and disadvantages of late development are akin to the two sides of a coin, like the relationship between benefits and costs. To gain the benefits of late-developer advantages, one must also bear the costs associated with late-developer disadvantages; this is an inevitable dilemma.” A comprehensive understanding of the advantages and disadvantages that late-developing countries possess is essential. Focusing solely on one aspect while neglecting the other can have a noticeably negative impact on the modernization process of late-developing countries.

## 1 LATE-DEVELOPER ADVANTAGES

Every country’s start on the path to modernization is different. The variations in the timing of the onset of modernization have led to different types of modernization: early-developer (or early-starter) modernization and late-developer (also known as late-starter or delayed-starter) modernization. For the construction of modernity, late-developing countries and

regions possess numerous potential “late-developer advantages.” These are primarily reflected in the following areas:

### *1.1 A Stronger Impetus for Modernization can More Readily be Formed*

Compared with developed countries, late-developing countries have a significant gap in terms of modernization levels. This substantial disparity creates a profound impact and pressure on late-developing countries. If properly channeled, this impact and pressure can potentially transform into a strong driving force for modernization. This scenario is not uncommon. “The economic backwardness of a late-comer country can trigger a strong consciousness of social change, and this spirit of innovation can quickly direct the entire society’s resources into the industrialization process. A classic example is Japan after its defeat in World War II, where the entire nation endured hardships and committed to a determined reconstruction, overcoming difficulties with perseverance, and the economic takeoff subsequently reinvigorated the nation’s spirit and cohesion.”

Specifically in the case of China, this tremendous impact and pressure have been further intensified by at least two special factors. One factor is the opening-up to the outside world. For the 30 years prior to 1978, China was largely in a state of seclusion. On the one hand, this isolation led to a lack of basic understanding of developed countries and a state of hostility and distrust; on the other hand, it engendered a blind sense of superiority in China, believing itself to be the most advanced nation and other countries to be either suffering or decadent and on the brink of collapse, with its own mission being to save other countries. However, with the opening-up, China’s doors were unlocked, and the high economic standards of developed countries produced a novel and significant impact and pressure on China. Faced with a strange and new world, the Chinese people realized how far behind they were in productive capacity compared to developed countries. Thus, China began to form a widespread lucid recognition that modernization is a global trend, and to develop and strengthen, China must integrate into this global trend and commit to modernization as the central task of the era, or face extinction. Deng Xiaoping pointed out, “Without sticking to socialism, without reform and opening up, without economic development, without improving people’s lives, there is only one path—death.” It was against

this backdrop that the Communiqué of the Eleventh Central Committee of the Communist Party of China at its third plenary session proposed “shifting the focus of the entire Party’s work and the national attention to the construction of socialist modernization.”

Another factor is that prior to 1978, China had in effect practiced a sort of asceticism, with the consumption levels of the Chinese people being extremely low for a long time. Therefore, once the country opened its doors, the economic demonstration effect of developed countries became even more pronounced. Chinese citizens then understood the high living standards that existed in developed countries. It must be acknowledged that the pressure exerted by this demonstration effect from developed countries was immense, so much so that at certain times it led to a public craze for high consumption, a restless psychological state, and a disorderly and urgent pursuit of wealth. If this is managed strategically, with a calm and appropriate approach, and if these factors are steered into the track of modernization, it is possible to transform this enormous economic pressure into a favorable, strong, and public internal driving force for the modernization process. Of course, this transformation requires time.

### *1.2 Necessary Lessons can be Drawn from Developed Countries*

The success of developed countries undoubtedly stems from their arduous efforts and creativity. In the course of modernization, they have accumulated a wealth of experiences and lessons, which have shaped a multitude of civilization achievements common to human society. These achievements include the mechanisms and rules of the market economy, concepts and details of social security, principles of sustainable development, the construction of a rule-of-law society, etc. They also encompass lessons from one-sided economic growth, stark disparities between rich and poor, materialism, and severe environmental pollution. These experiences and lessons are of significant enlightening value for the modernization efforts of late-developing countries and regions. “Advanced countries often act as pioneers; their successes and failures are precious assets for the followers. Making full use of this wealth is precisely where late-developing countries have an advantage. For developing countries, adopting the more mature economic organizational and legal systems of industrialized countries can save time, allowing economic activities to quickly enter a track

of standardized, stable, and healthy development.” Late-developing countries and regions can indeed use these as references and lessons, setting goals and heeding warnings to avoid many detours. By comparison, the range of references available to early-developing countries is much smaller. It should be particularly noted that modern society requires a complete set of strict, rational, and effective rules and regulations to maintain its normal operation.

China is a large late-developing country facing the dual tasks of establishing a market economy system and engaging in modernization. “We must learn from the advanced science, technology, management methods, and all other beneficial knowledge and culture of the capitalist developed countries. To close ourselves off and be complacent with the old ways is foolish.” Establishing a market economy system requires China to have a complete set of strict and effective rules to smoothly transition from a planned economy to a market economy, to allocate production factors rationally, to achieve equal exchange of products, and to integrate with the international market. Engaging in modernization also demands that Chinese society have a complete set of operational procedures to promptly eliminate potential disorders within the social organism, alleviate numerous social conflicts, and maintain a stable social landscape. It must be acknowledged that after many years of exploration and creativity, developed countries have accumulated many valuable practices from which China can learn and draw beneficial elements. By adapting and innovating these practices according to China’s unique national conditions, China can form effective and rational rules and regulations as swiftly as possible.

### *1.3 The Ability to Attract Substantial Foreign Capital*

A defining characteristic of underdeveloped, late-developing countries is their low per capita income, which can trap the capital formation process in two difficult vicious cycles: on the supply side, low income leads to low savings capacity, which leads to low productivity, resulting in low output and thus returning to low income; on the demand side, low income results in weak purchasing power, insufficient investment incentives, low capital formation, and consequently low productivity and output, culminating again in low income. The severe shortage of capital becomes a constraining factor for the takeoff of modernization, which in turn can hinder the overall progress of modernization in late-developing countries and regions. Therefore, how to secure the capital needed for

modernization and increase the investment rate becomes a critical issue for most late-developing countries and regions. In addition to raising domestic savings rates, an important pathway for these countries and regions to address this challenge is to attract foreign investment as much as possible. “The total amount of foreign capital introduced by developing countries should exceed the total outflow.” Besides, “foreign direct investment (FDI) inflows into developing countries have consistently been greater than outflows, and since the mid-1980s, the positive difference has been increasing.” For developed countries, the relative surplus of capital, coupled with the trend toward the internationalization of production and various other motives, also prompts them to consider directing a portion of their funds to underdeveloped, late-developing countries. “Since 1950, the pace of capital outflows from developed capitalist countries has greatly accelerated, increasing exponentially, with the total amount of capital outflows reaching \$140 billion in 1961 and increasing to \$580 billion by 1975.” The channels of inflow include both official and unofficial sources. In absolute terms, the flow of capital from developed countries into late-developing countries and regions has generally been increasing. For example, official development assistance provided by member countries of the Organization for Economic Co-operation and Development (OECD) (mainly to late-developing countries and regions) was \$29.4 billion in 1985, \$54.5 billion in 1990, \$58.6 billion in 1991, \$62.7 billion in 1992, and \$56 billion in 1993.

Over the 40 years since the reform and opening-up, China’s trend in attracting foreign investment has been sharply upward. The actual use of foreign capital by China was \$2.705 billion in 1984, \$18.187 billion in 1985, \$10.289 billion in 1990, \$38.960 billion in 1993, \$48.133 billion in 1995, \$64.408 billion in 1997, \$59.356 billion in 2000, \$63.805 billion in 2005, \$108.821 billion in 2010, \$126.267 billion in 2015, and \$131.035 billion in 2017. Over the past two decades, China has become the world’s second-largest recipient of foreign investment after the United States and the largest among developing countries. This influx of capital has significantly propelled China’s modernization efforts.

#### *1.4 The Ability to Introduce Advanced Foreign Science and Technology*

Science and technology play a pivotal role in the construction of modernization: they can directly alter the state of productive forces, promote

the transformation of economic structures, enhance economic output and efficiency, improve the quality of social life, and accelerate the pace of social development. Whether the construction of modernization in a country can proceed sustainably, stably, and healthily largely depends on the condition of its scientific and technological foundations. The gap and shortage in science and technology of late-developing countries also act as obstructive factors in their modernization efforts, hence, it is imperative for these countries to achieve breakthroughs in this area. The question then is: How can such breakthroughs be made?

For the growth of the scientific and technological foundations of late-developing countries, it is neither possible nor necessary to replicate the developmental process of advanced countries' science and technology. "Although developing countries are technologically backward, the cost of adopting advanced technology is lower than in developed countries. There is no need to spend a considerable amount of human, material, financial resources, and time to research and develop new advanced technologies. By paying much less than what it would cost to develop the technology, they can introduce ready-made advanced technology, thereby shortening the gap with developed countries." Late-developing countries and regions can, according to the principles of a high starting point and practicality, directly introduce advanced science and technology from developed countries, and on this basis, perform new re-creations to form their own advanced scientific and technological foundations. Such a practice has a positive effect on the entire modernization process. "Economic theory tells us that if developing countries can acquire new technologies from industrialized nations, over time, productivity and per capita income may converge across nations." This advantage for late-developing countries can enable their science and technology to avoid many detours, thus achieving a more efficient outcome. Take the United States and Japan as examples. Relative to the industrial revolution in Britain and the developed countries of Europe, the industrial revolutions of the United States and the modernization of Japan, which can be considered "latecomers," drew heavily from Britain and the developed countries of Europe, powerfully advancing their own modernization efforts. Scholars have noted, "The initial industrial revolution in the United States originated from the introduction of water-powered spinning machines and steam engines from Britain; over the past 20 years, Japan has introduced half a century's worth of scientific and technological achievements from around the world, saving approximately two-thirds of the time and nine-tenths of the



research expenses.” Of course, when introducing advanced science and technology from developed countries, it is essential to avoid the erroneous practices of introducing for the sake of introduction, and the blind pursuit of novelty and completeness.

### *1.5 Conducive to the Cultivation and Development of National and Regional Human Resources*

Modernization construction is carried out by people, and the development of modern human resources is a crucial guarantee for the effective advancement of the modernization process. Without a large number of modern talents, the construction of modernization becomes an empty phrase, especially in the era of the knowledge economy. It is inconceivable for a nation severely lacking in talent to achieve modernization. Modern talents include modern labor forces, technical personnel, managers, decision-makers, and educators, among others. In terms of modernization construction, late-developing countries lack not only the necessary capital and technology but also modern types of human resources.

Although late-developing countries cannot expect all their modern human resources to be cultivated and provided by developed countries, through certain appropriate methods and by sending people abroad and inviting foreign experts in, they can cultivate or employ a certain number of modern talents. Taking China as an example, “In the 40 years since the reform and opening up, a cumulative total of 5.1949 million people have studied abroad, with 1.4541 million currently overseas engaged in various stages of study and research.” “In 2017, the number of Chinese studying abroad exceeded 600,000 for the first time, reaching 608,400, an increase of 11.74% year-on-year, maintaining China’s status as the world’s largest source of international students. In the same year, the number of returning students increased by 11.19% compared to the previous year, reaching 480,900, among which 227,400 had obtained graduate or postdoctoral qualifications, an increase of 14.90% year-on-year. Statistics show that from 1978 to 2017, among all Chinese studying abroad, a total of 3.132 million chose to return to China after completing their studies, accounting for 83.73% of those who had completed their studies.” Talents who return after their studies and foreign experts employed in China play an important role in China’s modernization construction. Moreover, late-developing countries can also take advantage of the investment of developed countries in their own countries to

train a certain number of workers and technicians. In this regard, it is not advisable to undervalue oneself in favor of foreign things, but it is equally unwise to give up opportunities to cultivate talent.

## 2 LATE-DEVELOPER DISADVANTAGES

While possessing late-developer advantages, late-developing countries also face many situations that are unfavorable to modernization construction, known as late-developer disadvantages or “late-developer traps.” In addition to the often-mentioned “innate” disadvantages such as large populations and weak foundations, these late-developer disadvantages include the following important aspects:

### 2.1 *The Possibility of Dependent Development*

Late-developing countries often face a highly unfavorable international economic environment at the outset. Developed countries, having acquired significant economic strength early on, played a leading role in the world colonial system, extracting vast wealth from their colonies and using them as sources of raw materials and markets for industrial goods. Even though the colonial system has since disintegrated, developed countries still occupy comparatively advantageous positions in the global political and economic structure. The situation for late-developing countries is quite different. Most of these countries initially embarked on their development journey under the pressure of national survival, often lacking a “normal” historical foundation for modernization construction. Late-developing countries typically bear the marks of colonial or semi-colonial legacies to varying degrees and often find themselves in an extremely disadvantageous position within the current world political and economic structure. In some late-developing countries, “the economic and political structures oriented towards the metropolitan countries formed under the original colonial system have not changed significantly due to path dependence. The industrial structure is still biased towards the needs of the core countries, is singular in nature, suffers from long-term deterioration of trade conditions, displays enclave economies, contributes little to domestic employment, shows low forward and backward linkages in enterprises, and experiences severe capital outflow.”

In the absence of modernization construction experience and necessary power, if late-developing countries indiscriminately introduce capital,

technology, and construction projects from developed countries without considering the needs and absorptive capacity of their own country or region, they may become economically and technologically dependent on the developed countries to varying degrees. This can lead to a reduction in the autonomy of economic development and a slow or stagnant progression of technological innovation, turning them into “dependent” states in a certain sense. Once this situation arises, it means that the developmental potential of the country is constrained by the developed nations, indicating that the gap between the country and the developed countries will be maintained over a long period. “The core countries and the dependency on them do not cause poverty,” but, “they indeed play a role in perpetuating long-term poverty.” Many late-developing countries and regions in Latin America have learned profound lessons in this respect. “Over the course of more than 100 years since independence, Latin America’s position in the international economic division of labor has not changed.” In fact, “the economic growth driven by the export of primary products in Latin America for more than 100 years after independence merely facilitated the industrialization of Western countries rather than their own, and apart from the superficial differences in economic figures, there has not been a significant deviation from the pre-independence trajectory.” Other late-developing countries should take heed of this cautionary tale.

## 2.2 *The Tendency Toward Unbalanced Development*

From a practical standpoint, it is improbable for late-developing countries to progress evenly in all areas during the early and middle stages of modernization. Their development trajectory inevitably starts from specific sectors or links, spreading gradually from point to area, and eventually to the entire society. As a result, during the early and middle stages of modernization, late-developing countries experience uneven development characterized by rapid progress in certain areas while others remain relatively backward. This dichotomy is a hallmark of unbalanced development, with economic “enclaves” starkly contrasting the surrounding underdeveloped areas.

The primary manifestations of unbalanced development in late-developing countries during these stages are as follows: First, while the economic sector often advances rapidly, non-economic sectors such as culture, education, politics, management, and science and technology

tend to lag. Second, there is an imbalance in industrial structure, with industry often outpacing agriculture, leading to the coexistence of modern industrial systems and traditional agricultural production. Third, there is regional disparity in development; coastal areas that are open to foreign influence and hold geographical advantages typically develop faster than the hinterlands. Fourth, there is an imbalance between urban and rural development, with cities generally advancing more quickly than rural areas, thereby widening the urban–rural divide. These unbalanced developments have complex and far-reaching adverse effects on the overall modernization process of late-developing countries.

### 2.3 *Disarray in the Social Value System*

During the early and middle stages of modernization construction in late-developing countries, the social value system is prone to disarray. Uneven social development gives rise to various types of social life, and on this basis, the value orientations among members of society inevitably diverge, leading to different degrees of disorder within the social value system. Rapid societal transformation can render existing social values ineffective or partially so, while new values may struggle to establish themselves quickly, leaving the social value system in a vacuum. Consequently, many individuals may act on instinct, exacerbating the disorder. Moreover, the influence of foreign examples can shift the psychological focus of the populace outward, potentially harming national self-esteem and confidence. This damage may prompt some members of society to abandon their social norms and uncritically adopt or copy the behavior of those in developed nations. Additionally, as international cultural exchanges intensify, cultural values from developed countries inevitably penetrate late-developing nations, leading to a coexistence of conflicting social values from both developed and late-developing countries—a situation likely to persist over a considerable period. Furthermore, a one-sided and rapid secularization process can lead to a greater adherence to materialistic and consumerist values, adding to the chaos in the value system of late-developing countries.

It is important to note that the disarray in the value system is distinct from the diversification of values. The latter inherently aligns with the diversity of individuality and choice inherent in modern society, belonging to a unified social context. In contrast, the disarray of the value system

is a unique social phenomenon of a structurally divided society, characterized by non-uniform and conflicting values. This disorder within the value system can leave society's members without necessary guidelines and constraints, potentially giving rise to numerous social issues.

#### *2.4 The Propensity Toward Elevated Social Expectations*

At the initial phase of modernization in late-developing countries, a pronounced contrast becomes evident, characterized by the tendency of society's members to harbor relatively high expectations for potential positive outcomes of future development. Moreover, these expectations are likely to grow exponentially. In contrast, the society's capacity to fulfill these expectations tends to be relatively lower, growing at most at a normal pace. The phenomenon within late-developing countries manifests as follows: Economically, there is a fervent anticipation for rapid or even hyper-growth, with the hope that the nation will become wealthy and powerful in a short period. Politically, many members of society expect sweeping reforms and measures to rapidly advance political construction, aiming to achieve goals. At the societal level, there is a premature focus on high consumption, with aspirations for a swift rise in the standard of living. Concurrently, there is limited tolerance for mistakes that arise during the development process, with the prevailing sentiment that such errors should not occur. These elevated expectations are significantly out of step with the actual pace of modernization in late-developing countries, making it nearly impossible for them to be satisfactorily realized. When expectations go unmet, societal members may experience varying degrees of frustration, subsequently giving rise to various social conflicts and disputes. This situation is highly detrimental to the maintenance of normal social order.

The reasons behind the aforementioned phenomenon are manifold: First, people's ability to adapt to the outcomes of modernization far outstrips the self-renewal speed of modernization's productive capacities. For instance, people can quickly master the skills for high consumption, whereas elevating the production base to support high consumption requires years of effort. As a result, expectations can easily rise. Second, there is the demonstration effect of developed countries. Unlike their developed counterparts, late-developing countries, once open, inevitably face the influence of developed countries' demonstration effects. Members of society in late-developing countries, consciously or

unconsciously, compare their nation horizontally with developed countries, thus inevitably causing their expectations to deviate to varying degrees from the actual development level of their own country. Third, the economic aggregate at the initial stage of modernization in late-developing countries is relatively small. Under such conditions, it is comparatively easier for late-developing countries to advance the modernization process at a faster rate, inadvertently fostering higher social expectations among their members. Fourth, the role of the Internet serves to amplify these effects. Late-developing countries have entered the internet era almost simultaneously with developed countries. A hallmark of the internet era is that “with the rapidity and breadth of online communication, online communities can swiftly expand. They can inflate quickly not only in terms of the number of participants and spatial presence but also in communication efficiency and dissemination impact.” Under these conditions, people’s expectations can quickly soar, and frustration stemming from unmet expectations can also be rapidly amplified. Consequently, the likelihood of social conflicts and disputes emerging increases swiftly. Looking further, “latent social contradictions may become overt and those that are on the verge could break through their thresholds.”

### 2.5 *The Rapid Widening of Wealth Gap*

In the early to middle stages of modernization, late-developing countries tend to experience a rapid increase in the wealth gap. How can this phenomenon be explained? To some extent, Simon Kuznets’ inverted U-curve hypothesis offers an explanation. Kuznets posited that as a country develops from a low economic level to a medium level, economic inequality initially increases, then decreases as the country transitions to a higher level of economic development. The modernization trajectories of most late-developing countries have confirmed this assessment. Of course, there are exceptions, such as South Korea and the region of Taiwan in China, which have maintained a relatively successful state of equity during their economic growth.

There are primarily two reasons why late-developing countries may exhibit a sharp increase in the wealth gap. One reason is that during the social transformation process, the disruption of value systems and a certain “vacuum” state of social rules, coupled with excessively high societal expectations, can prompt individuals to engage in various short-term behaviors favorable to their own interests in order to rapidly increase

their economic benefits. Consequently, all manners of abnormal behaviors, such as exploiting loopholes and free-riding, emerge, leading to the swift formation of a “gray affluent class” or “black affluent class.” Various forms of illegal income begin to significantly impact the income distribution in late-developing countries and regions, resulting in the creation of social groups that are relatively too wealthy within a short period. Another reason is the uneven development within late-developing countries and regions, which allows certain areas, industries, professions, and groups to step ahead in obtaining higher incomes, thereby rapidly widening the income gap between parts of the population.

If this phenomenon is not properly addressed, it can severely damage social cohesion and unity. Under the influence of this situation, the entire society will inevitably experience a non-mutually beneficial state, where the increase in interests of some is predicated on the detriment of the legitimate interests of others. More critically, this social injustice, through intergenerational transmission and accumulation, will form entrenched social barriers and levels of social injustice, perpetuating and exacerbating the continuation of “the rich get richer, the poor get poorer,” and “the strong get stronger, the weak get weaker,” threatening social harmony and stability.

## 2.6 *Erosion by Dominant Foreign Popular Culture*

Popular culture primarily refers to the culture that is closely related to the daily lives of the people, which is a concept that is both distinct from and connected to national culture. In late-developing countries, due to a certain degree of disarray in the social value system, the reduced degree of social integration, and the lag in economic foundation, popular culture is in a relatively vulnerable state. In contrast, foreign popular culture, based on a strong economy and advanced science and technology, exhibits a dominant characteristic and is extensively eroding the cultures of late-developing countries. For instance, Huntington observed that “American control of the global movie, television,—and video industries even exceeds its dominance of the aircraft industry.” On the one hand, foreign dominant popular culture, with commodity culture as a prominent trend, is impacting the popular culture of late-developing countries with entities like McDonald’s, KFC, Mickey Mouse, Donald Duck, as well as branded cars and electronics. On the other hand, foreign popular culture uses advanced information network systems to export

a vast, continuous, and even, in an objective sense, coercive stream of cultural information (including value systems) to late-developing countries. This cultural information is selected and processed by developed countries. The “exchange” of popular culture between developed countries and late-developing countries and regions is extremely unequal, with one side being the relatively active exporter and the other the relatively passive recipient.

Some data can typically illustrate the phenomenon of foreign dominant popular culture eroding the popular culture of late-developing countries. “Currently, 80–90% of the news transmitted in most regions of the world is monopolized by communication agencies from the United States and the West; the amount of information released by Western media such as America’s CBS (Columbia Broadcasting System), CNN (Cable News Network), and ABC (American Broadcasting Company) is 100 times that of the rest of the world, and 1000 times that of the Non-Aligned Movement countries; at present, the American ‘Reader’s Digest’ is published in 19 languages with 48 international editions in over 100 countries, distributing 28 million copies, which dwarfs its circulation in America; ‘Playboy’ has 16 international editions with about 5 million readers; the United States controls 75% of the world’s television programs and more than 60% of radio program production and distribution, exporting a total of 300,000 hours of television programs to other countries annually; many Third World countries’ television programs consist of 60–80% American content, effectively becoming relay stations for American television, while foreign programs only account for 1–2% of television in the United States; America’s film production totals only 6–7% of the world’s output, yet it occupies more than half of the world’s total screening time.” Especially in today’s internet age, developed countries, led by the United States, virtually monopolize the Internet from its roots. “The 13 root servers that control the international Internet are all held by the United States.” And “western countries, led by the United States, rely on resource allocation, technical standards, and other technological advantages to exercise control through transnational cyberspace across the world. The institutions that manage the global internet domain name root servers, the domain name system, and IP addresses are authorized by the US Department of Commerce, meaning that the US government can manipulate global internet space at any time. Moreover, the United States monopolizes the core technology of global information technology



products' hardware and software, such as Intel chips, Microsoft operating systems, Android operating systems, search engines, and so forth."

The negative impact of foreign popular culture on late-developing countries and regions is considerable, particularly the pronounced adverse effects on the youth and children. It not only leads many members of late-developing countries to develop a blind adoration for foreign culture, deepening the disarray in the social value system of late-developing countries, but more severely, it tends to differentially "hollow out" the national culture of late-developing countries. It is imperative for late-developing countries to pay due attention to this phenomenon.

### 2.7 *The Complications of Concurrent Social Problems*

In late-developing countries, the rapid social transformation often leads to varying degrees of weakened social control, resulting in a lack of effective integration of various behaviors among members of society; the influence of foreign exemplary effects and the disorder of the value system can easily induce a large amount of "deviant" behavior among community members; and the uneven development of society can cause social issues to take on a diverse state. Consequently, compared to developed countries, late-developing countries are prone to the complications of concurrent social problems, meaning that there is a plethora and wide range of social issues existing in a "concurrent" state. Moreover, in the largest of the late-developing countries, such as China, "people often find themselves in a dilemma when resolving social conflicts: in solving one type of social issue, they often end up exacerbating another." Undoubtedly, this "dilemma" objectively increases the difficulty of addressing the complications of social issues.

The actual situation in China illustrates this point. Whether viewed from a horizontal or vertical perspective, the social issues of China's current stage are numerous. Horizontally, Chinese society roughly faces the following social issues: unemployment, corruption, inflation, a loss of national identity, environmental pollution, materialism, extreme individualism, a vast wealth gap, uncontrolled internet issues, egalitarianism, worsening public security, uneven development, unethical industry practices, high consumption, impoverishment, psychological disorders, increasing violence, migrant worker surges, worker welfare issues, moral issues, labor relations, education quality decline, religious issues, public participation, family issues, women's status, generational conflicts, elderly issues, social

security and welfare issues, legislative delays and lax enforcement, youth crime, consumer product quality, children dropping out of school, rising divorce rates, single-parent families, healthcare issues, housing issues, lack-luster cultural life, economic malaise, homosexuality issues, and the “six harms,” which include prostitution, pornography, gambling, trafficking in women and children, drug trafficking and use, feudal superstition, etc. These problems cover all aspects of society and affect every social stratum. Vertically, these social issues, in terms of their era characteristics, include not only those belonging to traditional and transitional societies but also those from more developed and even “postmodern” societies. This complication of concurrent social problems poses a broad and complex negative effect on the safe operation of Chinese society and the healthy advancement of its modernization process.

### *2.8 The Tendency of Some Late-Developing Countries to Adopt Radical Modernization Models*

Owing to the backwardness of actual conditions, an urgent desire to catch up, and a lack of experience in modernization, as well as the demonstration effects and immense pressure from developed countries, some late-developing countries have adopted radical models of modernization.

A radical modernization model typically exhibits the following characteristics: First, it becomes disconnected from the unique social soil of the country. Attempting to achieve modernization in one fell swoop to drastically shorten the modernization process is unfeasible. If there is a low degree of social mobility, a basic system of social insurance and social security is absent, and the labor market is underdeveloped, then it is obviously unrealistic to swiftly establish a modern institutional system. Importantly, even though a radical modernization model is impractical, its forced implementation can destroy the very social fabric it relies on. This results in an extended nurturing period for the development of the social soil necessary for modernization, and the quality of this soil is certain to be diminished.

Second, a radical modernization model is keen on pursuing high-speed development, particularly in terms of economic growth. Observations from the modernization efforts of some late-developing countries reveal that this is a one-sided approach, often resulting in numerous harms: It can lead to a low realization of growth achievements, meaning that rapid growth does not effectively translate into corresponding social wealth; it

can cause irregularities within the economy itself, leading to disproportionate economic structures and excessive economic fluctuations; it can result in the erosion and destruction of the environmental ecology; and it can cause an imbalance in the social organism, among other issues.

Third, in terms of reform strategies, a radical modernization model opts for a multifaceted approach, implementing a package of reforms forcefully. In a country where the old system is deeply entrenched, this approach may likely lead to a situation where the old system is dismantled, but a new system cannot be established overnight. As a result, society falls into a state of disorder, further delaying the modernization process.

Fourth, generally speaking, a radical modernization model places more emphasis on a decentralized state, seeking to restrict the concentration of government power. From a cognitive standpoint, this model confuses despotism with centralization; from a practical standpoint, once a radical modernization model is implemented, the emergence of a power vacuum is almost inevitable, followed by the weakening of the social integration system and the multi-centric, or polarized, nature of the social organism. Such multi-centricity in a society with low modernization levels is significantly different from the genuine social differentiation found in modern societies. The result can be regional centrifugal forces and the closure of regions from one another, and it can even lead to social disarray. Such risks must be given sufficient attention.

Generally, a radical modernization model is hardly feasible. The experiences of many late-developing countries show that forcefully implementing a radical modernization model not only yields relatively small effects but also incurs huge costs and risks. For example, in the 1990s, Russia underwent a disastrous attempt at radical modernization. "To escape the unprecedented economic crisis following the dissolution of the Soviet Union, the Russian government applied 'shock therapy' during the reform process, resulting in a decline of about 75% in per capita GDP over eight and a half years." In 1991, Russia's inflation rate reached 100%, skyrocketed to 1468% in 1992, and remained high at 875% in 1993. This disaster undeniably slowed down Russia's modernization process.

### 3 CAPITALIZING ON STRENGTHS AND AVOIDING WEAKNESSES

#### 3.1 *A Clear Judgment*

For late-developing countries, the advantages and disadvantages of being a latecomer have both positive and negative effects on their modernization process. On the positive side, the latecomer advantages provide a strong impetus for the modernization efforts of these countries, facilitate the acquisition of essential capital, technology, and resources, aid in the development of human resources, offer important references for choosing and determining modernization models, and help to minimize costs and consequences in the construction of modernization, ultimately effectively promoting the overall process of modernization in late-developing countries. On the negative side, the latecomer disadvantages can lead to a reduction in the quality of a country's modernization, serious issues in social justice, potential instability in the progress of modernization such as vacillation and fluctuations, distorted degrees of modernization goals, and might weaken the momentum behind the modernization process.

It is important to note that "the latecomer advantage is only a potential, not an inevitability that automatically becomes reality. To transform this potential into reality, subjective efforts from developing countries are necessary." In this regard, the wise attitude to adopt toward the advantages and disadvantages of being a latecomer should be to capitalize on strengths and avoid weaknesses, which means: to fully leverage and expand the latecomer advantages so they can be fully realized; to avoid or suppress latecomer disadvantages as much as possible, minimizing their negative effects to the greatest extent.

#### 3.2 *Effective Responses*

How can one capitalize on latecomer advantages while avoiding the disadvantages? In brief, at least the following points should be addressed:

First, ensure the autonomy of modernization efforts.

Every nation that has successfully modernized corroborates one fact: the autonomy of the modernization process is of paramount importance and is a major issue concerning the fundamental interests of the country. Once the autonomy of modernization in late-developing countries is lost, their modernization will inevitably be subject to deep intervention by

developed countries, leading to a passive development situation, and thus making it difficult for the modernization process to proceed smoothly and healthily. Deng Xiaoping pointed out, "Independence and self-reliance, at all times, past, present, and future, are our foundation." "No foreign country should expect China to become its vassal, nor should they expect China to swallow any bitter fruit that impairs our national interests."

Second, focus on the coordinated promotion of modernization.

Modernization should involve mutual promotion and common development of all aspects and levels of society and its various components. Therefore, modernization efforts must encompass all facets of society and should not be concentrated solely on any single level or aspect of the societal organism. Only by doing so can the healthful advancement of the modernization process in late-developing countries be ensured. If the imbalance in modernization becomes severe, it could at least lead to "economic growth without development," or at worst, delay or temporarily interrupt the modernization process.

Third, enhance the level of social integration.

In the process of modernization, a modern system of social values should be established on the basis of increasing levels of modernization and market economy, and the social control capacity should be continuously enhanced. This will minimize the harm of social complications within late-developing countries, reduce the potential for social shocks and the instability of the modernization process to the lowest extent, thereby ensuring a normal social order in late-developing countries and a smooth and steady progression of the entire modernization process.

Fourth, ensure the basic survival threshold for the populace.

In the end, what the populace values most are their immediate interests, which form the baseline of social security. If improving people's livelihoods is a task that must be undertaken throughout the entire modernization process, then it is an even more important and urgent matter during the early and middle stages of modernization in late-developing countries. The timely improvement of people's livelihoods is a necessary condition, both from the perspective of the social cooperation base required for reform and development, and for effectively preventing the exacerbation of social contradictions.

The experiences of many late-developing countries have shown that during the early and middle stages of modernization, in the period of transitional transformation, if issues concerning people's livelihoods are not adequately addressed, it can easily lead to the following two types

of social conflicts, which in turn affect the smooth progression of the modernization process:

The first type is populist-style contention.

A prominent manifestation of social contradictions during the transformation phase in some developing countries and regions is populist-style contention. The important cause lies in the long-term failure to fundamentally resolve issues related to people's livelihoods. The most significant issue concerning people's livelihoods during the early and middle stages of modernization in these countries is the land issue. Only by successfully carrying out land reform and eradicating feudal land ownership can the vast majority of farmers secure basic daily living conditions through their own plot of land, continuously improve their basic living conditions with the increase in land value, and possess a form of capital that allows them to enter the middle-income group, thereby making farmers the foundation of grassroots social stability.

In some latecomer countries, such as those in Latin America and Southeast Asia, not only have land reforms not been undertaken or resolved effectively, but there has also been a phenomenon of large-scale land consolidation by landlords. Consequently, a large number of farmers have been driven into the cities. Upon arriving in the cities, these almost possession-less farmers partly become workers with very low incomes, while others subsist on odd jobs. Moreover, these countries and regions did not establish a comprehensive social security system for a long period, and discussions about improving people's livelihoods were virtually nonexistent. A large segment of society could only live in slums, enduring extremely difficult lives. Scholars have found that in the 1970s in Latin American countries, impoverished small landholders and landless farmers gradually moved into cities, leading to a yearly increase in the slum population by a rate of 10–15%. In 1976, Brazil had 22 million permanent residents in slums, with 4 million living in rudimentary and temporary structures; 30% of urban residents and 63% of rural residents lived in houses without any sanitary facilities. On this basis, a widespread and deeply rooted "poverty culture" inevitably forms, fostering the growth and spread of populism.

While populism, to a certain extent, reflects the legitimate interest demands of the populace, once it becomes excessive, it turns into a significant social shock force that has a detrimental effect on the normal social order. Importantly, if issues concerning people's livelihoods remain unresolved over the long term and the public's most basic interest demands are

not satisfied, not only will populism persist, but certain types of populism may also develop into organized groups with specific agendas, thereby forming a more profound group “struggle” consciousness and “struggle” culture. In such cases, interactions among various social groups can no longer be mutually beneficial and cooperative; instead, they are prone to devolve into a vicious cycle of conflict where one’s gain is seen as another’s loss.

The second type is the contention that arises from a confluence of various severe social contradictions.

From the perspective of high probability, each era’s populace generally has some form of universal interest demands that constitute the central issues of the time. In the early stages of social transformation in some developing countries and regions, livelihood often becomes the universal interest demand of the public. If these countries and regions focus on improving livelihood, the issue is relatively easier to address in terms of social cost, as it mainly pertains to a “concession” problem within the relevant groups.

The problem arises over time when long-standing unresolved issues related to livelihood not only intensify the public’s demands in this aspect but also lead to a spillover of these material interest demands into other domains due to “attribution.” Such issues become entangled with other interest demands in political, ethnic, and religious spheres. As a result, this not only complicates matters but sometimes also exacerbates social contradictions. Once livelihood issues bleed into other areas, they may intertwine with intense political ideologies, extreme religious doctrines, or radical nationalist views, with very serious consequences: the overlay of several negative forces infecting and influencing one another prolongs the duration of social conflict, increases the difficulty of resolution, and multiplies the adverse effects. The cost and price paid at this juncture are likely to be far greater than the cost of merely addressing livelihood issues earlier. When livelihood issues become entangled with political concerns, they transform into a contest for political power; when tied to ethnic issues, they become a question of ethnic “independence”; and when linked with religious issues, they lead to fierce confrontations between different religions and sects.

In the context of China, contemporary livelihood concerns hold a comparable level of significance for the populace as historical land issues once did. With the progression of industrialization and urbanization, the majority of individuals have transitioned away from agrarian lifestyles,

relinquishing their dependence on land for sustenance, and now rely on non-agricultural occupations to secure their basic needs. However, within the framework of modern society and under the conditions of a market economy, particularly amidst the rapid evolution of Chinese society and its integration into the global economic landscape, social change unfolds swiftly, ushering in pervasive uncertainty. As a result, members of society face unprecedented risks in both their personal lives and careers. Moreover, an individual or a family alone cannot effectively deal with the increasing social risks. This necessitates the state to leverage the collective strength of society to provide each social member and family with basic livelihood security, including employment (unemployment) insurance, social relief, minimum living security, compulsory education, public health, retirement security, and other multifaceted social welfare. In the current stage in China, livelihood issues are vitally important to every social member and every family. For every individual and family, having the most basic livelihood security means that their basic survival is free from concerns, providing a minimum platform for development and enabling them to integrate into society equally and with dignity to participate in various social affairs. Therefore, the most pressing concern for the Chinese public is the assurance of basic livelihood. If challenges arise in this regard, a considerable portion of people may find it challenging to maintain stable expectations for the future, and the development prospects for many would become uncertain.

In alignment with the trends of the times and the general will of the people, as long as we exhibit the same determination as we did during the land reform to improve people's livelihoods, achieving significant and widespread enhancement in China's living standards, we can win widespread recognition and support from the public. This approach can fundamentally eliminate the root causes of social contradictions on a large scale, thereby stabilizing the societal foundation, ensuring the safe operation of society, and laying a solid foundation for further reforms. At least, this will be the case for a relatively long period.

How can we effectively improve people's livelihoods? This question touches on many aspects and requires us to undertake numerous tasks. One of the urgent tasks at the current stage in China is the immediate need to establish a primary and intermediate system of livelihood security. Only by doing so can we ensure societal safety in a very important respect. The basic elements of a primary and intermediate livelihood security system are to ensure that all people have access to education,



employment, medical care, elderly care, and housing. The fundamental characteristics of such a system are “moderate to low standards, universal coverage, and gradual improvement.” From the perspective of actual fiscal strengths, for China now, establishing such a primary and intermediate livelihood security system is no longer a question of “can we do it” but “do we want to do it.” As long as there is a will to act, a primary and intermediate livelihood security system can be smoothly established. Once in place, this system can eliminate social contradictions on a large scale, thereby providing an important safety net for the smooth advancement of China’s modernization.

In summary, as long as the aforementioned tasks are accomplished, developing countries can effectively leverage their latecomer advantages and mitigate latecomer disadvantages. Looking further, this greatly increases the probability of successful modernization.

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## Valuable Historical Heritage and China's Modernization

Historical heritage and modern society are not completely disparate and insulated entities. Just as ancient Greek culture, ancient Roman culture, and Christian culture have commonalities with modern society, so too does China's historical heritage. Within China's historical heritage, there are many elements that are still considered valuable today. These valuable components of historical heritage have had a significant impact on the process of China's modernization.

### I POSITIONING AND SCALE OF HISTORICAL HERITAGE

Each nation is an independently developing entity. "The degree to which internal factors determine outcomes is decided by a series of factors including the level of development of internal structural mechanisms, the level of diversity, the capacity for information, and so on. The more complex the system of the object, the greater the significance of internal factors, which may become the decisive elements for system changes from a certain point onwards. The influence of external factors on the system increasingly becomes indirect; they were once dominant, but now their role is essentially reduced to conditions and triggers." In the independent construction of modernization, the nation's own historical heritage plays a significant role.

Historical heritage is primarily categorized into valuable historical heritage and negative historical heritage, with the former being an important resource for modernization. China possesses a vast trove of historical resources, which offer numerous forms that can be utilized for modernization, providing a wide range of options, offering many experiences of relative universality in human society that transcend time, and more importantly, they have also accumulated into a unique societal structure that cannot be easily surpassed.

In understanding and positioning historical heritage, the following issues should be considered:

### *1.1 Historical Heritage Should Not Be Confined Solely to the Scope of "Traditional Culture"*

For a considerable period in the past, discussions of traditional culture were rare in Mainland China's academic circles. Since the mid-1980s, a cultural fervor suddenly erupted. People began to equate traditional culture almost with historical heritage, even expanding it to include more than what historical heritage encompasses, referring broadly to "all social phenomena in history," such as "traditional political culture," "traditional economic culture," "traditional legal culture," "traditional ethical culture," "traditional tea culture," "traditional alcohol culture," and "traditional women's culture," to name just a few. This "pan-traditional culture" has lost the strict sense of designation and is not a rigorous concept. Although some proposed the concept of "cultural tradition" in an attempt to correct from an important aspect, it still did not escape the realm of pan-culture. Looking at the regular accumulation of historical factors, culture undoubtedly occupies a significant proportion of historical heritage. However, in addition to culture, traditional social structures are an important content within historical heritage. Traditional social structures include both explicit and implicit types. The impact of traditional social structures on the process of modernization is complex and profound. These contents are not something that traditional culture can encompass. In a more essential sense, the cultural entity is subordinate to the national entity, not the other way around. Thus, to more completely grasp the relationship between valuable historical heritage and China's modernization, one should not equate historical heritage with traditional culture; otherwise, such research is bound to be one-sided.

### *1.2 The Matrix of Historical Heritage Should Not Be Confined to "Ancient and Feudal Societies"*

When discussing China's historical heritage, it is often regarded as the historical factors that originated in traditional Chinese society and have persisted to the present day. This view is not comprehensive. The main criterion for judging whether a social phenomenon belongs to historical heritage should be whether the historical process in which its matrix existed has become a thing of the past. The "past" mentioned here does not refer to an absolute sense of historical process before a specific time, but rather to a relative sense of an old developmental process that has ended and has been replaced by a new development process. In this regard, China is currently in the period of modernization construction, so everything that has been produced in the historical process before this period and remains to this day is historical heritage. Specifically, not only are things that originated in ancient feudal society and have continued to the present considered historical heritage, but so are things that originated in the modern period and have continued to this day. Among the historical heritage that has emerged and persisted into the present day in modern China, there are many things of great value, such as traditions of social mobilization, national self-esteem and integration, and proactive foreign engagement. Failing to see this would mean discarding, or at least intellectually discarding, a significant portion of valuable historical heritage, rendering research on historical heritage and modernization incomplete and inaccurate.

### *1.3 The Assessment of Historical Heritage Should Be Based on Its Beneficial Impact on "Modernity" and the "Process of Modernization"*

The standard for judging whether historical heritage has a certain value should not be limited to any one aspect. Whether it is conducive to social progress is undoubtedly the most basic criterion. At present, the specific content of social progress is the construction of modernization, so whether it is conducive to modernization construction should become the basic yardstick for assessing the value of historical heritage. It is important to note that the concept of modernization encompasses two fundamental meanings: one is the "modernity" that is different from pre-modern society, i.e., the "attributes and characteristics of modern society"; the

other is the process of achieving a modern society, i.e., the “ization” of modernity. The former focuses on static characteristics and indicators, things like the goal, while the latter emphasizes the dynamic process. A new issue arises here: generally, historical heritage that is conducive to the “ization” of modernity is also conducive to “modernity.” However, sometimes under specific conditions, some historical heritage that does not conform with “modernity” or is fundamentally in conflict with it may actually facilitate the “ization” of “modernity,” aiding the advancement of the modernization process. Of course, such historical heritage is only beneficial to the progression of modernization within a certain time frame and does not have long-term universal significance. In summary, when judging whether historical heritage is beneficial to modernization, one should analyze specifically from two aspects: first, whether the historical heritage is conducive to the “ization” of “modernity”; and second, whether the historical heritage is conducive to “modernity.”

Many people do not make a clear distinction between the two fundamental meanings of modernization, which can lead to confusion when analyzing the relationship between valuable historical heritage and China’s modernization, and may also provoke unnecessary debate. For example, some historical heritage, in terms of its temporal attributes, is incompatible with modernity and belongs to a backward era, but objectively speaking, it indeed facilitates the process of modernization. Using a one-sided measure, it is difficult to provide an accurate and self-consistent explanation for such phenomena and to affirm the value of this type of historical heritage. Thus, by dividing the major issue of whether historical heritage is beneficial to modernization into the two basic aspects mentioned above, many difficult problems can be readily solved.

## 2 HISTORICAL HERITAGE THAT FACILITATES THE MODERNIZATION PROCESS

Many valuable historical heritages have played a beneficial role in the process of modernization in China, positively affecting the dynamics of modernization, social integration, and social order.

### *2.1 High Intensity of National Cohesion*

The modernization process is carried out with the nation (in the sense of statehood) as its fundamental carrier. From a global perspective, the

fate of national characteristics today is vastly different from what it was in the nineteenth century. In the nineteenth century, under the influence of early large-scale industry and Western-centric thought, tolerance for national characteristics was minimal. National traits were either forcibly changed or dismissed as backward and excluded from “modern society.” However, after World War II, particularly in the twentieth century, this situation underwent significant changes. With the collapse of the colonial system and the emergence of various modernization models, along with the enrichment of the content of modernization itself, tolerance for national characteristics greatly increased. It became increasingly recognized that nations are the most fundamental communities for human survival and that national characteristics are an organic part of the societal body, which cannot be artificially eliminated. There is a growing tendency to organically integrate national characteristics with the content of modernization. “Defined as a people’s development of and response to modern technology, modernization is always interacting with the indigenous cultural values and tendencies.” Over a significant historical period, the extremes of globalization and nationalization have deepened simultaneously. Since national characteristics are an objective reality and nations play an extremely important role in modernization, national cohesion is of great significance for the modernization process of a nation.

For thousands of years, due to special geographical conditions, the coexistence and integration among various ethnic groups, and the relative advancement of ancient Chinese civilization compared to neighboring countries, the Chinese people have developed a high degree of national centripetal force and cohesion, a deep-rooted “Chinese” consciousness, and concepts like “great unification” have taken deep root in people’s hearts. The Chinese nation and Chinese civilization have not been extinguished or split apart after thousands of years for many reasons. A crucial one among these is the depth and strength of the Chinese nation’s cohesion. “Among the historical heritages of China, the elimination of division and the establishment of a strong central government is a deeply rooted force. Particularly notable is that this heritage lacks a tradition of confrontation between religious or non-religious organizations and forces. Once this proposal is realized, it becomes a driving force in itself.” Of course, the specific role of Chinese national cohesion has varied in different historical periods. In modern China, national cohesion was an important driving force for achieving national independence, and the attainment of national independence established a necessary precondition



for China's modernization construction. Even in the current modernization process, Chinese national cohesion continues to play a significant role. It cannot be denied that in the period before 1978 in China, national characteristics were often discarded as feudal and did not receive due attention. "At that time, due to the absolutization of ideology and its indisputably dominant position in all social and political life, all members of society could only follow one thought, one concept, and any other thoughts and concepts were to be criticized and eradicated as bourgeois, feudal, revisionist, and other reactionary and heretical ideologies." Under such circumstances, although the society's cohesion was strong at the time, it was not sustainable since it was not combined with national characteristics. Today, enhancing the cohesion of the Chinese nation and fully tapping into this potential advantage plays a critical role in promoting China's development process:

Firstly, it helps to form a powerful driving force. The driving force behind a nation's development is not only limited to economic aspects but also includes numerous non-economic factors, among which national cohesion is very important. The successful modernization paths of many countries and regions, such as Japan and the "Four Asian Tigers," demonstrate that strong national centripetal force and cohesion are powerful drivers of modernization construction. In a certain sense, the most fearsome scenario is the disintegration of national cohesion. In the competitive international environment, only by greatly strengthening the nation's cohesion and centripetal force can China achieve genuine national dignity and self-confidence, form a true sense of national identity, and thereby cultivate a strong spirit of transcendence. Under the influence of this transcendence, the latent energy of China can be released to the maximum extent, and the sum of this energy will far exceed the simple addition of the individual energies of the nation's members of society. The enhancement of national cohesion can not only prevent the public's psychological focus from shifting outward during the process of opening-up, ensuring that the modernization construction continues uninterrupted and normally; but it can also successfully meet the challenges of developed countries, allowing the nation to constantly renew itself in the face of competition.

Second, it can serve to a certain extent as a means of integrating society. China is a large country, and its social organism is inherently complex. The components and subsystems that make up Chinese society are numerous compared to smaller countries, which means that China has

more variables. Due to the multi-level nature of China's social information feedback system, the complexity and distortion level of information tend to be relatively high, and control measures are relatively delayed, making the possibility of malfunctions or loss of control in the Chinese social control system comparatively more likely. Presently, China is in a period of rapid transformation. During this transformative phase, the coexistence of old and new systems, dual economic structures, unbalanced regional development, and the disorder of value systems could potentially increase the likelihood of social instability. In this context, strengthening national cohesion is an effective method of integration. This is because, regardless of the differences in economic interests or concepts, there is common ground in the aspect of ethnic lineage. By identifying with ethnic ties and enhancing national cohesion, many frictions and conflicts can be alleviated, and the integrative nature of society can be somewhat reinforced, which is very beneficial for the normal progression of the modernization process.

To ensure that strengthened national cohesion plays a positive and effective role in the development process, it must be fully subordinate to the basic principle centered on modernization construction. To prevent deviation from this principle, several points should be considered: Firstly, it is necessary to avoid the emergence of narrow-minded ethnocentrism or cultural racism. When national cohesion is elevated to an extreme, it may evolve into an irrational form of ethnocentrism, assuming one's own nation to be superior to others. Such a tendency can become a destabilizing factor in the world and can isolate oneself from the outside, which is extremely detrimental to one's own development. The history of world modernization provides ample examples of such missteps. Secondly, it is important to guard against the rise of regressive tendencies. China's feudal society persisted for a very long time, and many backward elements are deeply ingrained, difficult to completely eradicate in a short period. Once the importance of national characteristics is emphasized, these old and backward elements often resurface. The history of China after the May Fourth Movement clearly illustrates this point. Needless to say, the resurgence of outdated and regressive elements from a bygone era would hinder or distort China's development process. Thirdly, one must be cautious of tendencies that sacrifice individual legitimate interests. In a sense, strengthening national cohesion emphasizes the collective interests of the populace. At the climax of strengthening national cohesion, due to the inertia of high-level integration, there may be a tendency to

undervalue or even negate individual legitimate interests if not carefully monitored. If this tendency exceeds a certain limit, it can be harmful to the long-term development of the nation.

## 2.2 *Stronger Social Control*

The emphasis on the effective control and intervention of the state in society has played a special and positive role in the initiation and early to middle stages of China's modernization. In traditional Chinese society, state power served a unique role as the central hub of society, ensuring the social order of a vast territory with a large population. Although this phenomenon was consistent with the basic structure of feudal society, its underlying tendencies have certain reference value and practical significance for the current process of modernization in China.

China is a late-developing country, and unlike early-developing countries, the initiation of China's modernization process was not due to the natural progression of its development but was interrupted by external forces and compelled to shift toward modernization. This gave the initiation and early to middle stages of China's modernization a somewhat unnatural progression, with a relatively larger artificial component. This situation led to several unique factors detrimental to modernization: firstly, a distinct dual structure. Economically speaking, there is the formation of a heavy industrial system and the introduction of cutting-edge technological products on one hand, and the small-scale peasant farming methods of the natural economy on the other. Culturally, there are advanced modern values and behaviors, versus outdated beliefs and behaviors. Similar dual structures are prevalent in other areas. Such structures inevitably lead to various opposing and conflicting social phenomena, increasing the centrifugal tendencies within the social organism. Secondly, the coexistence of old and new economic and social systems. In a sense, modernization is a transition from traditional to modern systems. However, this transition is not achieved overnight, leading to a situation where old and new systems coexist, creating inconsistencies and incoherence in the behavior and perceptions of society members, resulting in a lack of social integration. In this context, centrifugal factors in Chinese society are inevitable. Thirdly, changes in social interest groups. With the transition from a planned to a market economy and significant industrial restructuring, the landscape of social interest groups in China has also changed. New social interest groups have emerged while old ones persist,

and the needs of these differing groups can vary significantly. To maintain social integration and stability, it's necessary to consider the interests of all social groups, leading to specific goals that are sometimes difficult to unify. This situation provides a certain rational basis for the existence of many centrifugal social factors. Fourthly, an overemphasis on local interests by some society members and small to medium social groups. For a relatively long period before 1978, due to the influence of the extreme "left" line, society underemphasized the interests of individuals and small to medium social groups, as well as the basic needs of the population, and overemphasized the interests of super-large groups and overly long-term goals, resulting in living standards that were far below what they should have been. After 1978, with the commencement of genuine modernization, the abnormal restrictions of the past were broken. However, due to the extended and intense suppression of people's lives in the past, there was an abnormal rebound after liberation, meaning an overemphasis on consumption and the interests of individuals and small to medium social groups. Against this backdrop, some society members and groups find it difficult to genuinely engage in matters of broader social concern, leading to a disconnect between society as a whole and its individual and smaller constituent groups. Fifthly, China is a large late-developing country. The Chinese social organism is vast, with numerous interwoven social elements. Any issue in one element could potentially trigger a chain reaction affecting others, meaning the possibility of various malfunctions, including centrifugal ones, is greater. Sixthly, the overall quality of society members is relatively low, making it difficult to meet the demands of modernization. Seventhly, the scarcity of social resources for modernization and the low level of resource allocation necessitates necessary national coordination.

The presence of these pressures means the strength of China's social control is an important issue affecting the entire process of modernization. Although overemphasizing state intervention has various drawbacks, in special periods, strengthening effective state intervention can alleviate or even solve the aforementioned problems to some extent, thus facilitating the modernization process, with benefits outweighing the drawbacks. "Successful latecomers in modernization must utilize both the exceptional factors of centralized power and the balanced distribution of power and resources at all levels." Appropriate strengthening of state intervention can maintain a comparatively authoritative control center in society, limiting conflicts within a certain extent, and preventing

significant social upheaval. Effective state intervention can also guide the improvement of society members' qualities. Through the organization and distribution of state power, limited construction funds can be concentrated for use in large-scale projects, providing effective follow-up momentum. In summary, relatively strong social control and national intervention are vital assurances for the smooth and orderly progression of China's modernization.

China is currently transitioning from a planned economic system to a market economy. The Chinese government bears the enormous task of establishing market rules, cultivating market entities, maintaining market order, and compensating for market failures. Each of these objectives is fundamentally dependent on a considerable degree of social regulatory strength. In its absence, any relevant discussions would lack a foundation. Consequently, the timely enhancement of China's capacity for social governance is an urgent and critical task facing Chinese society.

### 2.3 *The Orientation of Moderation and Equilibrium*

Throughout the annals of various nations, there often exist three extreme fundamental spiritual orientations: absolutized ideologies, extreme ethnocentrism, and extreme religious consciousness. These three forms of extremism share a common trait: they impose their own will as the will of the entire society, branding any behavior orientation or societal members that do not conform to their will as heresy or alien. Those regarded as heretical or alien are deemed to be eradicated. As the other is not considered human, and this is done with self-righteousness, once these three extreme spiritual orientations influence a country and dominate its discourse, they inevitably lead to a proliferation of intense and brutal actions, massively escalating the society's conflicts and contradictions. Take extreme ethnocentrism as an example. The collective consciousness of a nation is not composed purely of rational elements but is a mix of both rational and non-rational factors. Typically, these rational and non-rational factors are in a harmonious and balanced state. However, under certain conditions, the non-rational elements of national consciousness can break free from the constraints of rational elements and become excessively inflated, thus evolving into a form of blind arrogance and extreme ethnocentrism. Based on this extreme ethnocentrism, a dominant ethnic group may harbor various prejudices against minority ethnic

members within the same country, further leading to discriminatory attitudes and exclusionary behaviors, which, at times, may even combine with specific economic interests to form extremely brutal acts of deprivation against members of other ethnicities. The Nazi ideology of Hitler is a quintessential case in point.

Fortunately, for Chinese society, these three forms of extreme fundamental spiritual orientations are generally nonexistent or have lost their basic conditions for survival. Throughout Chinese history, extreme ethnocentrism and religious extremism have never been prevalent, nor have they managed to influence the entire social behavior of China. Absolutized ideologies did emerge in Chinese society during the 30 years before the reform and opening-up and had an extensively harmful impact on China. However, as modernization and market economy processes have advanced, the minimal conditions for their survival have dissipated, and the kind of absolutized ideology that appeared during the Cultural Revolution has gone and will not return.

Historically, the orientation of moderation and equilibrium is a traditional characteristic of the Chinese populace. What moderation and equilibrium emphasize is a balanced, harmonious, and non-extreme approach and mindset. In traditional society, the Chinese stressed that to adapt to complex interpersonal relationships and numerous social norms, one must exhibit life wisdom and interpersonal skills, adopting a moderate, peaceful, and appropriate manner of conduct. Extremes must be avoided, or one would become alienated from the societal whole. The Analects record: “Zi Gong asked, ‘Who is superior, Shi or Shang?’ Confucius said, ‘Shi goes beyond the mark, Shang does not reach it.’ He said, ‘Then Shi is better?’ Confucius said, ‘To go beyond is as wrong as to fall short.’” Confucius advocated that in dealing with all matters, one should adopt a neutral stance. For example, be kind to others, but not to the point of principle-less indulgence. “Someone said, ‘What do you think of repaying a grievance with virtue?’ Confucius said, ‘Then how will you repay virtue? Repay grievances with justice, and repay virtue with virtue.’” The essence of moderation lies in being “appropriate” or “proportional.” “Many misunderstand moderation as principle-less compromise, but moderation is actually about principles and standards; it cannot be excessive nor insufficient. Moderation is not about compromising various opinions to find a middle ground, nor is it about swinging towards wherever the force is stronger. Such compromise is the ‘thief of virtue’ and a form of appeasement.”

While the orientation of moderation and equilibrium, in its historical original sense, arose in traditional society, it has, through the long process of history, been internalized as an important component of the Chinese national spirit, possessing a certain historical durability and a transcendent nature across eras.

Importantly, as long as it is properly managed, this historical legacy of moderation and equilibrium will not hinder China's modernization process. On the contrary, it may well play a positive role in modernization.

Firstly, in some respects, it is in harmony with the spirit of reform. The essence of reform is to promote gradual societal transformation through relatively mild means, to prevent intense social conflicts and upheaval, and to achieve relatively large developmental outcomes at a relatively small social cost. In this sense, China's reforms can draw valuable nourishment from the historical legacy of moderation and equilibrium, making the methods of reform more characteristic of Chinese identity and more easily accepted by the Chinese populace. Conversely, if reform measures are primarily "intense" in nature, adopting radical methods and implementing drastic reform plans, they risk losing their essence and causing modernization to incur excessive and substantial costs.

Secondly, it contributes to the harmonious and coordinated progress of all organic aspects of the societal organism during the modernization process, achieving an integrated developmental effect. Any lone advance in one aspect of the social organism, if it exceeds a certain "degree" and lacks effective support from other aspects, will falter, and the results of such an advance will lack comprehensive significance due to the absence of effective social integration. Of course, this does not exclude the possibility of some aspects of the social organism developing ahead of others under certain conditions, effectively leading the development of other aspects. However, strictly speaking, the reasonable advance mentioned here is only technically significant and does not hold fundamental strategic significance; otherwise, it loses its reasonableness.

Thirdly, it helps maintain a relatively harmonious state of interpersonal relations within social groups during the modernization process. In the course of modernization, immense changes in the social environment can easily lead to varying degrees of tension and conflict in the interest relationships among social groups, triggering a vast array of social contradictions and conflicts. If these social contradictions and conflicts are mismanaged and evolve to a certain point, they can form a highly adverse impact on the construction of modernization. Maintaining a certain spirit

of moderation and equilibrium within social groups can, to some extent, alleviate such social contradictions and conflicts, ensuring the smooth advancement of modernization.

#### 2.4 *The Tradition of Social Mobilization*

In China's modern history, due to various historical reasons, there has been an unprecedented phenomenon of social mobilization. This form of mobilization has powerfully propelled the surging national liberation movement until the nation achieved independence. In the 30 years before 1978, social mobilization also had a significant impact on Chinese society. It can be said that, to this day, social mobilization has become a "new" historical tradition in China, an important historical legacy. If properly and effectively utilized, social mobilization can provide a significant impetus for China's modernization efforts. In comparison with many countries, it is an undeniable unique advantage for China's modernization construction.

Social mobilization entails the deliberate direction of individuals within society to actively engage in significant social endeavors. It primarily involves the ability of a society to harness diverse social forces and resources effectively to pursue essential objectives in a determined manner.

Social mobilization has several distinct features: First, its widespread participatory nature. Significant social activities are inherently intertwined with the social fabric. In the context of social mobilization, the primary constituents of the social fabric—namely, its members—are inevitably engaged to a broad or relatively broad extent in these activities. The term "widespread participation" denotes involvement across various social strata, indicating a large number of individuals participating. Moreover, it extends to the participation of members at the national or broader community level. Effective social mobilization occurs primarily at these levels, rather than within smaller scopes such as towns, townships, or villages. Furthermore, social mobilization entails a certain level of fervor. Unlike individual actions, it is characterized by collective group behavior. Consequently, social mobilization exhibits features not commonly found in individual behaviors. Throughout the mobilization process, the convergence of social motives, the presence of a central call, and the mutual contagion and influence among members contribute to a heightened sense of excitement. This excitement is not merely expressed as social



fervor, such as national pride, but also manifests as increasingly intensified social behaviors. Lastly, social mobilization is purposeful in nature. Generally speaking, social mobilization has a clear purpose. It is a collective social behavior formed to achieve a specific goal. Purposefulness is extremely important for social mobilization. Although the goals of social mobilization are not necessarily formed during the mobilization itself, the basic orientation of social mobilization is determined by this goal. Moreover, the specific effects of social mobilization are also significantly influenced by it: the correctness of the goal determines the possible positive or negative effects of social mobilization; the feasibility of the goal determines the potential magnitude of the effects. Group behaviors without a purpose do not constitute social mobilization. Group behaviors with an incomplete purpose can at most form an incomplete social mobilization. Fourth, orderliness. Unlike disorderly, unorganized group behavior, social mobilization is orderly. The purposeful characteristic of social mobilization determines its potential orderliness, while the objective existence of the organization and control structures of the mobilization itself makes this orderliness a reality. Thus, generally, normal social mobilization is organized and orderly, not chaotic or out of control. Of course, social mobilization during wartime differs from that during peacetime in terms of orderliness. The former is much less orderly and may even temporarily disappear during certain periods. Nevertheless, its orderliness still exists or is ultimately bound to emerge.

The effectiveness of social mobilization plays a significantly distinct role in China's modernization efforts. Effective social mobilization serves as an irreplaceable positive force for modernization in China. First, it contributes to the formation of an intrinsic driving force. The advancement of modernization is a combination of economic and non-economic stimuli, and social mobilization occupies an important position in the non-economic factors propelling modernization. Through social mobilization, the moral standards, value orientations, beliefs, and behaviors of society members can be harmonized, thereby reducing centrifugal factors in society and fully unleashing the energy of its members. Second, it aids in the renewal and improvement of the public's qualities. Social mobilization can generate a certain societal momentum, preparing society members psychologically to accept new concepts, knowledge, and behaviors, and encouraging a beneficial transition in interests and motivations. Social mobilization can elevate societal values and needs to a higher level of recognition, thus more proactively updating the self-qualities of society

members. This not only develops certain segments of society directly but also provides a necessary impetus for the overall modernization of Chinese society. Third, it can effectively address certain challenges within the process of modernization in China. At the initial stage of modernization, any country or region will inevitably face numerous challenges. Social mobilization has a unique effect on overcoming and resolving these challenges. Through social mobilization, a beneficial social environment and psychological pressure can be created, thereby facilitating the resolution of these issues.

As the process of modernization and the market economy progresses, Chinese society has undergone tremendous changes. Correspondingly, contemporary social mobilization in China has also experienced many new changes compared to the past. These changes are primarily reflected in the following aspects:

Firstly, social mobilization can only be initiated and formed when it is aligned with the vital interests of society members.

During the 30 years before the reform and opening-up, under the specific historical context of that time, social mobilization in China was associated with “high, distant, and abstract” goals and ascetic behaviors, detached from issues of people’s livelihoods. The society then advocated a behavior orientation of “production before livelihood,” where any consumption beyond basic subsistence was almost deemed bourgeois and regarded as sinful; there was an overemphasis on “dedication” at the expense of reasonable interests that society members, as individuals, should have. Since the reform and opening-up, with the end of asceticism and the advancement of secularization, the Chinese public has increasingly focused on real-life issues, and the legitimacy of individual interests has become more prominent, with the people-oriented concept being increasingly recognized. Against such a significant historical backdrop, social mobilization and livelihood issues have become inseparable. Generally speaking, in peacetime, only by focusing on livelihood issues and aiming to resolve matters related to livelihood can society members broadly participate in major social activities, allowing for effective initiation and formation of social mobilization. Furthermore, it should be noted that under market economy conditions, because individuals have normal and reasonable interests, the improper application of social mobilization is likely to harm individual interests to varying degrees. This is because once social mobilization reaches its climax, due to the inertia of high-level integration, it is easy to further demand uniformity among all

society members, and even to call for the elimination of individual differences. Any damage to individual reasonable interests can have a negative impact on the entire Chinese society. This is an important issue to be mindful of during the process of social mobilization.

Secondly, social mobilization must be oriented toward modernization construction to be meaningful.

It should be recognized that social mobilization is, after all, merely a means, and it must serve specific historical tasks. Before the reform and opening-up, Chinese society mistakenly took class struggle as the central task of the era and social mobilization as a means to “take class struggle as the key link,” thereby exacerbating the negative effects of “taking class struggle as the key link” on the entire society. For this reason, in December 1978, the Third Plenary Session of the 11th Central Committee of the Communist Party of China solemnly declared the shift of the Party’s work focus and the nation’s attention to socialist modernization construction. This marked a significant historical turning point, signifying that modernization construction had truly become the overriding central task of our era. Modernization construction provides a directive meaning for social mobilization. Only when social mobilization does not deviate from the central task of the era of modernization construction and complies with the laws of modernization construction, can it play its active role.

Third, social mobilization can only advance smoothly and effectively if it is based on rational judgment.

Only when based on rational judgment can social mobilization avoid being swayed by irrational consciousness and prevent veering into overly emotional detours, thereby playing its positive role as intended. This is crucial because the normal conduct of social mobilization relies on the simultaneous presence of its four characteristics: broad participation, a certain level of excitement, clear purposefulness, and orderliness. If, for some reason, the purposefulness and orderliness are weakened, social mobilization inevitably takes on an overly emotional tone. Once an overly emotional form of social mobilization takes shape, it can pose a serious threat to the normal order of society.

It should be recognized that among countries with a population of over a hundred million, China has the strongest social mobilization capacity and the most comprehensive mobilization system. In China, from the central government to the local levels, there are strict organizational structures that reach even to every village and street, where party

and government organizations exist and operate effectively. Once social mobilization is initiated, the tremendous energy of society can be widely gathered and released. Furthermore, if the goals of social mobilization effectively align with the immediate interests of the people, a united and concerted effort can emerge during the mobilization process, allowing major initiatives to be implemented relatively smoothly, thereby effectively addressing some issues that initially seem quite challenging.

Relying on strong social mobilization capabilities can effectively resolve some of the more serious social issues in China's modernization. For example, at the beginning of the reform and opening-up, China successfully implemented the family planning policy on an unprecedented scale in human history through social mobilization, addressing the significant challenge posed by the rapid expansion of the Chinese population. Particularly, the social mobilization system plays a significant role in responding to public crises caused by disasters. As seen in China's history and many developing countries and regions, public crises triggered by natural disasters often exacerbate social contradictions and ultimately become the fuse for large-scale social conflicts. The strong social mobilization system and capabilities that China possesses can effectively resolve such public crises and prevent them from evolving into large-scale social conflicts.

The history since the reform and opening-up has proven that, whenever China faces major natural disasters or significant sudden public incidents, it is capable of responding in a quick, efficient, and appropriate manner through social mobilization, minimizing negative impacts on modernization efforts. The fight against SARS in 2003 is a prime example. Initially, China's response to the SARS outbreak was slow, but once the state mobilization system was activated, the country demonstrated an extraordinary capacity to tackle the crisis. Following the mobilization against SARS, the organizational structure of social mobilization in China was extremely tight and efficient, extending to every village and community related to the epidemic, creating a united front against SARS. Nationally, clinical cases of SARS dropped from three digits at the end of April 2003 to single digits by mid-June 2003. China's handling of the SARS challenge through its national mobilization system can be described as a world wonder, truly astounding. The relief efforts after the 2008 Wenchuan earthquake also exemplify successful social mobilization. In stark contrast stands the response of American political elites to Hurricane Katrina's assault on New Orleans in 2005. The sluggish action of the government, the delay in aid to the victims, and the lack of social order

control led to social unrest in the affected areas. This contrast underscores the unique mobilization capacity and sense of responsibility of Chinese political elites. For instance, in 2014, Beijing deployed “850,000 peace volunteers onto the streets to assist police and armed police in patrols and safety inspections for anti-terrorism efforts.” The city’s communities (and villages) had also established “a nearly 100,000-strong team for collecting intelligence on terror and violence threats.” Informants included “cobblers, vegetable vendors, newsstand operators, and parking attendants.” Such a scenario would be difficult to imagine in other countries.

At the same time, it is essential to soberly recognize the dual nature of social mobilization. If misused, it can have negative consequences. One issue is the excessive frequency of social mobilization. Social mobilization is often used without a comprehensive consideration, being applied indiscriminately to various issues. As social mobilization has a cyclical nature, it cannot be carried on endlessly. Society’s capacity for endurance is limited; people cannot remain in a state of excitement indefinitely. Continuous and repeated social mobilization can eventually lead to desensitization or even antagonism among the public, hindering the effective formation and initiation of future mobilizations. Another problem is the misuse of public authority in social mobilization. In the post-reform and opening-up era, due to unidimensional target orientations and the lack of scientific, democratic, and transparent processes in major public policy decisions, some local government officials have been keen on initiating prestige or luxury projects using methods akin to social mobilization. The results have been profoundly negative, suppressing the growth of private enterprises, damaging the rules of fair market competition, wasting public funds, delaying the improvement of people’s livelihoods, and harming public interests. These lessons are worth learning. Thirdly, there is the issue of superficial social mobilization. Sometimes, efforts are made merely to create a certain social momentum, disregarding the actual needs of modernization construction, leading to a disconnection between the goals of mobilization and the general interests of the public. Such mobilization lacks broad participation and the requisite level of enthusiasm, resulting in half-hearted involvement and failing to generate genuine excitement. In reality, this type of mobilization is enforced by administrative systems and is, therefore, superficial. While it may appear orderly and even vigorous on the surface, it does not constitute real social mobilization and thus fails to achieve positive outcomes or effectively advance modernization.

Despite some existing drawbacks in our country's social mobilization, it has clear advantages compared to other nations. This is not only because China has a tradition of social mobilization dating back to the modern era, but also because our country places great emphasis on the collective. As such, the potential for social mobilization is comparatively significant. As long as it is initiated and employed properly, the role of social mobilization in the process of our country's modernization is incomparable to many other nations. To achieve this, on the one hand, we must follow the inherent laws of social mobilization, allowing for a period of relative intermission, a time for incubation and formation; on the other hand, we must ensure that the purpose and application of social mobilization are subordinate to the central task of the era, which is modernization, and not arbitrarily used for other ends.

### 3 HISTORICAL HERITAGE CONGRUENT WITH "MODERNITY"

Certain valuable aspects of China's historical heritage are conducive to its modernization, in a sense that they align with "modernity"—that is, they share commonalities with contemporary society and aid in the formation of corresponding "modern" attributes.

#### 3.1 *Tradition of Pragmatism*

The pragmatic spirit of Chinese tradition shares some common ground with the secular ethos of modern society. Throughout thousands of years of Chinese history, there has always been a prevailing tradition of valuing practicality over abstraction. Generally speaking, the otherworldly realms emphasized by religion have not dominated the behavioral and value orientations of the Chinese populace. Historically, Chinese individuals have placed emphasis on survival and action within the tangible world, advocating for the practical application of knowledge and the repudiation of abstruse thought in favor of concrete reality. Unlike Western traditional cultures, which are deeply permeated with religious consciousness and sentiment, Chinese traditional culture largely maintains a stance of indifference toward the transcendent, focusing instead on the pursuit of a tangible, human existence. Confucius, when discussing how to achieve societal stability and public contentment, did not call upon divine intervention or rely on particular beliefs. Rather, he directed attention to

the realm of human agency, seeking to address issues through human experience and effort, with the conviction that properly executed actions would inevitably fulfill their objectives. For instance, he expressed, “With leniency, one will command a wide followers; with trust, people will place their confidence; with promptness, there will be effective achievements; with fairness, all will be delighted.” This distinctive trait is pervasive, whether viewed from the perspective of spiritual culture, social structure, public attitudes, or the aspirations of rulers. At the societal level, the clan has been a fundamental social unit in Chinese life, persisting throughout China’s history up to modern times. The essential characteristic of the clan is its kinship basis, which is not oriented toward transcendence but toward active participation in the world; its ultimate concern is not the entry into heaven, but rather the continuous lineage of the family—values such as revering one’s ancestors, ensuring the longevity of the family line, and honoring ancestral achievements. Politically, China has practiced governance by integrating political and educational functions. Although religion has always been present in China, it has generally not become a countervailing force to secular authority over thousands of years, except during brief periods. On the contrary, religion in China has always been subject to secular power, often functioning as an adjunct to it. From the perspective of the behavioral orientation of the intellectual class, China emphasizes the unity of knowledge and action. “In the Confucian view, it is not only moral knowledge that requires action; all narratives within the classical world must be actualized through practice, transforming the wisdom of practice into practical action. This practical wisdom as ‘knowledge’ inherently demands its own realization as ‘action’.”

In contrast to the pervasive religious consciousness and sentiment in traditional Western societies, the pragmatic spirit of Chinese tradition forms a stark contrast. This spirit of practicality, when appropriately engaged, can be integrated to a certain extent with the secular content of modern society. Secularization refers to an increased rationalization of individuals based on a highly developed economic foundation and the widespread dissemination of modern knowledge, leading to a greater inclination to seek unity between the spiritual and material worlds within reality. The congruence between the tradition of pragmatism in Chinese society and certain aspects of secular content in modern society can facilitate the timely establishment and rooting of secular values within contemporary Chinese society, reducing potential discord.

### 3.2 *Emphasis on Human Relationships*

Certain historical elements of China's emphasis on interpersonal relationships, after necessary refinement and adaptation, align well with the modern societal focus on mutual benefit, cooperation, and fraternal relations. Traditional Chinese society places a special emphasis on the relationships between individuals, considering the blood-related group as the foundational unit. It extends from the group to establish the position and obligations of the individual, stressing that the group defines the individual, not vice versa. While this has undoubtedly resulted in a rigid hierarchy that sacrifices individuality and contains elements that are quite unreasonable or even inhumane, on the other hand, it has also led to the development of a complete set of ethical norms that coordinate interpersonal relationships, bringing order and cohesiveness to many aspects related to the community. Although we have various reasons to condemn the feudal hierarchy, it is impossible to escape the imprint that traditional society has left on posterity regarding the importance of human relational values. Approaching these issues with a historicist attitude, it is not difficult to conclude that China's traditional emphasis on human relationships, based on modernity and after a discerning process of retaining the beneficial while discarding the obsolete, has the potential to become a wellspring for new types of interpersonal relations within modern society. Modern society, particularly in the East, values individuality as well as collectivism, emphasizing the organic integration of the two. Modern society does not intend to endlessly promote individualism; rather, it aims to establish a sense of self-respect and rightful status for the individual while emphasizing a mutually beneficial and cooperative relationship among people. In this regard, after necessary refinement, traditional Chinese virtues such as moral self-discipline and moral altruism, the humane spirit of respecting the elderly and loving the young, and the sense of social responsibility encapsulated in the belief that "the welfare or decline of society is the responsibility of every individual," undoubtedly have a positive significance.

### 3.3 *The Tradition of Valuing the Humanities*

The tradition within Chinese historical heritage that values the humanities shares commonalities with the highly civilized and rationalized lifestyles found in modern societies. Broadly speaking, Chinese history has placed



a considerable emphasis on the rationality of human existence, stressing principles like “cultivating virtue, practical utility, enriching lives, and seeking harmony” to ensure the relative abundance of both material and spiritual life for society’s members. This approach aims to fulfill the dual needs of the body and mind, rather than addressing only one aspect. Confucius advocated for the improvement of the people’s livelihood and believed in varying levels of quality in public life. As one dialogue illustrates, “Ran You said: ‘When the people have plenty, what next should be done?’ Confucius replied: ‘Enrich them.’ Ran You asked: ‘When they have been enriched, what next should be done?’ Confucius replied: ‘Educate them.’” And in another conversation, “Zi Gong asked: ‘What do you think of a person who is loved by the people and who assists the multitude?’ Confucius said: ‘Why merely mention benevolence in this case? He must surely be a sage! Even Yao and Shun would find this challenging.’”.

Confucius opposed both hedonistic indulgence and asceticism, advocating instead for the relative abundance of material life and the indispensable nature of spiritual life, that is, the relative satisfaction of both the physical and mental needs of society’s members. At times, Confucius appreciated purely spiritual pleasures: “With coarse rice to eat, with water to drink, and my bended arm for a pillow—I have still joy in the midst of these things. Riches and honors acquired by unrighteousness are to me as a floating cloud.” At other times, he pursued a high-quality joy of both body and mind, such as: “At the advent of spring, when the spring garments are completed, five or six adults and six or seven children would bathe in the Yi river, enjoy the breeze at the Rain Dance Terrace, and return singing.” In comparison, Confucius’ philosophy is far more rational than the extreme asceticism found in medieval Christian culture, and it shares certain affinities with the secular spirit of modern society.

This traditional Chinese emphasis on a rational approach to living resonates with the modern societal emphasis on quality of life and the comprehensive development of the individual. To some extent, this reflects a fundamental issue in social development. This valuable aspect of China’s historical legacy continues to exert a significant influence in real life, allowing China to surpass other nations in the Human Development Index even when its GDP per capita is roughly equivalent or slightly lower. Even as it enters the modern era, China’s advantages in this respect could continue to play an important role, potentially placing it at the forefront of the Human Development Index among modernized nations.

### 3.4 *The Tradition of Harmonious Coexistence with Diversity*

The tradition of “harmony without uniformity” in Chinese history is profound and influential. It emphasizes inclusiveness—maintaining certain unique characteristics while fostering coexistence and symbiosis with other cultural forms, as well as natural integration and complementarity between them. “A world of peaceful coexistence has been a persistent ideal of Chinese civilization for thousands of years.” The pursuit of harmony within Chinese culture presupposes a harmony based on the coexistence and complementarity of diversity. For instance, “Throughout Chinese dynastic history, under the guidance of this ideology, there has generally been allowance for the existence of different factions, types, and ethnicities of thought and culture. The complementarity of Confucianism and Taoism, the combination of Confucianism and legalism, the integration of Confucianism and Buddhism, the similarity between Buddhism and Taoism, and, in more recent times, the tolerance and assimilation of foreign religions like Christianity and Islam, are well-known historical facts.” The relative “maturity” reached by traditional Chinese civilization is connected to the effective inclusiveness present in traditional Chinese society.

In some respects, the tradition of “harmony without uniformity” has parallels with modern notions of inclusiveness. Thus, fully excavating this valuable historical heritage can aid in the formation of modern inclusiveness within contemporary Chinese society. The significance of modern inclusiveness cannot be overstated in the context of modernization efforts. Unlike traditional society, modern society is highly differentiated. In modern society, people’s interests and demands are increasingly diverse, and the components of difference and heterogeneity are multiplying. A necessary condition for such a society is inclusiveness.

With the safeguard and promotion of inclusiveness, various differences, heterogeneities, and diverse social components can maintain a necessary tension that is both contradictory and unified, leading to a state of mutual dependence and promotion of common development. This, in turn, provides a vital and creative force for the modernization of China.

### 3.5 *The Tradition of Valuing Education*

Compared to many countries, valuing education is a tradition in China. This tradition facilitates the growth and dissemination of modern knowledge throughout society. “No nation in the world has regarded education as highly as China. Every school of academic thought in China places educational philosophy at its core. Nearly every Chinese scholar is also an educator, especially within Confucianism, and particularly with Confucius himself.” The tradition of valuing education in China has at least four distinct features: First, almost all members of society, regardless of their group or social status, place great importance on education; second, those who receive education tend to attain higher social status; third, the scope of those receiving education is relatively wide, adhering to the principle of “teaching without discrimination,” not merely a privilege for certain classes; fourth, education is closely linked with reality, with an emphasis on the practical application of knowledge, resonating with the prominence of knowledge in modern society.

A significant trait of modern society is the rapid update and dissemination of modern knowledge, which plays an increasingly crucial role in societal development. This process relies on education to play an irreplaceable role. In this context, proactively exploring China’s tradition of valuing education, as a foundation for the spread and growth of modern knowledge, can produce significant positive effects. This tradition can foster a societal consensus on the paramount importance of education, leading to a behavioral orientation that values modern knowledge. Moreover, the tradition of closely integrating education with reality in China is highly beneficial for the development of “applicable technology,” thereby playing a more effective role in economic development and the entire modernization process.

### 3.6 *The Philosophy of “Unity of Man and Nature”*

The philosophy of “Unity of Man and Nature,” a concept embedded within China’s historical legacy, shares common ground with contemporary society’s concerns for environmental and ecological conservation. From the pre-Qin period, the notion of “Unity of Man and Nature” has been a part of Chinese thought, becoming more explicitly articulated during the Song Dynasty. This philosophy posits that humanity is born of the cosmos, and must exist within the interstices of heaven and earth,

thereby necessitating adherence to the laws of nature. The essence of the “Unity of Man and Nature” philosophy is to position humans within nature, subjecting them to its overarching laws and integrating nature into human thought and action. In essence, it sets normative parameters or intrinsic constraints for human existence. “Unity of Man and Nature” represents a structural relationship where humans reside within nature, highlighting the identity between humans and nature, and the belief that human nature stems from the cosmos; the dictates of nature are indeed the dictates for humanity. This perspective retains considerable value today.

In the initial stages of the Industrial Revolution, as human capacity to transform nature intensified, a confrontational view between humanity and the cosmos emerged, suggesting that humans could conquer and alter nature, epitomized by the motto “Man conquers nature.” It fostered the belief that humans could endlessly extract their necessities from the natural world. However, after more than two centuries of practice, it has become evident that destruction of the natural environment comes at the cost of tremendous societal loss. Nations that have severely damaged their natural environments cannot be considered fully modern in the truest sense. Most nations that have achieved modernization, and the majority that are in the process of modernizing, have gradually reached a consensus on the imperative of environmental and ecological protection. From this perspective, the Chinese philosophy of “Unity of Man and Nature” still possesses relevant elements today and merits promotion and inheritance within contemporary discourse.

#### 4 THE CRITICAL INHERITANCE OF SCIENTIFIC LEGACY

How can one critically inherit China’s valuable historical legacy in a manner that effectively integrates with modernization? To achieve this, several issues must be addressed:

##### 4.1 *The Inheritance of Historical Legacy Must Be Grounded in Modernity*

While certain valuable historical legacies resonate with modernity, it is not to say that the two are synonymous; rather, the former may be more amenable to transformation into the latter, facilitating the establishment of modern concepts. Furthermore, among the multitude of historical

legacies, only a portion holds value. Significantly, these legacies are closely related to other valueless or even deleterious historical legacies, having once formed an organic whole. In such cases, a sole focus on inheritance is likely to conflict with modernity on a general level, potentially leading to a tendency toward regression or even retrogressive behaviors. It should be recognized that “the impact of historical factors on the diversification of social development is predicated on a necessary condition: this diversification must be founded upon a common ‘general’ basis of modernization, and not fall below the basic standards shared by general modernization.”

The reason scholars like Gu Hongming idealize Chinese traditional culture, considering it superior to other cultural forms and as the direction for human society, lies in their lack of a modern temporal metric. Gu Hongming believed that Chinese traditional culture “has the secret of a new civilization which the people of Europe will want after this great war, and the secret of that new civilization is what I have called the Religion of good citizenship. The Religion of good citizenship teaches that the law of love means to love your father and mother. ...The Religion of good citizenship teaches that the law of justice means to be true, to be faithful, to be loyal; that the woman in every country must be absolutely loyal to her husband, that the man in every country must be selflessly, absolutely loyal to his sovereign, to his King or Emperor.” The crux of viewpoints like those of Gu Hongming’s is their lack of awareness of modernity and ignorance of the fundamental contents of modernization. They fail to recognize that the advanced nature of modern society lies in its developed economy, high degree of social differentiation and integration, secularization, urbanization, openness to the world, basic values of freedom and equality, and the rule of law. They are unaware of the fundamental “temporal” gap between modern and traditional civilizations and that modernization is an inevitable trend in human society.

Clearly, the appropriate approach to valuable historical legacies should be to use the content of modernity as a basic reference, to inherit and critique simultaneously, to eliminate the backward elements within valuable legacies, and to integrate them into the modern structural whole, thereby rejuvenating them as an organic component within the societal organism.

#### 4.2 *Focus Should Be Placed on Grasping the Fundamental Tendencies and Spirit of Valuable Historical Legacies from a Macro Perspective*

When considering the many valuable historical legacies, one should not be solely fixated on their specific contents or minute details but rather capture their underlying tendencies and spirit. Within these valuable legacies, there exist elements that relatively transcend time and maintain a degree of constancy, such as national traditions. Although these elements were once integrated with the content of bygone eras, they are nevertheless distinct. Failing to recognize this distinction may lead to the wholesale dismissal of valuable historical legacies along with the outdated content of past eras. Conversely, it is also incorrect to indiscriminately inherit them in their entirety. For such entities, a method of “tendency inheritance” should be employed, which temporarily disregards the conditions of time, place, and hierarchy, to selectively draw lessons and inspiration from them. “Take, for example, the phenomenon of ‘Great Unity’ within the Chinese national tradition. ‘Great Unity’ has been a long-standing tendency and spirit of the Chinese nation, primarily exemplifying a focus on national cohesion and the adhesion of social relations. Historically, Great Unity was intertwined with the concepts of clan and the clan system. If we were to directly inherit the specific form of past Great Unity, it would clearly be a regression. On the other hand, if we were to completely ignore it, then our nation would lose certain traditions. Thus, the correct approach seems to be to grasp the essence of Great Unity through tendency inheritance and merge it with new era content to form a new organic entity. In this way, the tradition of ‘Great Unity’ can be carried forward.”

Similarly, “Ancient Chinese society placed great emphasis on human relations. In the past, such phenomena were closely associated with feudal content, such as the clan system and patrilineal concepts. If we were to wholly inherit these as a characteristic of Chinese traditional culture, it would certainly represent a regression. Conversely, if we were to utterly disregard them, then our nation would lose certain distinctive features. To address this, we might apply the method of tendency inheritance, which entails recognizing that feudal elements are incongruent with the spirit of the modern age, as they do not operate on the same level, and therefore cannot be directly inherited. Subsequently, we should also recognize that some tendencies, like the emphasis on human relations, are still worthy of

consideration. We can entirely transpose this tendency into contemporary society.”

### 4.3 *The Use of Valuable Historical Legacies That Facilitate the Process of Modernization Should Not Be Excessive*

Even though some historical legacies may not necessarily pertain to the “advanced” content of their era, as previously mentioned, they may hold a certain value due to their potential contribution to the advancement of the modernization process under certain conditions. However, it is crucial to recognize that these historical legacies do not inherently align with modernity in terms of their temporal qualities, and thus, a principle of moderation must be observed. Otherwise, the unrestricted and indiscriminate utilization of such legacies could be detrimental to the construction of a modernized society. For instance, occasionally emphasizing the necessity of state intervention in the economic development process can assist in the orderly progression of modernization. Yet, if such intervention exceeds certain bounds, it could likely give rise to an expansion of public authority, thereby impeding the establishment of political modernization. Likewise, if social mobilization is properly utilized, it can generate a beneficial impetus for the modernization trajectory. However, should social mobilization inflate incessantly, it might obstruct the normal process of social differentiation or evolve into an overly emotional or even uncontrollable societal behavior.

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## The Evolution and Issues of China's Elite Groups

Modern society increasingly relies on elite groups, or rather, the role that elite groups play in the construction of modernization is becoming ever more significant. The reason is straightforward. A distinct characteristic of modern society is the increasingly meticulous division of labor, a higher degree of specialization, and the growing complexity of its various components. To manage such an increasingly complicated, specialized, and professional society on a day-to-day basis, reliance on a professionalized, specialized elite group is indispensable.

Prior to the reform and opening-up, the development of China's elite groups was in an abnormal state. The elite groups at that time could not play their proper role and were unable to effectively drive the construction of modernization. Since the reform and opening-up, China's elite groups have achieved substantial development. The current reality of China's modernization construction has amply demonstrated that elite groups play a huge and irreplaceable role in leading the construction of modernization, such as in popularizing modern concepts, creating social wealth, stimulating social vitality, and promoting the innovation of modern institutions, as well as in fostering the formation of a new type of modern social class structure, and so on. It can be said that without the efforts and actions of the elite groups toward the construction of modernization, there would not be the prosperous China of today.

At the same time, it must be acknowledged that there are some obvious problems with China's elite groups at the present stage. From

the perspective of the higher echelons of society, the existence of these issues plays a role in inducing and exacerbating social injustices to a not insignificant degree and extent, which in turn causes multiple serious social conflicts, hindering the smooth progress of China's modernization construction. Moreover, compared to many countries, the influence of the elite groups in China's social life is relatively much larger. Hence, the problems existing within China's elite groups have a comparatively greater negative impact on the construction of modernization.

## I CHARACTERISTICS OF THE ELITE GROUPS IN MODERN SOCIETY

### *1.1 The Meaning and Composition of Elite Groups*

Society is an organic whole. This whole is a social hierarchy (social stratification) system composed of several layers or groups. From the perspective of social or vocational division of labor, every stratum and group, especially the main ones, is indispensable. These social strata and groups together constitute a "normal" society, forming an organic social community. During the 30 years before the reform and opening-up, China lacked an economic elite group, the knowledge elite group was under pressure and repression, and the development of the political elite group was not healthy. Therefore, during that period, the construction of modernization in China was not only abnormal but also struggled to progress in a normal, healthy, and sustainable manner. It is evident that the "normal" existence and effective cooperation of various social layers and groups are the prerequisite for the normal operation and healthy development of a society. Although every social stratum and group is indispensable, it must be recognized that there are differences among them in terms of their individual capacities, roles in society, and contributions to society. In other words, the influence of various social layers and groups on society differs. This gap is more apparent when viewed from the perspective of the average ability and contribution of individual members within different social strata and groups. Such a disparity is objective and reasonable, even in an equal and just modern society.

Within the social stratification system, from the standpoint of foundational contributions to modernization, there is no doubt that the worker and peasant groups are the most important primary groups. However, if we consider the average ability and contribution of individual members,

it must be acknowledged that the most influential social strata and groups are the elite groups. It must also be noted that the elite groups are not omnipotent. Without aligning with the historical development trend, departing from a specific economic foundation, going against broad and sustained public opinion, and lacking effective cooperation with other layers and groups, the elite groups cannot exert their influence or play their roles. To regard the elite groups as capable of controlling everything would inevitably exaggerate their will and ability.

Clearly, the elite groups have an extremely important and irreplaceable influence on the entire society and on the construction of modernization. "Their decisions mightily affect, the everyday worlds of ordinary men and women. ...they are in positions to make decisions having major consequences. Whether they do or do not make such decisions is less important than the fact that they do occupy such pivotal positions." Furthermore, "as the circle of those who decide is narrowed, as the means of decision are centralized and the consequences of decisions become enormous." Elite groups "create the conditions under which productive labor can be best executed in maintaining order and the unity of the social structure, and they usually supplement production with technical and managerial personnel."

Broadly speaking, the elite groups in modern society are composed of three parts: economic elite groups, political elite groups, and knowledge elite groups. According to the founder of elite theory, Vilfredo Pareto, the elite class can be divided into two parts: "the governing elite class" and "the non-governing elite class." Clearly, in Pareto's view, the elite groups are mainly governed by the governing elite class but also include economic and knowledge elite groups. C. Wright Mills emphasizes an elite group consisting of an upper circle formed by "the economic, the political, and the military domains" Daniel Bell stresses the importance of the knowledge elite group in modern society. He believes, "The rise of a new elite based on technology is due to a simple fact: knowledge and planning—military planning, economic planning, social planning—have become fundamental necessities for all organized action in modern society. ... It is in this broad sense that the development of education, research, and administrative management has produced a new electorate—technocrats and professional intellectuals."

Specific to the current stage of Chinese society, the elite groups roughly consist of the following parts: economic elite groups, mainly including owners and middle-to-upper-level managers of medium-to-large private

enterprises, high-level managers of medium-to-large state-owned enterprises, and middle-to-upper-level managers within some groups closely related to the market economy; political elite groups, mainly including mid-to-senior-level civil servants in government departments, as well as mid-to-senior-level staff in some quasi-governmental organizations—social service units; knowledge elite groups, mainly including professors, research fellows, senior engineers, etc.

### *1.2 Main Characteristics of the Elite Group in Modern Society*

Compared to traditional societies, in modern society and under market economy conditions, the elite group generally possesses the following “ought-to-be” characteristics:

Firstly, a high position within the social stratification system.

The trend toward greater social differentiation has strengthened the authority of the elite in specialization and professionalization. As mentioned earlier, with the advancement of modernization and market economy processes, the degree of social differentiation is increasing; that is, the specialization of social division of labor is becoming more complex, and the sub-units within the social organism, such as various industries and professions, are multiplying. Moreover, the components of different nature within the social organism are becoming more numerous and complex. In developed societies, “the division of labor and production specialization have been pushed to the extreme. Never before has the material life of individuals been so dependent on the smooth operation of the entire social mechanism. Now, the operation of each part of this mechanism is entrusted to specific groups, and thus the normal life of society as a whole is increasingly dependent on the goodwill of each such group.” To manage such a society, increasingly characterized by specialized division of labor and complex components, it is necessary to rely on a specialized and professional elite group. As creators, organizational managers, decision-makers, and leaders in their main professional activities, the elite group can be said to play a pivotal role. Their professional characteristics are becoming more pronounced, and their irreplaceability more evident. It could be said that the higher the degree of social differentiation and complexity of society, the more indispensable the elite group becomes, and the more their professional and occupational authority is highlighted. “The principle of division of labor leads to specialization. Leadership by experts is necessary and sensible, similar to the medical and

technical chemistry industries. However, specialization inevitably means authority, just as patients must comply with doctors since they know more about health and disease. Similarly, in the political field, patients (the masses) must accept the commands of their leaders because they have political capabilities that ordinary people do not possess.”

The need to address social risks highlights the importance of the elite group. Modern society is full of risks. Especially since the 1960s, the rapid development of modern society, the unprecedented accumulation of social energy, and the increasing complexity of society, particularly due to globalization and the development of information technology, have brought about an unprecedented and spreading uncertainty to human society. The development of modernization has provided humanity with countless opportunities, but it has also created numerous social risks; moreover, these risks come from various aspects of society, such as abnormal economic growth, one-sided technological development, distorted social structures, excessive wealth gaps, irrational political systems, and environmental damage. Once social risks evolve into sudden events, these events can spread with unprecedented speed and scale in modern society, and even internationally. The potential harm caused by social risks can affect every social stratum or group, and even every member of society. As Ulrich Beck pointed out, “sooner or later, the risks of modernization will also impact those who produce and benefit from them. They contain a ‘boomerang effect’ that breaks down class and national society patterns. Ecological disasters and nuclear leaks do not care about national borders. Even the wealthy and powerful cannot avoid them. They are not only a threat to health but also to legitimacy, property, and interests... In this sense, the risk society is a global risk society.” Effective responses to social risks rely on the effective cooperation of all social strata and groups, among which the elite play a particularly important and even irreplaceable role. It can be said that whether the elite group can fully engage in professional activities, whether they possess specialized abilities, and whether they can cooperate effectively with each other is key to effectively addressing social risks. For example, effective responses to social risks and the resolution of social crises require a strong professional ability and means of integration, control, and mobilization of society by the political elite group; accurate judgment of social risk situations, avoidance of potential social crises, and the design of various contingency plans rely on the actions of the knowledge elite group, and on the cooperation between political and knowledge elites. It is in this sense that the entire

society's demands for prevention of social risks and crisis management are increasingly high, thereby pushing the elite group, which plays the most crucial role, into a very important position.

In summary, the professional authority and occupational capabilities of the elite group in addressing social risks make them increasingly indispensable in modern society, and their role in the process of modernization increasingly significant. All of this further enhances the influence of the elite group within the social stratification pattern, placing them in a higher hierarchical position (in terms of income level, professional prestige, etc.).

Secondly, the division of labor is clear, and the boundaries are strict.

Considering the substantial influence of the elite, and their relatively dominant position, it is necessary to impose constraints and limitations on their behavior. Without such measures, the elite could mutate into a force harmful to public interest. In traditional societies, there was a strict hierarchical structure where society members were distinctly divided into privileged elites and ordinary citizens. The elite enjoyed privileges, especially those at the highest levels of power, who possessed almost unrestricted authority. In contrast, the majority of society members lacked fundamental equal rights, leaving the basic interests of the public without a minimum safeguard. In such circumstances, the elite could extend their influence and, alone or in collusion, encroach upon and deprive the public of their basic interests, thereby maximizing their own benefits.

Modern society is one of justice, equality, democracy, and rule of law. It does not permit any class or group to usurp the equal rights and legitimate interests of others. Upholding the basic rights of every member of society is a foundational principle of the modern social contract, essential for preventing the unchecked expansion of elite interests. The orientation toward the fundamental value of protecting individual rights is a key aspect of the concept of social justice. Based on this concept, modern societies have established a comprehensive set of institutions. These institutions constitute the rules necessary for healthy interactions among various social strata and groups. Regarding the activities of the elite, modern institutional requirements dictate that elites cannot monopolize resources within social hierarchies; they cannot have exclusive discursive power or unilaterally decide on significant matters in interest coordination mechanisms; and they must be subject to constraints from the state and the public in the process of major policy formation. It is especially important to note that the activities of the elite must be predicated on modern democratic institutions and not supersede them. Only then can

the legitimacy of elite activities and their appropriate scope be fundamentally resolved, the relationship between the elite and other groups be properly managed, and the potential for elites to dominate all aspects of society be effectively prevented.

From the above analysis, we can draw an important conclusion: there are two main rules that elite activities must follow, namely, clear division of labor and strict boundaries.

The clear division of labor means that economic, political, and intellectual elites should operate within their specific professional areas, utilizing their unique functions, without extending their activities beyond their professional realms. For example, the activities of economic elites should remain within the economic domain of wealth creation and not encroach on the public domain of political power; political elites should operate within the domain of public service and not overreach into the economic sphere. Otherwise, improper and out-of-place "arbitrage" activities may occur. This is consistent with the idea that "Monopoly is not inappropriate within the spheres. There is nothing wrong, for example, with the grip that persuasive and helpful men and women (politicians) establish on political power. But the use of political power to gain access to other goods is a tyrannical use."

Strict boundaries mean that the activities and scope of elite groups must be strictly defined by relevant laws. No elite group activities should breach these boundaries. Modern society is characterized by legal and regulatory structures. Hence, the defined boundaries of elite activities are supported and guaranteed by various rules and institutions. These rules and institutions "institutionalize the rights and obligations patterns of corporations; within politically organized social units, these rights and obligations transcend the limits of traditional societal solidarity's 'primordial' basis, and thus are independent of these boundaries to a certain extent." According to Parsons, these rules and institutions "include both universalistic and particularistic principles." Universalistic principles refer to "rules have been formulated and held to apply to categories of persons or collectivities on the basis of generally defined characteristics independent of their statuses in these 'lower-order' particularistic solidarities." Particularistic principles, on the other hand, mean that "legal rules in such a way that the rights and obligations thereby created could be abstracted from the status and expectations of certain particularistic solidary memberships, without destroying that membership. The primary

solidary structures would therefore be “insulated” from the crosscutting relationship.”

Thirdly, the openness to other social groups.

The development of social division of labor has made the elite a necessary social force for the normal operation and development of society. “Change in the membership of a class, no matter how rapid, does not destroy the class. Not the identical individual or families, but the same type prevails within it.” Moreover, at any given time, the size of the elite group is constant. “We want to take note of the type of organization which, in order to develop and maintain elite status, selects only a fixed number of members from among those who satisfy the criteria of eligibility for membership” This leads to a question: through what means do elite groups reproduce themselves? The situation in modern society is quite different from that in traditional societies. In modern society, the reproduction of elite groups is carried out through open pathways (“elite circulation”), whereas in traditional societies, it occurs through closed pathways (“elite replication”).

In traditional societies, the reproduction of elite groups was largely a closed-circle affair, with descendants inheriting and replicating the paths of their predecessors and carrying out self-reproduction within the circle. Generally speaking, a person’s social position was determined not by their own efforts, but by ascribed factors. For example, in medieval European societies, feudal lords generally practiced primogeniture. The offspring of nobles, in inheriting their ancestors’ estates or other properties, also inherited their noble titles and all associated privileges. For members of society, higher social status was not achieved through personal effort but was determined by innate bloodlines. “no one not of noble blood being permitted to become a member of it.” It is in this sense that there was an insurmountable boundary between members of higher and lower social ranks. Using ascribed factors as the basis for stratifying classes or excluding others from higher classes is clearly unjust, the problem being: “If these attributes are used as the basis for differential treatment in the distribution of social benefits among individuals, it would lead to a discriminatory treatment of people who cannot be held responsible for these differences, yet these differences have a profound impact on their lives.”

Under the conditions of modern society, the reproduction of elite groups is carried out through open pathways. Elite groups in modern society are characterized by openness. “An open society is also called a society of equal opportunity, where every person has the chance to reach



the highest social stratum.” “In this society, mobility from one stratum to another is formally unrestricted.” This state of openness, from the perspective of social stratification, reflects fairness; from the perspective of the elite group, it is the source of the group’s own development and vitality.

As modernization and the market economy advance, the consciousness of equality and independence among members of society has formed and become normal. The scale of social mobility has expanded rapidly, and its rate has increased swiftly, dissolving the previous class-based society. The ascribed factors that once influenced the development of society members have been eliminated. In their place, achieved factors have become the most important determinants of an individual’s prospects. Society has moved from being closed to open. In modern society, since every member has equal basic rights, anyone who possesses a certain ability should have the opportunity to obtain a corresponding social position in accordance with their own wishes and actual efforts. The reproduction of the elite group is conducted in the face of the whole society. John Rawls points out, “those who are at the same level of talent and ability, and have the same willingness to use them, should have the same prospects of success regardless of their initial place in the social system, that is, irrespective of the income class into which they are born. In all sectors of society there should be roughly equal prospects of culture and achievement for everyone similarly motivated and endowed. The expectations of those with the same abilities and aspirations should not be affected by their social class.” “At the same time, positions of authority and offices of command must be accessible to all.” Elite groups cannot use any excuse to prevent other group members from striving to become new members of the elite, nor to prevent the elimination of existing unqualified members within the elite group.

### 1.3 *The Phenomenon of Distorted Elite Groups*

While it is true that, due to various historical inevitabilities, the role played by elite groups has become increasingly important in the modernization process, it is equally important to recognize that once elite groups lose necessary checks and restraints, they are prone to distortion, which can deform the social structure and damage the basic interests of the populace. The main manifestations of these distortions are as follows:

Firstly, the formation of inter-elite alliances based on mutual interests.

The relationships among elite groups are characterized by well-defined divisions of labor and strict boundaries. When these boundaries between elite groups become blurred, it often signifies the encroachment of public interests by elites. Ideally, political and economic elite groups should have distinct functions: political elites are primarily responsible for the management of public goods and the formulation of corresponding rules, providing public services to ensure the integrity and maximization of public goods and services for all members of society, whereas economic elites are principally engaged in production and business operations. However, it must be acknowledged that both strata have their own varying degrees of interest impulses. “Servants of the public often have their own interests in regulating the market, resulting in private choices being obscured or replaced by public choices. Bureaucrats create various special systems because such systems endow them with power and influence.” Correspondingly, “for a minority of suppliers, the benefits of political intervention can be substantial.” If political and economic elite groups overstep their professional boundaries and form alliances based on interests, it inevitably leads to a situation where political elites leverage the advantages of public resources to expand the interests of their “own people” through various forms of “rent-seeking,” while economic elites increase the value of their assets rapidly through non-market, non-competitive methods. These situations collectively result in phenomena such as “money politics” and “collusion between officials and businessmen.” The consequences of this are severe: on the one hand, it causes the political elite group, originally responsible for public management, to lose its “public” nature, and on the other hand, it causes the economic elite group to lose its true “market” nature. As a result, the entire social structure becomes deformed.

Secondly, self-imposed barriers and closure.

As mentioned earlier, under the conditions of modern society and a market economy, elite groups are expected to be open. However, for various reasons, elite groups can sometimes exhibit the opposite—a distorted state of self-imposed barriers and closure.

Driven by unique interests and characterized by strong homogeneity, elite groups can sometimes exhibit self-imposed barriers and closure. Occupying a higher position in the social stratification system, they often form a consciousness of a specific interest circle. The pursuit of common interests means that, absent necessary constraints, elite groups can evolve into phenomena of self-imposed barriers and closure regarding interests.

For example, scholars have noted that a common situation is that “once new members are accepted by the elite group, they begin to become conservative. The common interest in maintaining the system and their positions unites them. When members have different opinions on specific issues, they adjust to one another rather than disrupt the existing power structure.” It should also be noted that elite groups are highly homogeneous. “In so far as the power elite is composed of men of similar origin and education, in so far as their careers and their styles of life are similar, there are psychological and social bases for their unity, resting upon the fact that they are of similar social type and leading to the fact of their easy intermingling. Objectively speaking, this is also an important factor that promotes the circularization of elite groups and then evolves into self-imposed barriers and closure.

Self-imposed barriers and closure will inevitably lead to the exclusivity of elite groups. This distorted phenomenon within elite groups will undoubtedly obstruct normal social mobility or distort the channels of social mobility; it will exacerbate social exclusion and increase social centrifugal tendencies and feelings of isolation, having a highly detrimental effect on social unity and cooperation.

Thirdly, self-aggrandizement and inefficiency.

In the absence of institutional and regulatory constraints, the impulse of elite groups toward self-aggrandizement can become a reality. Objectively, the management of increasingly complex socioeconomic matters relies more and more on various technical methods and professional skills. This provides institutions, primarily composed of elite groups, with a pretext for rapid expansion. For instance, in the United States, “within each of the big three, the typical institutional unit has become enlarged, has become administrative, and, in the power of its decisions, has become centralized. Behind these developments there is a fabulous technology, for as institutions, they have incorporated this technology and guide it, even as it shapes and paces their developments.” More importantly, sometimes elite groups, for their interest considerations, actively expand the corresponding institutional organizations, thereby exacerbating the trend toward elite self-aggrandizement. For example, “by establishing a vast bureaucracy of graded positions, creating a multitude of people who live directly off the state, the state can ensure maximum support from the populace. The development of modern political economy has significantly advanced this trend. On the one hand, from the state’s perspective, it can

provide a large number of bureaucratic positions; on the other hand, there is a more extensive demand for bureaucratic positions among citizens.”

Given the potential for elite groups to become inflated, a subsequent latent issue is the need to break through society’s “constant” requirements for the number and scale of elite groups within a certain period, thus lowering the threshold for entry into the elite group, i.e., the professional standards for entry. Consequently, the inflation of the elite group inevitably leads to the dilution of standards and inefficiency within the elite group. “The more elites a society has, the more each elite tends to lose their function and influence as leaders, because they cancel each other out.” Thus, from the perspective of occupational division of labor, the inflation and inefficiency of elite groups have led to a mutation in the elite group, causing it to lose its intended purpose and struggle to effectively fulfill the professional responsibilities that it is supposed to perform.

#### *1.4 The Chinese Elite Under Specific Historical Conditions*

In analyzing the basic status, fundamental characteristics, and main issues of the Chinese elite at the current stage, it is essential to consider these in conjunction with the historical context in which the Chinese elite find themselves. The historical conditions mentioned here can be divided into two types: “general” historical conditions and “specific” historical conditions. It is precisely because of these general and specific historical conditions that the current stage of the Chinese elite not only possesses the common characteristics of modern society in a “general” sense but also exhibits many unique traits of their own.

From the perspective of the “general” historical conditions, since the reform and opening-up, the Chinese elite have experienced “normal” development. Before 1949, China was a semi-colonial and semi-feudal society without sovereignty, which meant that modernization and the market economy could only progress in a distorted manner. Accordingly, the Chinese elite of the time could not develop normally. During the 30 years prior to the reform and opening-up, China adopted a planned economy system, prohibiting and guarding against the normal social differentiation (including occupational differentiation) that accompanies modernization. Nearly all significant economic, social, and other matters were unilaterally determined by political factors, with the entire society emphasizing “class struggle as the guiding principle.” As a result, the advancement of modernization was also highly abnormal, and the process

of market economy was forcibly interrupted. Under such historical conditions, the development of the Chinese elite could not unfold normally or smoothly. In the more than 40 years since the reform and opening-up, China's true modernization and market economy processes have been effectively initiated and normally advanced. Correspondingly, the elite of Chinese society have also begun to develop normally, gradually acquiring the "general" characteristics that elite groups should possess in modern society and playing an increasingly important role in the socioeconomic development of China.

What should be given even more attention is that, compared with other countries and regions, the "specific" historical conditions of contemporary China have an important and non-negligible impact on the development of the Chinese elite.

Since the late 1970s, certain "unique" historical conditions have emerged in Chinese society that warrant attention. Broadly speaking, these primarily include:

Firstly, the pursuit of wealth has become a universal phenomenon in society. In contrast to the preceding 30 years, the quest for wealth has transitioned from a position of "original sin" to one of legitimacy and propriety. As a fundamental requirement for all members of society, combined with a backlash against the ascetic lifestyle of the past 30 years, there is a strong collective impulse to accumulate wealth. During this period, China's wealth has experienced rapid accumulation and expansion. The GDP has grown at a high rate, and potential wealth, such as previously inefficient or dormant state-owned assets, has been revitalized through processes like "conversion." Existing assets, including land and housing, have rapidly appreciated in value. In this context, one's socioeconomic position becomes crucial in determining the amount of wealth one can accumulate.

Secondly, the formation of a new social class structure and the reshuffling of social interests are two significant concurrent developments. A new social class structure that adapts to modern society and market economy needs is taking shape in China. Alongside the advancement of reforms and industrial restructuring, the country's social interest structure is undergoing a large-scale and comprehensive adjustment. In this sense, the position different social groups occupy within the new class structure to a certain extent determines their advantage during the adjustment process.

Thirdly, society is in a period of reconstructing its rule system. China is currently transitioning sharply from a traditional society with a planned economy to a modern society with a market economy. This transition is inevitable. A key characteristic of this rapid transformation is the obsolescence of many old rules, while a new rule system that is compatible with modern society and a market economy has yet to be systematically established. China is in a period of rule system reconstruction, or in a sense, a vacuum of rules where the social and economic domains often lack normal order and a robust rule system. The mechanisms for coordinating social interests are somewhat absent, and for some social groups, how to achieve their interests, secure their positions, reach their goals, and choose their actions often lacks clear guidance and is highly flexible, dependent primarily on their own “strength” and adherence to some “unwritten rules.”

Fourthly, there is a prevailing sense of social anxiety. If we only consider the psychological perspective, the situation is very different from that before the reform and opening-up. During Mao Zedong’s era, societal control was highly effective, and the populace had a uniform belief system, which provided psychological stability; the popular saying “Chairman Mao waves his hand, and I move forward” genuinely reflected that era. The social order was stable, and the rules, though simple, were clear (even if such a state couldn’t last indefinitely). The present scenario presents a stark contrast. Amidst this rapid transformation, individuals are driven by intense aspirations for personal advancement but are often without a clear set of guidelines to navigate this evolving landscape. Concurrently, the structure of social interests and hierarchies undergoes significant upheaval, leading to swift and unpredictable fluctuations in economic status for many. Consequently, pronounced disparities emerge, magnifying the uncertainties faced by a considerable portion of the populace regarding their future trajectories. There is a pervasive apprehension that failure to keep pace will consign them to a perpetual struggle to regain lost ground, fostering a prevailing atmosphere of instability. All this contributes to an atmosphere of anxiety and impatience within society, making social anxiety a pronounced characteristic of the era. Undoubtedly, this anxiety plays a role in promoting various deviant behaviors among social groups and the prevalence of unwritten rules.

Lastly, there is a gradual approach to modernization. Due to various historical and current reasons, China must adopt a progressive model

of modernization. A key feature of this model is government leadership, which necessitates maintaining the authority and efficiency of the government in the modernization process. This implies that the political elite play a crucial role in China's modernization, occupying an essential position.

From the above, it is evident that both "general" and "unique" historical conditions highlight the role of the elite in contemporary China, facilitating their rapid rise and irreplaceable role in socioeconomic life, and contributing to the normalization of modern social class structures. This, in turn, plays a leading and critical role in advancing China's modernization process. On the other hand, due to strong impulses for personal gain, a pervasive atmosphere of social anxiety, a lack of established rules, and an overreliance on government, the current elite may develop unique issues of their own. These could include overstepping professional boundaries to expand personal interests, encroaching on public benefits, and self-barriers, which can lead to a distortion of social class structures, hinder healthy interclass interactions, and have a significant negative impact on the progress of modernization efforts.

## 2 THE RAPID DEVELOPMENT OF CHINA'S ELITE GROUPS SINCE THE REFORM AND OPENING-UP

Since the late 1970s, with the progress of the reform and opening-up policy, as well as the advancement of modernization and the market economy, the elite groups within Chinese society have seen rapid development.

### 2.1 *The Simultaneous Development of Three Major Elite Groups Has Altered the Previously Solitary State of Affairs*

After the establishment of the People's Republic of China, the country's primary mission should have centered on modernization. However, due to the ruling party's failure to transition from a revolutionary mindset to one focused on governance and construction, it remained entrenched in thoughts of "revolution" and "struggle" without timely shifting to "governing" and "building." At that time, the prevailing judgment in society was that "the contradiction between the proletariat and the bourgeoisie, and the contradiction between the socialist and capitalist roads, are undoubtedly the principal contradiction in our society." As such, the era

inevitably placed excessive emphasis on the role of class struggle, holding it as the guiding principle. Consequently, political campaigns became the focal point and central task of Chinese society during this period. The “Resolution on the Guiding Principles for Building a Socialist Spiritual Civilization” issued by the Central Committee of the Communist Party of China pointed out, “The major error of the Party over a long period was not shifting the focus of work to economic construction but rather persisting in making class struggle the guiding principle, neglecting the development of education, science, and culture, and grossly exaggerating class struggle in the ideological field, culminating in the ‘Cultural Revolution’ disaster.” Accordingly, modernization was relegated to a secondary position, subordinate to political movements.

Since the emphasis was on “making class struggle the guiding principle” and on the absolutization of ideology, economic elite groups and intellectual elite groups, which are compatible with modern society and the market economy, inevitably lacked a “legitimate basis” (“justified basis”) for their existence and were unavoidably in a state of being excluded, suppressed, and eradicated. Based on the viewpoint of class struggle theory, there would inevitably be extreme sensitivity and vigilance toward non-state-owned economies, a rejection of market economies, and a prevention and alertness to the emergence of diverse economic components. Under these circumstances, modern economic elite groups, primarily composed of entrepreneurs, could not escape the fate of practical banishment. The economic elite group, whose duty was to create wealth, was effectively wiped out and ceased to exist at that time; moreover, any possible “restoration” was subject to intense societal scrutiny and caution. Similarly, the intellectual elite group was also inevitably in a state of exclusion and suppression. Due to their professional fields’ demands, the primary function of the intellectual elite was to innovate and disseminate knowledge and ideas. Such innovation implied the emergence of diverse opinions and thoughts, which were incongruent with the then absolute ideological orientation of the times, and thus viewed with suspicion or as adversarial. Mao Zedong noted that for most intellectuals, “to completely replace the bourgeois worldview with the proletarian worldview is still a long way off.” In a conversation in 1957, Mao stated that the current intellectuals were “in Cao’s camp but their hearts are with Han,” meaning their allegiances still lay with the bourgeoisie. The proletariat paid them to teach, run newspapers, and work in literature and arts, which was a form of buying them over to



the Marxist side. However, while this could be openly stated regarding the capitalists, it could not be so with intellectuals. Not only was there wariness toward existing intellectual elites, but there was also mistrust even toward young intellectuals who might have been considered reliable. "Our Party has a large number of intellectual new party members (and even more Youth League members), among whom a significant portion indeed harbor quite serious revisionist thoughts." Since the intellectual elite group was seen as unreliable, yet still somewhat useful—"without intellectuals, our work cannot be done well"—society adopted a basic approach and policy of "unity, education, and transformation" toward them. During the political movements in the first 30 years after the founding of the People's Republic of China, the intellectual elite group often faced calamities. In such circumstances, the development space for the intellectual elite was extremely limited, and the growth in their numbers was very slow. For example, the number of full-time teachers in higher education institutions increased rapidly during the 1950s, a decade not particularly marked by political campaigns, from 17,000 in 1950 to 42,000 in 1955 and 139,000 in 1960. However, from the 1960s to the mid-1970s, as political campaigns intensified, the growth in the number of full-time teachers slowed down considerably, with some years even seeing a decrease: 138,000 in 1965, 129,000 in 1970, and 156,000 in 1975.

In stark contrast to the suppression of the economic elite and the strict restrictions on the knowledge elite, the political elite at the time dominated the scene. The political elite not only played an absolute and indisputable role in social and political management, but also had total control and authority in the economic and cultural knowledge fields. In other words, the political elite acted as a "universal government." This "universal role" was inevitably fulfilled in a non-professional manner. In the economic realm, the political elite primarily managed the national economy through a highly planned economic system and propelled economic development through intense social mobilization. Under this system, all enterprises were publicly owned, and the operation of the national economy was top-down and administratively coercive, with human-made plans encompassing every aspect and detail of the national economy. Amidst fervent social mobilization, the diverse enthusiasms of societal constituents were harnessed to generate a politically charged economic momentum, surging in successive waves. This mobilization

process concurrently addressed significant issues, including resource allocation, yielding resolutions along the way. In the field of knowledge and culture, the political elite believed that education and culture should not be monopolized by the intellectual elite and therefore emphasized the importance of mass education and culture, promoting development and dissemination through various mass movements such as “bringing education to the fields” and “bringing science to the factories.” As for the intellectual elite, the political elite restructured behavioral norms and updated their “worldview” through various “reformations” and “movements.” This reached an extreme during the “Cultural Revolution,” when workers’ propaganda teams, a method unprecedented in the history of world higher education, directly took over and transformed higher education institutions.

The dominance of the political elite inevitably resulted in a distorted social structure, which is detrimental to the healthy and sustained progress of modernization. As mentioned earlier in the book, the structure of a modern society is the skeleton of its organism. The specific condition of the social class structure determines the constructors of a society, whether it possesses a rational division of labor, the support of social and human resources it can provide for development and operation, and the degree of social unity and integration. As a necessary configuration of social forces at higher levels of modern society, the specific condition of a reasonable elite group structure directly affects the fundamental trajectory of the modernization process. The dominance of the political elite in the 30 years before the reform and opening-up indicates that China’s social class structure at the time was not a normal, modern one. This condition, not in accordance with modernization trends and laws, could not ensure the healthy and effective progress of China’s modernization. The absence of economic and intellectual elites meant that economic modernization lacked the guidance of professional and specialized elites, leading to irregular advancement, and that knowledge innovation, scientific and technological development, and higher education could not flourish without the leadership of professional and specialized intellectual elites. It must be acknowledged that significant achievements were made in modernization at the time, such as the preliminary establishment of a national industrial system, high economic growth rates, a foundation for science and technology, and the rapid popularization of mass education. However, it must also be recognized that the approach to economic modernization was overly reliant on the input of labor

and capital, characterized by extensive economic growth, often driven by extensive strategies like the "Great Leap Forward," which had very limited intrinsic development and caused serious ecological and environmental damage; knowledge innovation and scientific and technological development were limited, and there was even a significant regression in humanities and social sciences and higher education. Clearly, the dominance of the political elite at the time indicated an irrational and deformed configuration of the necessary social leading forces for modernization, which could not guarantee the healthy and sustainable progression of China's modernization process.

Since the reform and opening-up, China's elite groups have normalized, with the three main elite groups developing synchronously, entirely changing the previous situation of one dominating group. From a higher social stratum perspective, the leaders in various important fields of modernization construction have emerged, and the necessary social force configuration structure for China's modernization is increasingly becoming normalized and balanced. This is one of the essential reasons for China's substantial progress in modernization.

Since the reform and opening-up, three major elite groups have achieved synchronized development, which is mainly manifested in the following aspects:

Firstly, the economic elite and the intellectual elite have gained "legitimacy," especially in terms of their political "legitimacy."

Beginning in the late 1970s, the "legitimate status" of the intellectual elite began to be established. Deng Xiaoping pointed out, "To achieve modernization, the key is to advance science and technology. The development of science and technology cannot proceed without focusing on education. Modernization cannot be realized through mere talk; it must be supported by knowledge and talent," and insisted on "respecting knowledge and talent, the reputation of intellectuals must be restored." The Central Committee of the Communist Party of China indicated in a notice that "without intellectuals, our work cannot be done well." Intellectuals "have played a huge role in revolution and construction together with workers and peasants and are an indispensable and important support force in the cause of socialist modernization." Accompanied by the restoration of the college entrance examination system and the formation of the trend of "marching towards science and technology," the proper place of Chinese intellectual elites in modern society was recognized by the whole society, and intellectuals gained unprecedented social

prestige. Representative figures of the intellectual elite, such as Li Siguang and Chen Jingrun, almost became idols of the entire society.

Following the formation of the intellectual elite, from the 1990s, as an improbable scenario from the perspective of class struggle yet an inevitable outcome of reform, opening-up, modernization, and the development of a market economy—the “legitimate status” of the economic elite group began to be gradually recognized within society. The most important sign of this was the gradual recognition of the “legitimate status” of the private enterprise owners group. If modernization and the advancement of the market economy are to be pursued, then this cannot be done without the economic elite, who are leaders in the creation of social wealth. Thus, as the process of modernization and the market economy advanced, the economic elite re-emerged in China and made significant progress. Correspondingly, the “legitimate status” of the economic elite in society was gradually recognized. The specific process of recognition went through several steps:

The first step was the recognition of the private economy as a “supplement” to the socialist market economy. The report of the 14th National Congress of the Communist Party of China stated, “In the ownership structure, the economy of public ownership, including state ownership and collective ownership, remains the mainstay, supplemented by the individual economy, private economy, and foreign-funded economy. Various economic components will develop together for a long time, and they can also voluntarily engage in various forms of joint operations.”

The second step was the recognition of the private economy as an “important component” of the socialist market economy. The report of the 15th National Congress of the Communist Party of China pointed out, “The non-public sector of the economy is an important component of our socialist market economy. We must continue to encourage, guide, and promote the healthy development of individual and private economies. This plays an important role in meeting people’s diverse needs, increasing employment, and promoting the development of the national economy.”

The third step was further recognition as an “important force” and “builders of socialism with Chinese characteristics.” In 2003, the “Decision of the Central Committee of the Communist Party of China on Several Issues Concerning Perfecting the Socialist Market Economy System” stated, “Individual and private sectors of the non-public economy are important forces in promoting the development of

our country's social productivity." In 2001, Jiang Zemin's speech at the celebration of the 80th anniversary of the founding of the Party stated, "Since the reform and opening up, the social stratum composition of our country has undergone new changes, with the emergence of entrepreneurs and technical personnel of private technology enterprises, management and technical personnel employed by foreign-funded enterprises, individual industrialists, private business owners, staff members of intermediary organizations, freelancers, etc." "They are united with workers, peasants, intellectuals, cadres, and officers and soldiers of the People's Liberation Army, and they too are builders of the cause of socialism with Chinese characteristics." The report of the 16th National Congress of the Communist Party of China in 2002 explicitly proposed, "To perfect the legal system that protects private property." In 2004, the Constitution of the People's Republic of China added the clause "The lawful private property of citizens shall not be infringed upon," thus affording constitutional protection to private property. By this point, the "legitimate status" of the private enterprise owners group in society had been fully established.

The fourth step was the attainment of an "equal" status. The report from the 17th National Congress of the Communist Party of China in 2007 stated, "We must unswervingly encourage, support, and guide the development of the non-public sector of the economy, adhere to the equal protection of property rights, and form a new pattern where various types of ownership economies compete on an equal footing and promote each other." In 2013, the "Decision of the Central Committee of the Communist Party of China on Major Issues Concerning Comprehensively Deepening Reforms" stated, "Both the public and non-public sectors of the economy are important components of the socialist market economy, and both are an important foundation for the economic and social development of our country." "The property rights of the public economy are inviolable, and those of the non-public economy are equally inviolable."

Second, the size of the economic and intellectual elite groups is rapidly expanding.

From the perspective of the development of the number of private enterprises and private entrepreneurs, since the 1990s, the size of the economic elite group has expanded at an unprecedented rate. Although not all private entrepreneurs are members of the economic elite group, and members of the economic elite group are not limited to private entrepreneurs, the total number of private entrepreneurs is positively

correlated with the total number of economic elite group members, which is an indisputable fact. In 1989, there were 90,000 private enterprises, which increased to 98,000 in 1990 and 108,000 in 1991. In the years following 1992, influenced by Deng Xiaoping's southern talks and the state's formal establishment of the market economy system goals, their numbers saw an explosive increase. The figures for 1992, 1993, 1994, and 1995 were 140,000, 238,000, 432,000, and 655,000 respectively, with the growth rates reaching an unimaginable 29.5%, 70.1%, 81.2%, and 51.4% for each year. By 2005, there were 4.301 million private enterprises and 11.099 million private entrepreneurs. The State Administration for Industry and Commerce reports that "by the end of 2015, there were 19.08 million private enterprises nationwide, with 35.6 million private entrepreneurs (investors), accounting for 87.3% of the total number of enterprises in the country; the registered capital was 90.55 trillion yuan, accounting for 53.8% of the registered capital of all enterprises in the country." These numbers indicate that, at the current stage in China, the economic elite group has a large enough scale to fulfill its basic professional functions.

The size of the intellectual elite group has also expanded rapidly since the reform and opening-up. Taking the number of full-time teachers in regular higher education institutions as an example, their numbers have increased from 206,000 in 1978 to 1.8852 million in 2021. The scale of professional and technical personnel has expanded at an unprecedented rate. In 1980, there were 7.72 million such individuals, and by 1999, the number had surpassed 30 million for the first time. "Entering the twenty-first century," their numbers "surged from 30.6 million in 2000 to 90.61 million in 2015. The proportion of professional and technical personnel in the employed population also climbed from 1.8% in 1980 to 11.7% in 2015."

Third, the cooperation among the three elite groups is showing an increasingly deepening trend.

In the current stage in China, the solidarity and cooperation among the three elite groups are deepening, a situation unprecedented since the founding of the People's Republic. First, there is mutual inclusiveness. With the end of the "class struggle as the guideline" and the absolute nature of ideology, along with the advancement of modernization and the market economy, the professional division of labor among elite groups has become increasingly distinct, and the sense of equality among them has started to strengthen. In this context, the pursuit of political status

is no longer the exclusive right of any single group. Since the reform and opening-up, a large number of members from the intellectual elite group have joined the Chinese Communist Party (CCP). It is particularly noteworthy that, as a prominent sign of increased inclusiveness among elite groups, the CCP has opened its doors to members of social groups beyond “workers, peasants, soldiers, and intellectuals,” including private enterprise owners. In 2001, Jiang Zemin pointed out, “The main criteria for recruiting new party members should be whether one can consciously strive for the realization of the Party’s line and program and whether one meets the conditions of party membership. Party members from workers, peasants, intellectuals, soldiers, and cadres are the most basic components and backbone force of the Party. At the same time, other outstanding individuals from society who recognize the Party’s program and constitution, consciously strive for the Party’s line and program, and meet the conditions of party membership after long-term testing should also be absorbed into the Party.” With the advancement of the reform and opening-up, it has gradually become a “normal” phenomenon for private enterprise owners to join the CCP. Scholars have found that “the proportion of CCP members among private enterprise owners hovered around 25% before 1995, and after breaking through 30% in 1995, it continued to grow, reaching about 40% by 2005. Afterwards, it began to decline, and among entrepreneurs who started businesses from 2011 to 2014, the proportion of CCP members fell to 16.29%. Data from 2014 shows this ratio starting to rise.” The investigation by the Organization Department of the CCP Central Committee shows that in 2018, among “544,000 village party organization secretaries,” “leaders in getting rich accounted for 46.1%,” and “persons in charge of rural professional cooperatives accounted for 9.9%.” This is a significant historical progress. Second, there is mutual promotion. During this period, we saw that the political elite group first actively corrected and redressed various wrongful cases for the intellectual elite group, restoring their proper social status and reputation, and improving their living conditions. Thereafter, starting from the 1990s, they also provided various opportunities and preferential policies for the formation and development of the economic elite group, removing various policy and systemic obstacles. Third, there is mutual mobility. Extensive exchange among elite groups is a clear feature of this period. Since the late 1970s, a large number of teachers and scientific and technical personnel have been promoted to mid- and high-level leadership positions. Since the 1990s, a large number of state officials, teachers,

and scientific and technical personnel have entered the “business sea,” becoming entrepreneurs, with many of them becoming members of the economic elite group. For example, statistics show that in 2006, the social origins of private enterprise owners were mainly three types of elites: government officials, enterprise management personnel (including individual industrial and commercial owners), and professional and technical personnel, with a combined proportion of 67.4%.

## 2.2 *The Professionalism and Specialization of the Elite Groups Have Increased Significantly*

Throughout the 30 years before the reform and opening-up, the degree of professionalization and specialization among Chinese social elite groups was exceedingly low; in general terms, there was almost no division of labor to speak of. Firstly, among the three major domains of politics, economy, and knowledge culture, elite groups lacked the appropriate professional boundaries. Members of the political elite not only directly managed the political realm but also crossed over to directly administrate the economic and intellectual-cultural fields. A notable manifestation of this was that the leaders of all enterprises were appointed by the government, and all development plans and targets for enterprises were formulated by the governmental system and cascaded down the hierarchy. Secondly, even within the same broad field, elite groups lacked the necessary professional and specialized division of labor. In the realm of political life, the functions of administrative departments and legislative bodies lacked clear delineation; the work of administrative officials was almost unconstrained by the legislature, fiscal budgets were effectively not subject to legislative scrutiny, and there were periods when the activities of the legislative bodies were suspended. The powers of the public security, procuratorial, and judicial departments were hardly differentiated, and often the functions of public security, procuratorate, and judiciary were monopolized by the public security alone; administrative departments were intertwined with social service units; government institutions were relatively singular, and important government agencies suited for modern society, such as social security, environmental protection, quality and technical supervision, were not established; etc. In the economic realm, the basic functions of enterprise managers (factory directors) were not limited to production and operations, but also included prioritizing “political line,” as well as handling the intricate, detailed matters of workers’ lives



and welfare. In the field of knowledge and culture, the primary tasks of the intellectual elite were not teaching or scientific research, but ideational transformation, preventing the path of “white expertise,” emphasizing “red and expert” (with the focus on “red”), to achieve the goals of “revolutionization” and “proletarianization.” Thirdly, members of the elite groups generally lacked specific professional qualifications for “threshold entry,” and there was an absence of standards for unique professional conduct. At that time, the acquisition of positions within the elite groups was mainly restricted to demands of morality and absolutist ideology, as well as seniority in terms of years of service, with no basic requirements for professional qualifications, cultural level, or assessment of work performance. For instance, individuals without any legal training could be appointed as judges. Furthermore, for higher positions among the elite groups, there was not even a rigorous retirement system in place.

Since the late 1970s, the level of specialization among Chinese elite groups has been increasing, and their professional characteristics have become more distinct. This is mainly reflected in the following aspects:

Firstly, the occupational functions of the three elite groups have become increasingly distinct, and the professional boundaries between them have started to clarify. The change in the occupational function of the political elite group is particularly evident in the significant transformation of the government's functional orientation. From the late 1980s to the 1990s, due to a lack of necessary understanding of the trends and laws of modernization and a nascent grasp of the basic concepts of modern society, there was a great deal of “crossing the river by feeling the stones.” At the same time, due to a heightened emphasis on economic development and an over-correction of the previous disregard for economic practices, the political elite group's functional orientation of the government shifted from an “omnipotent” government to an “economic” government. After some time, it became apparent that merely pursuing high-speed GDP growth was significantly limited. Moreover, as people's understanding of the basic laws and concepts of modern society deepened, by the beginning of the twenty-first century, the political elite group's functional orientation of the government began to align with modern society, putting forward the goal of a “public service-oriented” government. The 2004 government work report stated, “Promote the transformation of government functions. Governments at all levels must fully perform their duties, continuing to manage the economy well and strengthen market regulation while paying more attention to social

management and public service functions.” The 2007 government work report noted, “In the current and future periods, we must focus on transforming government functions, regulate administrative power, adjust and optimize the government organizational structure and division of responsibilities, and improve government management and service methods, strengthen social management and public services, enhance the capacity of basic public services.” In the subsequent decades, the government has been working toward this direction.

Since the rise of the economic elite group in the 1990s, their functional orientation has been relatively clear: to establish a modern enterprise system and create wealth under market economy conditions. This goes without saying for private enterprises, and state-owned enterprises have also begun to decouple from the government and public institutions, shedding the social functions they previously carried. Direct government intervention in enterprises has also begun to decrease significantly.

The knowledge elite group has also started to distinguish its professional boundaries from the political elite group. A noticeable phenomenon is that the space for independent thinking and activity within the knowledge elite group has begun to expand, and their dependency on the political elite group has started to decrease. Their behavior is becoming increasingly professional and specialized, as the various “political tasks” they previously undertook have significantly diminished, and their specific behaviors are no longer as immediately swayed by the directives of the political elite group as in the past. Many major concepts and cutting-edge ideas in reform and development were first proposed by the knowledge elite group and later recognized by society. For example, shareholding systems, market economic systems, coordinated socioeconomic development, people-centric approaches, human rights, and important theories and concepts of social justice were all initially put forward by the knowledge elite group and have gained widespread recognition among the political and economic elite groups.

Second, the degree of professionalization and specialization within the different sectors of the same elite group is becoming increasingly pronounced.

The professional character of civil servants within the political elite group is beginning to emerge. The professional boundaries of various specific fields within the civil servant group are increasingly distinct, and their individual responsibilities are becoming clearer, marking a departure from the previously blurred professional boundaries of the cadre group.

For instance, a series of departments such as the Ministry of Justice, the Ministry of Human Resources and Social Security, the Ministry of Natural Resources, the Ministry of Ecology and Environment, the Ministry of Housing and Urban-Rural Development, the Ministry of Commerce, the Ministry of Agriculture and Rural Affairs, the Ministry of Culture and Tourism, the National Health Commission, the Ministry of Veterans Affairs, the Ministry of Emergency Management, the State Administration for Market Regulation, the International Development Cooperation Agency, the National Healthcare Security Administration, the Banking and Insurance Regulatory Commission, and the Securities Regulatory Commission have been established in succession. Laws such as the Civil Servant Law and Administrative Law have been promulgated, and the demand for law-based administration has become increasingly stringent. Fixed posts, staffing quotas, and rotational assignments are becoming more routine for the civil servant group.

The professional traits of the economic elite group are becoming more pronounced. It can be said that the professional traits of the economic elite group have gradually formed with the development of modern society and the market economy system. At the beginning of the reforms, in line with the formation of market economy elements that were not yet standardized, some members of society obtained their "first pot of gold" in ways that were difficult to define as conforming to the professional norms of entrepreneurs. During the initial stage of marketization in the distribution sector and the subsequent marketization of the means of production sector, a number of wealthy individuals emerged through taking advantage of policy arbitrage and the dual price system; for example, in the early stages of financial marketization, many people quickly joined the ranks of the affluent class by investing in foreign exchange, bonds, and initial stock offerings. China began to explicitly propose the goal of a market economy system in 1993. After a period of effort, by the beginning of the twenty-first century, China's market economy system was truly established. Correspondingly, a professional group of entrepreneurs began to take shape, and the professional characteristics of China's economic elite group began to emerge. Under the conditions of a market economy, China's entrepreneurial group increasingly relies on increasingly professional business operations to develop and accumulate wealth. The difficult transformation of state-owned enterprises into modern enterprises has been largely completed. Various forms of ownership such as state-owned, collective, private, and joint-stock exist

side by side without conflict. Additionally, with the separation of ownership and management rights, a group of professional managers has begun to emerge. For example, between 1996 and 2001, there was a net increase of 1.99 million senior managers.

The modern professional characteristics of the knowledge elite group are beginning to take shape. Since the reform and opening-up, the push for modernization and the needs of the market economy have brought about significant changes in the professional characteristics of China's knowledge elite group. China's intellectuals have "shifted from being dominated by traditional humanists to being led by modern professional intellectuals with technical skills." China's knowledge elite group is beginning to exhibit both the constructive and critical professional functions that they should possess in modern society. From the perspective of constructive function, China's knowledge elite group plays an irreplaceable and unique professional role in the development of natural and social sciences, in technological progress, in the application of modern scientific knowledge, in the creation, leadership, and dissemination of modern values, in focusing on livelihood and public life, in innovation of lifestyles, in the development of education, and in the promotion of the third sector. From the perspective of critical function, China's knowledge elite group has a preliminary yet highly effective role in reflecting on the shortcomings of socioeconomic development and seeking feasible solutions in a distinctively professional manner.

Third, the trend toward professional qualification and higher education among elite groups is becoming evident.

Elite groups are increasingly valuing professional qualifications as a basic threshold for entry into their professions. This requirement is particularly pronounced within the knowledge elite and political elite groups. For example, the civil service examination has become a norm in recent years. There are two types of civil service examinations: national and local. The national civil service examination recruits for national government agencies or direct national institutions, whereas local civil service examinations recruit for provincial and city-level positions, with varying numbers of recruits based on local needs. The written part of the civil service exam generally includes three subjects: "Basic Public Knowledge," "Administrative Professional Ability Test," and "Essay Writing," with some positions requiring additional professional subject tests. The judicial examination is even more stringent. The "Interim Measures for the Implementation of the National Judicial Examination" stipulate that the national judicial

examination is a qualification exam organized nationally for specific legal professions; becoming an initial judge, initial prosecutor, or obtaining a lawyer's license requires passing the national judicial examination; the content of the national judicial examination includes: theoretical jurisprudence, applied jurisprudence, current legal regulations, legal practice, and legal professional ethics, and the examination is standardized nationwide. Additionally, the "Law of the People's Republic of China on Higher Education" also specifies: "Higher education institutions implement a teacher qualification system. Chinese citizens who abide by the constitution and laws, love the educational cause, have good ideological and moral character, possess a graduate or undergraduate degree, and have corresponding educational and teaching capabilities, can obtain qualifications for higher education teachers upon recognition."

The educational level of elite groups is increasing. During this period, the rate and extent of the improvement in the educational level of the elite group as a whole are unprecedented. In 2003, among civil servants, 1.3% held graduate degrees, 23.7% held undergraduate degrees, and 48.7% held associate degrees. The educational standard of the economic elite group has been rapidly improving as well. Among private enterprise owners, the proportion with undergraduate degrees or higher has been rising. "Among entrepreneurs who started businesses in the early 1980s, this percentage was only in the single digits; by the late 1990s and early twenty-first century, this had reached about 20%; in the last five years, it has been over 30%." The educational level of the knowledge elite group has been increasing rapidly as well. In 1987, only 1972 teachers in Chinese higher education institutions held doctorate degrees, making up a mere 0.51% of all higher education teachers. Since then, the number of teachers with doctorate degrees has increased rapidly, reaching 43,400 by 2002, a twenty-onefold increase; the proportion of teachers with a master's degree or higher rose from 9.18 to 31.18%. By 2020, the proportion of teachers with doctorate degrees in undergraduate institutions nationwide was 41.78%.

### 2.3 *The Increasing Prominence of Elite Groups in Socioeconomic Life*

As the influence of elite groups in the overall socioeconomic sphere rapidly increases and becomes irreplaceable, their status in socioeconomic life becomes increasingly prominent. The elite occupy superior positions

in their professions, the economy, and society (politics), or in other words, they have achieved an integration of all important positions. Compared to other social groups, this creates a very clear contrast.

First, they hold high political and social positions.

In Chinese society, the political and social status of different social groups is of great significance, indicating whether a social group is recognized by society and what kind of social influence it has. The political elite naturally occupy high political and social positions, which goes without saying. By contrast, the economic elite and the knowledge elite have taken a more circuitous path.

In the China of the pre-reform era, an ascribed class identity system based on personal political background and “family origin” was formed. In rural areas, class identity was categorized as landlord, rich peasant, middle peasant, poor peasant, hired hand, etc., while in urban areas it was revolutionary cadre, worker, office staff, freelancer, senior employee, urban poor, shop clerk, capitalist, industrialist cum landlord, small proprietor, craftsman, vendor, etc. Subsequently, class identities such as rightists, right-wingers, and capitalist roaders were also added. The class identity system encompassed all members of society and was upheld by a distinct political dossier management framework, exerting direct influence on the future trajectory of each individual within the social fabric. Due to the incessant political movements that escalated without pause, new categories of class identities were constantly being added, and the number of people involved also kept increasing. Under such circumstances, the original economic elite group was eradicated, and its former members, who were at the lowest rank in the class identity system, naturally had no political status or social position, living in a state of continuous struggle and criticism. Moreover, due to political guilt by association, the political status and social position of their children and relatives, as well as their futures, were greatly affected. The intellectual group, who were constantly on guard, suffered from a collective aphasia after a long period of ideological transformation. The knowledge elite, in particular, were subject to heightened vigilance and suppression, finding themselves in a situation of being targeted for reform and surveillance, with a low and very fragile political and social position. The experience of the physicist Shu Xingbei is highly indicative. Shu Xingbei, the esteemed mentor of Nobel laureate Lee Tsung-Dao and a revered scholar in the field of physics, was naturally branded as a “rightist” due to his “complicated” history, his intense personality, and his habit of frequently offering suggestions to

the government after the founding of the People's Republic of China. Consequently, he was sent to Qingdao Medical College for labor reform. After many years of severe ideological transformation, his behavior and demeanor became "mutated." A recollection from this period can still evoke sighs today. During the Cultural Revolution, when a radar at a military base in Qingdao was broken, Shu Xingbei was asked to repair it. "After the military vehicle carrying Shu Xingbei drove out of the medical college, something strange happened: Shu Xingbei suddenly took out a crumpled old towel from his bosom and handed it to the accompanying staff officer, who was puzzled and did not understand why. It was then that they saw Shu Xingbei use the towel to blindfold himself. The accompanying soldiers realized there was no need for this and one of them pulled the towel off, but Shu Xingbei was stubborn and tied it over his eyes again. After repairing the radar and receiving a written appraisal, on the way back, the first thing Shu Xingbei did as he got into the car was to blindfold his eyes with the towel again."

After the reform and opening-up, with the changing times, the political status and social position of the economic elite and knowledge elite groups have undergone a radical transformation. There are at least two important signs that illustrate this point. One important sign is that the restriction on joining the Communist Party of China (CPC) based on occupation no longer exists, and a large number of intellectuals, especially knowledge elites, have joined the CPC; even some private entrepreneurs have become members of the CPC, which was unimaginable in the past. Being able to join the Party is an important sign in Chinese society that a social group can obtain a normal political status and is a fundamental threshold for a group to be trusted. At the current stage in China, there is no discrimination against the knowledge elite and economic elite groups in political aspects across the entire society. Another important sign is the increasing number of members from the knowledge elite and economic elite groups participating in very important legislative bodies and political advisory bodies such as the People's Congress and the Political Consultative Conference. During the 1980s and 1990s, the proportion of members from the knowledge elite group in various levels of the People's Congress increased rapidly, second only to cadres in terms of speed of increase: the proportion of knowledge elite members in the National People's Congress (NPC) rose rapidly from 14.96% in 1977–1981 to 23.54% in 1983–1987, 21.79% in 1993, and 21.08% in 1996; the proportion among provincial-level People's Congress delegates

rose from 16.15% in 1977 to 21.28% in 1983, and 20.95% in 1996–1999; the same rapid upward trend was also evident at the city, county, and township levels of the People's Congress. Furthermore, statistics show that in 2004, among representatives of the non-public sector of the economy, there were 23,143 people who entered various levels of the People's Congress and 48,395 people who joined various levels of the Political Consultative Conference, including 139 National People's Congress delegates, 90 members of the National Committee of the Political Consultative Conference, and 3 of its standing committee members; there were 1127 provincial-level People's Congress delegates, 17 standing committee members, 1359 provincial-level Political Consultative Conference members, and 165 standing committee members; there were 6536 city-level People's Congress delegates, 227 standing committee members, 6 vice-chairpersons, 8519 city-level Political Consultative Conference members, 1145 standing committee members, and 34 vice-chairpersons.

Secondly, possessing high professional prestige.

The professional prestige of a social group largely indicates the social evaluation of that group. Without doubt, under the conditions of modern society and market economy, wealth, power, and knowledge are widely pursued goals by society's members. Consequently, the groups closely linked with these—political elites, economic elites, and intellectual elites—typically possess high professional prestige.

Since the reform and opening-up, elite groups in China have gained significant professional prestige. A survey on the professional prestige of urban residents conducted in 1999 showed that the top 20 professions in terms of prestige were, respectively, mayor, government minister, university professor, computer network engineer, judge, prosecutor, lawyer, high-tech enterprise engineer, party and government agency leaders, natural scientist, translator, tax administration personnel, social scientist, doctor, computer software designer, writer, journalist, real estate developer, manager of state-owned large and medium-sized enterprises, and investment company manager. A professional prestige survey carried out in 2001 indicated that the top 20 professions were, in order, director of the municipal people's congress standing committee, mayor, president of the court, engineer, scientist, secretary of the county committee, university professor, university teacher, head of government agency, manager of foreign-funded enterprises, section chief of a government agency, secondary school teacher, secondary school principal, manager of state-owned enterprises, newspaper reporter, lawyer, minister of the State



Council, manager of a collective enterprise, movie star, and cadre of an organ's political work. These two surveys demonstrate that the members of elite groups almost exclusively occupy the top ranks in terms of professional prestige.

Additionally, another phenomenon indirectly highlights the high professional prestige of China's political elite group: the recent "civil servant exam fever." For instance, in 2007, the fervor for applying to become a civil servant continued to rise, with over 1.11 million people submitting applications online. Subsequently, 740,000 people passed the qualification review, and finally, over 530,000 were confirmed, making the ratio of applicants to available positions approximately 42:1. "In 2014, there were 11,729 positions advertised, with a plan to recruit 19,538 people. The number of applicants reached 1.52 million. Compared to the previous year, though the number of positions and planned recruitments declined, the number of applicants remained high, with a competition ratio of 77:1; compared to the previous year, the number of positions and recruitment figures for 2015 increased, but the number of applicants decreased by 111,000, making the competition ratio 64:1."

### 3 THE "UNIQUE" PROMOTIONAL ADVANTAGE OF CHINESE POLITICAL ELITES IN MODERNIZATION CONSTRUCTION

The tremendous achievements of China's reform and development can be attributed to a variety of reasons. Among them, one important reason is the "unique" promotional advantage that Chinese political elites have in the construction of modernization, especially when compared to many other developing countries and regions. While this has garnered some attention, research on the topic remains relatively insufficient, and analyses have yet to be comprehensive.

#### 3.1 *The Spirit of Pragmatism*

At the inception of the Reform and Opening-Up era, under the stewardship of Deng Xiaoping, a pragmatic ethos that aligned with the zeitgeist and prioritized empirical realities had firmly taken root among China's political elite. This pragmatic approach, which emphasizes practicality and fact-based decision-making, had crystallized into a "new tradition" within

the ranks of the Chinese leadership. It became a shared understanding and consensus that this spirit of pragmatism serves as a foundational necessity, ensuring that China's modernization efforts could advance securely, sustainably, systematically, and effectively.

Firstly, based on this spirit of pragmatism, Chinese political elites have effectively resolved the relationship between theory and reality in modernization efforts.

The spirit of pragmatism demands that theories, particularly those related to modernization, must be rooted in social reality. When a divergence between theory and reality arises, there is no doubt that theory must conform to reality, not the other way around. Any theory that is disconnected from reality cannot be used to guide the actual process of modernization, as it would inevitably lead to serious mistakes. During the period of the New Democratic Revolution in China, both Chen Duxiu's right-leaning erroneous theories and Wang Ming's left-leaning erroneous theories violated the principle of seeking truth from facts and hence caused great harm to the practical execution of the Chinese revolution. Similarly, the theory of "continuing the revolution under the proletarian dictatorship," which was completely detached from reality before the reform and opening-up, had once caused a serious setback to China's modernization. As Deng Xiaoping pointed out, "Seeking truth from facts is the basis of the proletarian worldview and the ideological foundation of Marxism. All the victories we achieved in the past in our revolutionary endeavors were based on seeking truth from facts; now, as we aim to achieve the Four Modernizations, we must also rely on seeking truth from facts."

Secondly, based on the spirit of pragmatism, Chinese political elites have established the principle of "safety first" in modernization efforts.

China is a country of immense size and with limited experience in modernization. Its vast size means that the societal body consists of a large number of components that are interrelated. A change in any one component can trigger a domino effect. The lack of modernization experience means that once China embarks on reforms and opening-up, facing a multitude of uncertainties, it can encounter a dilemma of choices. Improper choices and missteps can lead to a series of errors, even catastrophic ones, triggering social turmoil and causing serious setbacks to modernization efforts. In this context, as a very practical way of risk aversion, social safety becomes the primary concern in modernization efforts,

and “safety first” becomes a fundamental necessity. Thus, it is no coincidence that “leaders across various sessions since the reform and opening up have all, without exception, placed great emphasis on social safety, often highlighting it with terms such as ‘stability overrides everything,’ and based on this, formulating corresponding policies and measures.”

Thirdly, Chinese political elites have formulated a gradual and progressive strategy for modernization construction based on a spirit of pragmatism.

Looking at the historical process of reform and opening-up over the past 40 years, we can see that the specific strategy for advancing modernization in China has been largely based on a spirit of pragmatism. At the beginning of the reform and opening-up, Chinese political elites adhered to a pragmatic principle and promoted modernization construction in an orderly and progressive manner, prioritizing easier tasks before tackling more difficult ones. This is manifested in at least three ways: first, by adopting an exploratory approach of “crossing the river by feeling the stones,” which involves multifaceted exploration and incremental progress, thereby avoiding the potentially enormous costs of hasty, large-scale reforms due to unclear circumstances. Second, by starting with breakthroughs in rural areas, which circumvented the deeply entrenched planned economy system in cities, the reforms avoided many obstacles. Third, China’s reforms began in the economic realm rather than seeking breakthroughs in social or political fields. The benefit of this approach not only lies in laying the necessary material foundation for other aspects of reform but also allows the general public to gain tangible material benefits from the reforms, thereby winning the public’s recognition and support for the reform process. Deng Xiaoping articulated this clearly, “We must calculate honestly and ultimately reflect this in the standard of living of the people. How well people live is something they are very sensitive about. Our calculations at the top can never deceive them; their own accounts are the most truthful.”

The 40-year history of reform and opening-up demonstrates that the pragmatic handling of the relationship between theory and reality by Chinese political elites, adherence to the principle of safety first, and the implementation of a progressive advancement strategy are necessary conditions for the success of China’s modernization construction. In contrast, Russia’s reforms in the 1990s present a stark contrast. Russia, also burdened by a heavy planned economy system, adopted a radical reform strategy at that time. This radical reform approach aimed to

resolve all historical and current issues at once through a “shock therapy” package of reforms. Not only did this radical strategy fail to bring tangible material benefits to the Russian people, but the reform approach itself lacked coherence between different phases, resulting in a severe setback to modernization construction. The consequence was significant social turmoil in Russia, plunging the Russian populace into a state of suffering.

### *3.2 The Strong Capacity for Reflection and Error-Correction During Critical Periods*

A review of the history following the establishment of the People’s Republic of China reveals that the more critical the period, the more the Chinese political elites have demonstrated their strong capacity for reflection and error-correction. The debate on the criterion of truth in 1978 and the resolution on certain historical issues of the Party since the founding of the People’s Republic of China, adopted by the Communist Party of China (CPC) in 1981, involved profound reflections on the Cultural Revolution, which lasted for ten years and had extensive and far-reaching effects. The resolution of the Eleventh Central Committee’s third plenary session of the CPC was epoch-making, shifting the focus of the whole Party and the attention of the people nationwide to the construction of socialist modernization. Furthermore, in 1992, Deng Xiaoping’s talks during his southern tour and the report of the Fourteenth National Congress of the CPC explicitly proposed the establishment of a socialist market economy.

The strong capacity for reflection and error-correction among Chinese political elites stems from their innate strong sense of historical responsibility. For Chinese political elites, nothing is more important than realizing the great rejuvenation of the Chinese nation. Under such circumstances, if timely reflection and correction of one’s shortcomings can benefit historical development and progress, China’s political elites will disregard personal honor or disgrace and, in tune with public opinion and the trend of the times, correct mistakes and promote development.

The strong capacity for reflection and error-correction inherent in Chinese political elites not only ensures the continuous advancement of China’s modernization efforts but also endows these elites with a powerful capacity for renewal. At the current stage in China, the elites’ profound capacity for reflection and error-correction holds significant practical significance. As reforms deepen, some deep-seated contradictions

are gradually being exposed. Facing these issues head-on, reflecting on their underlying problems, and renovating the old to establish the new are essential tasks for modernization construction.

### 3.3 *The Tradition of Valuing Learning*

Compared with the political elite of other countries, the Chinese political elite place a high value on learning. This is an important advantage. “The ninety years since the founding of the Communist Party of China (CPC) are those of a ‘learning party,’ and although this was not an explicitly defined concept from the start, it can be said to be an inherent quality of the CPC.” Today, as the drive for modernization intensifies, the Chinese political elite have set a goal to build a “learning party.” Looking around the world, no other country’s political elite emphasize learning to the extent that China’s do. Neither the Republican nor the Democratic Party in the United States, nor the Labor or Conservative Party in the United Kingdom, and so on, have this advantage.

Mao Zedong was an early advocate of the culture of learning. As early as 1939, he raised the issue of “competence anxiety” and led the Yan’an Rectification Movement, an extensive educational campaign. In June 1949, on the eve of the nationwide victory of the Liberation War and facing the task of transitioning from a revolutionary to a ruling party, Mao Zedong pointed out in “*On the People’s Democratic Dictatorship*”: “We must overcome difficulties; we must learn what we do not understand. We must learn from all experts in economics (no matter who they are). We must respectfully request their teaching and earnestly study. If we do not understand, it means we do not understand; we must not pretend to understand. We must not put on bureaucratic airs. By immersing ourselves, in a few months, one or two years, or even three to five years, we can always learn.” This demonstrates that the political elite led by the CPC realized the need to enhance their capabilities to lead modernization construction through learning, even before taking power. Shortly after the start of reform and opening-up, Deng Xiaoping also pointed out, “Only with good learning can we lead the high-speed and high-level socialist modernization construction. Learn from practice, from books, and from our own and others’ experiences and lessons. We must overcome conservatism and bookishness. Hundreds of members of the central committee, thousands of senior officials at central and local levels, should take the lead in studying modern economic construction.”

In the early twenty-first century, adapting to the deepening modernization construction and market economy, as well as the complex new domestic and international situations, the Chinese political elite began to normalize and institutionalize learning behaviors. In 2004, the Fourth Plenary Session of the 16th CPC Central Committee passed the “*Decision on Strengthening the Party’s Governing Capacity*,” which explicitly proposed the construction of a learning party. The decision pointed out, “Focus on the theoretical and business learning of leading cadres, drive the learning of the whole Party, and strive to build a learning party.” In 2009, the Fourth Plenary Session of the 17th CPC Central Committee’s “Decision on Strengthening and Improving Party Building under New Circumstances” noted, “Build a Marxist learning party to improve the ideological and political level of the whole Party.” In 2012, the report of the 18th CPC National Congress proposed, “Build a learning, service-oriented, and innovative Marxist ruling party.” In promoting the construction of a learning party, Chinese political elite successively introduced documents such as the “Regulations on Cadre Education and Training,” “National Education and Training Plan”; established a collective learning system for the Political Bureau of the CPC Central Committee, a central group learning system for party committees at all levels, and a series of other institutional norm systems; at the same time, many local party and government agencies even took the “credits” of each cadre’s annual learning as an important index for the year-end assessment. Naisbitt found, “The senior leadership of the country is studying all possibilities to ensure that China continues its development. The necessity of reform in the legal system, for example, is something the leadership is well aware of.”

Through learning, especially lifelong learning, political elites can maintain the ability to keep pace with the times. With the advancement of modernization, the level of knowledge, professionalism, and specialization among Chinese political elites has been elevated to an unprecedented degree. Taking grassroots civil servants as an example, in Beijing’s Haidian District, the educational level of civil servants born after the 1980s is generally high: 59.4% hold a bachelor’s degree (including double bachelor’s degrees), and 36.4% hold a master’s degree. Their average educational duration is 17.2 years. Moreover, political elites place great emphasis on continuing education. To a certain extent, the continuous progress of China’s modernization construction is precisely due to the

spirit of keeping pace with the times inherent in the political elite. A practical reality is that whenever China's modernization construction reaches a new height, the Chinese political elite always manages to grasp and understand it accurately, and on this basis, they timely adjust development strategies and the specifics of their work content and methods, thereby driving modernization to a higher stage. This grasp of the historical trend and the innovation in work content and methods are inseparable from the construction of a learning-oriented party.

The importance of valuing learning also lies in its ability to unify the thinking within the political elite, strengthening unity and cohesion. Learning serves as a crucial mechanism for ideological alignment among China's political elite. Through education, political elites can accurately grasp the strategic intentions at the national level and recognize the general trends of modernization. On this basis, they can ensure consistency in action, smooth implementation of directives, and prevent misinterpretation of the country's modernization strategies during execution. Furthermore, learning facilitates mutual understanding and communication among the political elites, fostering consensus and thus contributing to the group's unity and integration. Additionally, through learning, the political elite can continually update their own consciousness and cultural knowledge to keep pace with the development of the times.

### 3.4 *Strong Social Mobilization Capability*

As previously mentioned, compared to political elites in most countries and regions, China possesses a formidable social mobilization capability and a relatively complete mobilization system, which is a recognized fact. Moreover, looking at the disposable resources, in 2016, the national general public budget revenue was 15,955.2 billion yuan, and state-owned enterprise assets totaled 131,717.45 billion yuan. Besides these, a vast amount of land, minerals, and other fundamental resources are under state control. An efficient organizational system, along with such a large amount of disposable resources, endows Chinese political elites with a mobilization capability that far exceeds that of most countries and regions.

Under unique national conditions, the strong social mobilization capability of Chinese political elites, if properly utilized, can greatly benefit modernization efforts. In a certain sense, social mobilization capability is the ability to "concentrate efforts to accomplish major tasks." With

this capability, China can not only effectively generate a massive driving force for modernization, effectively update and enhance the quality of its people, and maintain social security, but can also effectively promote the construction of infrastructure and large-scale projects.

For late-developing countries and regions, weak infrastructure in transportation, information, and energy often becomes a bottleneck in modernization efforts. In these countries and regions, promoting a large amount of infrastructure development by the state is often the most realistic and effective approach, primarily because: firstly, infrastructure investment is substantial and slow to yield returns. Relying solely on social capital is unlikely to attract massive funding in the short term. Secondly, the construction of numerous infrastructures and large-scale projects requires national coordination and planning. For example, the construction of national railway networks transcends administrative regions and needs to be planned, laid out, and advanced on an overall basis. If promoted purely by market mechanisms, it often results in irrational infrastructure and large project layouts, leading to discordance during implementation.

For a developing country like China, with the world's largest population and the third-largest land area, the construction of infrastructure and large-scale projects is of even greater significance. A country lacking strong social mobilization capabilities would find it challenging to establish a modern infrastructure and large-scale project support system in a short period. The political elites' formidable social mobilization capability plays a significant role in promoting large-scale infrastructure and project construction. Even before the 30 years of economic reform and opening-up, under conditions of very limited public finances, China fully utilized its social mobilization capability to establish a fairly complete primary industrial system. After the reforms, Chinese political elites, leveraging their strong social mobilization ability, have driven the construction of transportation, communications, energy networks, and other infrastructures, achieving universally recognized tremendous success. Taking transportation infrastructure as an example, "By the end of 2015, the national railway operating mileage, high-speed rail mileage, road mileage, and expressway mileage reached 120,000 kilometers, 19,000 kilometers, 4.57 million kilometers, and 120,000 kilometers, respectively, an increase of 23.0%, 103.1%, 7.8%, and 24.7% over the end of 2012; among which, high-speed rail mileage accounted for more than 60% of the world's total, ranking first globally." It can be said that within a relatively short period



since the reform and opening-up, China's infrastructure construction has made such brilliant achievements, which would have been difficult without the powerful social mobilization capability.

While fully recognizing our country's advantage in "concentrating efforts to accomplish major tasks," we should also be aware of the other side of the issue, which is the potential disadvantage of "concentrating efforts but making significant mistakes." Under modernization and market economy conditions, social mobilization has a specific scope of application, namely: it is an effective means of responding to public crises, constructing major infrastructure, and solving significant social problems. However, if applied improperly and extended unrestrictedly to the market economy domain, it may contravene some market economy laws to varying extents, harm the immediate interests of society members, and compress the space for individual freedom and development, ultimately leading to "concentrating efforts but making significant mistakes." Our country has precedents in this regard. For example, the "Great Leap Forward" before the economic reforms and the "foreign leap forward" movement at the beginning of the reform era are typical cases of "concentrating efforts but making significant mistakes." This requires that when we utilize the advantage of social mobilization, we must follow the inherent laws of economic and social operation.

### 3.5 *The Party's Absolute Leadership over the Military*

Divergent from many developing countries and regions, "the Party commands the gun," referring to the absolute leadership the Party exerts over the military, stands as a significant advantage for China's political elites. This well-conceived modern institutional arrangement has proven to be greatly beneficial to the nation to this day, preventing many of the pitfalls that have occurred in numerous developing countries. This aspect carries considerable importance for the smooth and stable advancement of China's modernization, yet it is sometimes overlooked by observers.

A hallmark of modern civilization is the increasingly specialized and professional division of labor within society. Each social group possesses clear boundaries for its vocational activities, and no group should overstep these boundaries to intervene in the professional activities of others. From the perspective of vocational division, the military's duty lies in defending the nation's sovereignty and territorial integrity through specialized military actions, without intruding into the economic and political spheres.

Once military personnel overstep their professional boundaries and enter the realms of economics or politics, inappropriate measures and actions are likely to occur. In severe cases, this can even lead to the emergence of corrupt practices such as interest alliances and the diversion of benefits, which can have a profoundly negative impact on modernization efforts.

The issue of military involvement in governance is a significant obstacle for many developing countries and regions on the path to modernization. While there are exceptions—such as South Korea in the 1960s, where military rule played a positive role in modernization—in most cases, military involvement in politics in developing countries and regions has been more detrimental than beneficial. This phenomenon has been observed in numerous countries in Latin America, as well as in Africa and Southeast Asia, where it has had an adverse effect on the modernization of these nations and regions. Particularly in the development process of many Latin American countries, this pattern has been emblematic.

Over an extended period, military intervention in politics was a relatively common occurrence in Latin American political life. “According to statistics, from 1906–1965 alone, there were no fewer than 674 instances of military interference in the governance of twenty Latin American countries.” Military involvement in politics is a significant reason why many Latin American countries have struggled to break free from the middle-income trap. Although some instances of military rule may have had a temporary positive effect in controlling social crises, easing societal tensions, or even boosting economic development, the overall impact has been predominantly negative. Firstly, due to a lack of professional skills necessary for modernization, military governance often results in national policies that do not align with the laws of modern development, impeding economic growth and societal progress. Secondly, since military governance is often associated with the interests of specific social strata, it can easily lead to scenarios where social resources intended for industrial production are diverted to military production, opposition to progressive forces occurs, and the military acts as proxies for privileged classes to preserve their vested interests. Moreover, because “the political allies of the military are often the literati-technocrats and the wealthy ‘transnational capitalist class,’” the economic policies of military governments inherently aim to protect the interests of these privileged classes. As a result, as the economy develops to a certain stage, a general trend emerges where “economic inequalities are exacerbated, concentrating income among the upper echelons of society.” All these factors

can lead to imbalanced socioeconomic development, societal instability, stagnation, or even regression in the modernization process.

The Chinese political elite recognized early on the harmful effects of military involvement in politics and imposed strict limitations on the military's functions and activities. After the failure of the Autumn Harvest Uprising in 1927, during the march to Jinggangshan, the famous "Sanwan Reorganization" took place. The reorganization asserted the principle of "establishing party branches at the company level," thereby ensuring the Party's leadership over the army. In late December 1929, the Fourth Red Army convened the Gutian Conference, which "established the principle of the Party's absolute leadership over the Red Army to prevent the separation of the Party and the military and the danger of the Party not leading the military." After the founding of the People's Republic of China, the tradition of "the Party commanding the gun," as established by Mao Zedong, has continued to this day. The "Regulations on the Political Work of the Chinese People's Liberation Army" explicitly states: "The Chinese People's Liberation Army must be under the absolute leadership of the Chinese Communist Party, and the supreme leadership and command authority belong to the Central Committee of the Chinese Communist Party and the Central Military Commission." It is precisely because the Chinese political elite consciously guarded against military intervention in politics and made a series of institutional designs to that effect that the People's Liberation Army has always been under the absolute leadership of the Chinese Communist Party, whether during the period of the New Democratic Revolution or in the era of socialist modernization.

The phrase "the Party's absolute leadership over the military" can be understood, in a global context, as "the civilian government unconditionally commands the armed forces." This institutional design has at least three positive implications. First, it ensures the continuity of the governance by the Chinese political elite. Due to their absolute authority over the military, the political elite's authoritative position in Chinese political life is assured, and even during the tumultuous period of the "Cultural Revolution," there was no military intervention in politics. It can be said that the successful resolution of various social crises by the Chinese political elite over the nearly 70 years since the founding of the People's Republic of China in 1949 was inextricably linked to the institutional design of "the Party commanding the gun." Second, it ensures the normal and efficient operation of the civil service system. In some

Latin American countries, military intervention in politics has resulted in a weak and inefficient civil service system, which struggles to actively respond to and effectively resolve economic crises and social conflicts, leading to setbacks and discontinuities in their modernization efforts. China, however, is different. On one hand, the Chinese military strictly follows the Party's leadership without interfering in the nation's political and economic life. On the other hand, through reforms to the national administrative management system, the Chinese political elite has gradually established a professional and specialized civil service. Currently, the efficiency of this civil service, also known as the "civilian force," in advancing modernization is globally recognized. Third, it ensures the nation's ability to respond to major disasters. It is precisely because of the institutional arrangement of the Party's absolute leadership over the military that when China faced major natural disasters such as the severe floods of 1998 and the Wenchuan earthquake of 2008, the political elite were able to respond calmly, mobilize the military effectively in disaster relief, and prevent social unrest. In summary, without the Party's absolute leadership over the military, China's political elite would not be able to fully exert their potential to lead modernization efforts, and correspondingly, China's modernization would not have achieved the globally recognized tremendous success it enjoys today.

#### 4 PROBLEMS WITHIN THE CURRENT ELITE GROUPS IN CHINA

Since the reform and opening-up, China's elite groups have made significant progress. Unquestionably, the Chinese elites have played an immense and irreplaceable role in leading socioeconomic development, creating social wealth, popularizing modern concepts, stimulating social vitality, and promoting the innovation of modern institutions. These contributions have been pivotal in forming a new type of modern social class structure. Without the efforts and actions of the elite, China's current development and prosperity would not be possible. Nevertheless, it cannot be denied that the elite groups in China at this stage also exhibit some conspicuous problems.

Chinese society is in a period of rapid transformation, and the unique conditions of the era have cast a wide and profound impact on the specific circumstances of the elite groups. The strong impetus of self-interest, a pervasive atmosphere of social anxiety, an incomplete system

of rules, excessive dependence on the government, and the formation of new social class structures occurring simultaneously with a reshuffling of social interest structures are unique social phenomena that may lead to a series of distinct and significant issues within the current phase of China's elite groups.

#### *4.1 The Expansionist Impulse of Public Authority at Times can be Rather Strong*

As a political elite group tasked with safeguarding and promoting the public interest, specific professional requirements endow this group with a public character not possessed by other groups. They also hold the state-granted coercive power to implement objectives that others lack. It's in this sense that the political elite may have a certain advantage over other groups. At the same time, it must be acknowledged that members of the political elite, as members of society, have cognizance and capabilities that are limited by the era. Like members of other social groups, they also have their own economic interests. "The state is not divinely ordained but humanly constructed. It does not possess infallible innate wisdom; governments are elected by the people but are comprised of individuals. The behavioral rules of the government are also determined by humans, and these rules are not necessarily flawless. Politicians and bureaucrats are normal individuals with personal interests; they neither represent the totality of social interests nor are they exclusively devoted to them. They are 'economic beings,' not 'moral beings.'"

Herein lies an inevitable paradox: political elites, who are professional guardians of the public interest, might sometimes assume a position above the public or harm the public interest in reality. This leads to a very important issue: there must be a clear definition of the boundaries of the political elite's activities to prevent the potential expansion of their power, which could be detrimental to the public interest. These boundaries stipulate that their activities must be strictly confined to the realm of public affairs. Specifically, this means that the political elite must accept necessary constraints and oversight; they must not harm the public interest under any pretext; except in emergencies like wartime, they must not infringe upon individuals' fundamental rights; unless it pertains to state secrets, the operation of public authority must be transparent to the public and subject to their oversight; in designing institutions and formulating policies, they must not seek private gain through public power, that is, they

must not incorporate the group (small group) interests of the political elite or the personal interests of its members; they cannot become profit-seeking entities in the market economy, nor compete with the public for profit; they must not engage in mutually beneficial exchanges of interests with economic elites (wealth groups).

During China's transition period, the phenomenon of political elite public power expansion is relatively pronounced.

Governments bear significant responsibilities during unique periods of transformation, which afford considerable opportunities for the expansion of public authority. Generally speaking, public authority, especially executive power, possesses an innate tendency to expand. "Executive power is a form of authority, and authority implies a certain degree of dominance and control. It enables the subordination of others' wills to one's own, thereby exerting influence and control over others without necessarily obtaining their prior consent. This endows executive power with an intrinsic expansiveness." It is important to note that under China's specific historical conditions, this innate tendency of public authority to expand becomes more pronounced. China has adopted a gradual approach to modernization, a defining characteristic of which is the government's leading role in driving the reform and development process, at least over an extended period. During periods of rapid societal transformation, the Chinese government faces an unprecedented array of tasks. Among these, at least two are of utmost importance:

Firstly, the government has an irreplaceable historical mission in promoting the establishment of a market economy system. Unlike Western countries, China experienced a discontinuity in the development of its market economy. After the period of reform and opening-up, China's market economy emerged from virtually nonexistence and developed without the backdrop of a professional entrepreneurial class. In the initial stage of establishing China's market economy system, the government inevitably bears direct responsibility for tasks such as fostering the formation of an entrepreneurial class, establishing market rules, maintaining market order, compensating for market failures, etc.

Secondly, the government carries an extremely heavy and arduous task in maintaining social stability. In a certain sense, reform implies an adjustment of the social structure of interests, and China's reforms signify a wide-ranging adjustment of this structure. Economic interests play a crucial role in the lives of individuals within society. "Everything that

people strive for is connected with their interests.” Therefore, every initiative of China’s reforms is bound to attract significant attention. The issue is that, in the specific process of reform, certain groups may “benefit” while others may “suffer” during particular periods. This can objectively lead to the emergence of unstable elements. At the same time, China’s reforms and development present a distinctly unbalanced state. The project of reforming and developing China is extremely arduous and complex, with various “fast variables,” “slow variables,” and “constants” often coexisting within the same period. During the transition from old to new systems, elements of the new market economy have emerged while components of the original planned economy system persist. “During the reform process, mismatches between various ‘fast variables’ and ‘variables’ occur, preventing the market economy system from becoming fully operational and rapidly functional within a short time frame.” This creates numerous social issues, directly affecting social stability. All of these require direct government intervention. The magnitude of the tasks implies the strength of the powers. Thus, objectively speaking, the significant responsibilities bestowed upon the government by the era grant a certain potential space for the expansion of public power.

Under specific historical conditions in China, the varying levels of dependency of various social groups on the political elite provide a broad social foundation for the expansion of public authority. As mentioned earlier, after the reform and opening-up, China’s knowledge and economic elite groups were able to recover and develop with substantial support from the political elite. From another perspective, this means that the knowledge and economic elites are quite dependent on the political elites. To date, the behavior and operation of China’s elite groups exhibit a clear path dependence, that is, they are centered around the political elite, who continue to significantly influence the survival and development of the economic and knowledge elites. The political elite’s role in decision-making for other elites seems to have become habitual. At the grassroots level, due to long-standing trust in the government and a lack of market economy awareness, groups such as workers and farmers also show a marked dependence on the political elite. For example, when members of these groups encounter problems, their first thought is often to seek government solutions. Many non-governmental organizations also display varying degrees of entanglement with government entities, lacking the relative independence they should have. Additionally, the significant achievements of China’s early reform and opening-up can be attributed

largely to the government's forceful promotion, which objectively lends a certain legitimacy to the widespread use of public power by the government. These circumstances mean that the expansion of public power is difficult to effectively monitor and curb at the social level, while at the same time, it receives a degree of societal acceptance.

The long-standing misunderstanding of public interest by the political elite, as well as their own economic impulses, have made the expansion of public power a reality. Protecting and enhancing the public interest has been a fundamental belief and basis for public acceptance of China's political elite. Public power exists necessarily because it can protect and enhance the interests of every social member. Public interest is tangible and specific, not vague and abstract. As Marx posited, "our starting point is the practical activity of man." It is evident that the real and immediate interests of the public must be vigorously upheld and promoted by public power. However, it is important to note that in the process of protecting and enhancing people's interests, the political elites sometimes fail to adapt to the trends of modern society and the market economy, and do not act appropriately, leading to significant deviations. These deviations are mainly manifested in two aspects: first, in non-emergency situations, individual reasonable interests are sometimes sacrificed in the name of collective interests, which, taken to the extreme, can lead to the extreme phenomenon of "the smallest collective issue is the biggest issue, the biggest personal issue is the smallest issue," as advocated during the Cultural Revolution. Second, again in non-emergency situations, long-term interests of the people are sometimes sacrificed in the name of current, immediate benefits. While such an approach may have some rationale under conditions such as wartime or other emergencies, it becomes problematic in peaceful, normal conditions and often leads to the opposite of the desired outcome, causing an expansion of public power that oversteps basic boundaries and infringes on, rather than protects, the tangible and immediate interests of the public. It is particularly noteworthy that in the early stages of a market economy, the awareness of interests among people quickly awakens and strengthens. Political elite members, as part of society, also experience an awakening and strengthening of interest consciousness. Over the years, Chinese society has not developed a mechanism to effectively monitor and restrain public power. "Good systems can prevent bad people from misbehaving, bad systems can prevent good people from doing good, and even lead them to do the opposite." In such circumstances, driven



by strong economic impulses, the political elites' pursuit of personal gain sometimes easily crosses professional boundaries into the public domain, harming public interests, leading to another type of expansion of public power through private use. As Montesquieu pointed out, "But constant experience shows us that every man invested with power is apt to abuse it, and to carry his authority as far as it will go. Is it not strange, though true, to say that virtue itself has need of limits?"

In the situations described above, there are both some reasonable historical factors and some unreasonable current factors. All of these ultimately contribute to a phenomenon peculiar to China in certain cases: the impetus for the expansion of public authority.

Firstly, the non-procedural nature of public policy-making is sometimes quite evident.

The formulation of public policies must follow a procedural track to ensure that the activities of the political elite do not overstep specific professional boundaries. It must be acknowledged that, at present in China, the development of public policies can sometimes exhibit a clear lack of procedural formality. For one, there is a manifestation of interest preference. Public policy formulation should be conducted based on the principle of fairness; that is, it should be impartial to all groups. However, the reality is often the contrary. It can be said that in various policies related to socially advantaged groups, the content is generally favorable, such as overly preferential policies given to managers during the transformation of state-owned enterprises, or exceedingly favorable policies provided to investors in many localities' efforts to attract investment, etc. Conversely, in policies related to socially disadvantaged groups, the content is often unfavorable. For example, in the transformation of a large number of state-owned enterprises, many workers are dealt with through extremely harsh and low-cost identity swaps ("buying out seniority"); and for many dispossessed rural farmers and urban residents affected by redevelopment, it is sometimes difficult to receive reasonable compensation. Secondly, decisions are sometimes made unilaterally. In formulating important public policies, participation must be allowed from multiple parties, especially from relevant social groups, to ensure they have ample opportunity to partake and express their opinions, and to defend their interests. However, in many cases, the political elite tend to unilaterally decide on some significant public policies. For instance, in creating policies related to workers, farmers, and the elderly, there is almost no participation from representatives of these groups. And policies regarding

housing for civil servants or increases in their income are decided upon without debate in the People's Congress or without holding hearings, but rather are unilaterally determined by the elite themselves. Even in some local finance departments, the specific allocation of massive public investments is often determined by the department alone. Thirdly, there is a lack of transparency. Aside from issues that pertain to national security, the public has a right to information in the social public domain. Currently, in many localities, departments, and situations, the political elite adopt a monopolizing and blockading approach to such information. For example, the exact amount of off-budget fiscal revenue in some localities is known only to a very few. Fourthly, there is arbitrariness. The process of formulating public policy must follow a scientific principle, necessitating adequate collection, organization, and disclosure of relevant information, as well as feedback and revision mechanisms for policy implementation, technical work for the calculation of resource allocation quotas or loss compensation amounts, and so on. However, many localities and departments neglect this principle in the formulation of public policy, with decisions often being made arbitrarily and impulsively. This can lead to serious errors in the decision-making of major public policies and to many instances of severe waste.

Secondly, the phenomenon of the lack of legal formalization in the exercise of public authority is frequently observed.

It must be recognized that the construction of the legal system in Chinese society is not yet sufficient, and the political elite, being in a position of advantage, are more likely to engage in various activities beyond the scope of the law. It is a fact that, in many instances, the political elite tend to center around administrative power, with a clear absence of an administrative accountability system. Since the strong impulse for the expansion of public authority is not hindered by legal barriers, the occurrences of public authority overstepping and encroaching beyond its bounds are inevitably common. In real life, we can see that the intervention of public authority touches on many domains, such as the economic, political, and social spheres, and can potentially affect any group. For instance, even though a market economy system has been preliminarily established in China, there still exists inappropriate intervention by public authority in the economic sector to a certain extent. "State-owned capital monopolizes the basic industries such as transportation, energy, communications, and media, and occupies a dominant position in critical sectors like automotive, steel, and chemicals, exerting significant influence in

other industries as well. If state-owned capital is decisive in all industries, it essentially means the government is in control.”

From the above, it is evident that public authority in China currently has a tendency to expand, with potentially vast scope. It is particularly important to note that among all social groups, the political elite are in a clearly dominant position, possessing significant “control” strength. Therefore, the impulsive expansion of public authority undoubtedly has a crucial impact on the trend of the entire Chinese society and the basic state of the social stratification structure.

#### *4.2 The Interest Alliances Among Elite Groups is Sometimes Quite Apparent*

The essence of interest alliances among elite groups lies in the transgression of their professional boundaries and the establishment of mutually beneficial exchanges at the expense of the public interest, often through abnormal means such as enacting policies with a bias toward their own interests, thereby increasing their economic gains. Under specific historical conditions in China at the current stage, certain characteristics of the elite groups make such alliances both possible and real. Firstly, from the perspective of political elites, over a considerable period, their behavioral orientation has been “efficiency first, with due consideration for equity.” Moreover, this group possesses relatively excessive public power, lacking the necessary checks and balances, which fails to effectively prevent their strong impulse to safeguard their interests and the consequent extension of public authority into economic domains. Secondly, from the perspective of economic elites, since China’s market economy regulations have not been systematically established and the legal system is incomplete, it is difficult for the economic elite to progress in a rule-bound manner. The prospects and expectations for their development are somewhat uncertain, which in turn creates a need for them to seek protection and backing from political elites. Contrasting with most other countries, China’s economic elite currently exhibit an unusual enthusiasm for politics and are particularly keen on political participation. For example, 28.8% of private entrepreneurs consider “striving to become delegates of the People’s Congress or members of the Political Consultative Conference” as most urgent. Furthermore, in Hebei’s Qinghe County, private business owners who have paid taxes totaling over 1 million yuan for three consecutive years can obtain a deputy division-level official post. Currently, at least ten

private entrepreneurs hold leadership positions in Qinghe County's court, labor bureau, and other departments. Most of these exceptionally selected entrepreneurs-turned-officials do not relinquish their original business management rights or continue to hold part-time positions in their enterprises, thus simultaneously wearing "official" and "business" hats. While such phenomena cannot necessarily prove that private entrepreneurs have a higher "political consciousness," they at least indicate this group's eagerness to align with political elites to secure effective guarantees for business development and wealth accumulation. Thirdly, during a period of rapid social transformation and especially in the absence of a rule system or rule consciousness, the formation of "strong-strong" alliances between political and economic elites for mutual benefit, despite lacking fairness, is seen as a low-cost, convenient, and favored method of wealth accumulation. It is a rational choice of interests (albeit short-term behavior). It is in this sense that "Impressionistic evidence suggests that its (corruption) extent correlates reasonably well with rapid social and economic modernization."

The alliances among elite groups have resulted in a rather extensive occurrence of corruption. Looking vertically across the hierarchy of officials, those implicated in corruption span from high-ranking provincial and ministerial level officials (including those above this level) to lower-ranking section-level officials and even "village officials" or quasi-officials. From 1986 to 2012, a total of 134 provincial and ministerial level corrupt officials were investigated, averaging more than four individuals per year. This cohort includes members of the Political Bureau such as Chen Xitong, Chen Liangyu, Bo Xilai, and the Vice Chairman Cheng Kejie. Within national ministries and commissions, the Ministry of Railways, the Ministry of Land and Resources, and the State Food and Drug Administration were among the entities with a higher number of investigated provincial and ministerial level corrupt officials. In China's economically developed eastern regions and coastal areas, the number of corrupt high-ranking officials is notably higher than in the central and western regions. Guangdong province had the highest number, with eight officials investigated. The breakdown is as follows: 39 individuals from 10 eastern provinces and cities, averaging 3.9 per region; 17 individuals from 6 central provinces, averaging 2.8 per region; 29 individuals from 11 western provinces, cities, and regions (excluding Tibet, which had no reported cases), averaging 2.6 per region; and 9 individuals from 3 north-eastern provinces, averaging 3 per province. In the year 2013 alone (as of

December 10), a record number of 18 provincial and ministerial level officials were investigated for corruption. According to disclosed figures, the amounts involved in these cases typically ranged from several million to tens of millions of yuan. For example, Chen Tonghai, the former General Manager of Sinopec, was found guilty of accepting bribes amounting to 195.73 million yuan and was sentenced to a suspended death penalty. Chen was known for his extravagant lifestyle, “spending 1.2 million yuan of public funds on lavish entertainment each month, averaging 40,000 yuan per day.”

There is also a substantial number of corrupt officials at the prefectural and bureau levels. Xu Maiyong, the former Deputy Mayor of Hangzhou, was convicted of accepting and soliciting bribes totaling over 145 million yuan and embezzling more than 53 million yuan of state assets, resulting in a death sentence. Zhang Shuguang, the former Director and Deputy Chief Engineer of the Ministry of Railways Transport Bureau, was prosecuted for allegedly accepting bribes exceeding 47 million yuan. The number of corrupt county and section-level officials is even larger. In 2011 alone, 4843 county-level and above officials were disciplined, with 777 of them being transferred to judicial authorities.

It is notable that during China's transitional period, a phenomenon described as “small officials, large-scale corruption” has emerged. Some grassroots officials or quasi-officials, leveraging the advantage of public resources at their disposal, have amassed vast amounts of wealth. For instance, Hao Pengjun, the former Party Secretary of the Coal Bureau of Puxian County in Shanxi, was caught with 305 million yuan of illegal funds, which included 38 properties in Beijing and Hainan. The contracted price for just the 35 apartments in Beijing amounted to 170 million yuan; Hao and his relatives had bank deposits totaling 127 million yuan. These astonishing “fortunes” primarily stemmed from Hao's large coal mines. Another example is Liu Huaiyin, an official from the Outang Community of Hetang Street in Luoyang District, Hefei City, who accepted nearly 10 million yuan in bribes; Huang Meisheng, a community official from Shuangdun Town, Changfeng County, was suspected of corruption and bribery amounting to 1.3 million yuan; Liu Jiagui, an official from Pingtang Wang Village in Fiehe Town, Baohe District, was suspected of accepting 810,000 yuan in bribes; Shao Xiugui and Zheng Wenbin, officials from the Wuli Community of the Xinghua Village Street in Luoyang District, were respectively implicated in corruption and bribery cases involving 830,000 yuan and 330,000 yuan.

From a horizontal perspective, considering the sectors involved, corruption among officials spans across economic, political, cultural, and social domains. It can be said that wherever there is an opportunity for rent-seeking, the shadow of corrupt officials can be found; the greater the rent-seeking space, the more severe the corruption tends to be. A clear trend is that corruption, initially most prevalent in the circulation of goods, has started to shift toward important resource sectors, monopolistic industries, and capital-intensive fields such as state-owned enterprises, real estate, finance, and land management. These are all capital-intensive domains and are part of non-fully marketized sectors, with vast profit margins. Moreover, the lack of strong regulatory oversight in these areas has left a significant loophole for corruption. Particularly during the reform of state-owned enterprises, especially in the process of state asset divestiture, some individuals have colluded to usurp public authority and expropriate state assets on a large scale, leading to the loss of public resources.

Despite the shocking nature of the corruption cases that have been exposed, it is important to note that these are merely the tip of the iceberg when it comes to the pool of corrupt officials.

Historically, nearly every country undergoing modernization and societal transformation has experienced a phenomenon where elite groups form interest alliances. For example, in mid-nineteenth-century America, people “would always, and entirely understandably, look upon government as a part of the problem of regulating the marketplace effectively, not part of the solution to it.” In South Korea during the 1960s, no government could afford to abandon large corporations, which in turn relied on the government, forming a complex network of relationships between politicians, business leaders, governmental bodies, and the financial system that was difficult to dismantle. This phenomenon seems almost unavoidable in the early stages of modernization and market economy development in any country. Nevertheless, the particular severity of this problem in China’s current stage is that such phenomena are occurring in a context where public authority is comparatively strong, and both the economic scale and the government’s fiscal revenue are so substantial. Therefore, the harm this phenomenon has caused, as well as the potential for rapidly increasing damage in the future, requires heightened vigilance.

### 4.3 *The Elite Group Exhibits a Tendency Toward Self-enclosure and Barrier*

Since the reform and opening-up, a modern sense of the elite group in China has begun to form, and the modern social stratification structure based on professional division of labor has also initially taken shape. This is a historically significant social progress. However, it must be recognized that there are some deficiencies in the development of the social class structure at this stage in China. A very apparent deficiency is the tendency of the elite group toward self-enclosure and barrier.

Firstly, there is a growing trend of boundary barriers within the elite group.

In terms of the relationship between the elite and the foundational layers of society, the two are becoming increasingly distant and estranged, with the gap widening and misunderstandings growing.

From the perspective of the origins of elite group members, there has been a significant change from the early days of the reform and opening-up to the present. The elite group has become more self-enclosed. In the early stages of reform, due to the lack of continuity in the political elite and the knowledge elite, the absence of an economic elite, the initial breakdown of systems that once restricted the free movement of individuals, and the unclear prospects for a future market economy, the members of the elite group were largely sourced from various social levels, with relatively broad channels. This led to a brief but noticeable phenomenon of "elite circulation." At that time, it was not uncommon for a middle school teacher to suddenly become a county or city party secretary, or for a farmer to quickly become a "millionaire." Although such phenomena were not necessarily stable or sustainable since they did not occur within a fully developed market economy system and modern social class structure, they were at least fair to a certain extent, reflecting a widely accepted modern societal value of self-driven effort and equal opportunity. Since the mid-1990s, this situation has changed significantly. Today, with the heightened awareness of group interests and the absence of a systematically established rule system suited to modern society and the market economy, the boundaries of each interest group tend to be drawn according to their respective strengths, following various unspoken rules that benefit themselves. Under such circumstances, as the elite group has grown in scale and wields considerable control and influence, it will naturally strive to expand and protect its interests. To

achieve this, strengthening its own boundary barriers becomes a necessity. "Any social group that occupies a certain position within the social stratification system, especially those in monopolistic and advantageous positions, will reproduce the social stratification system itself through various other social forms to maintain, expand, and perpetuate its position and interests, hence exhibiting a strong and stubborn tendency towards 'social closure.'" This further results in a scenario where, although the overall social mobility is increasing, the difficulty for members of the base layers of society to move up to the elite group has undoubtedly increased compared to the past, with higher barriers to entry. Nowadays, it is rare to see someone rise from a common "migrant worker" or laborer to a wealthy entrepreneur, or from an ordinary primary or secondary school teacher to a city party secretary. The exclusionary, rigid, and self-circulating tendencies of the elite group are increasingly evident. Although there have been some attempts to break this ice, such as opening civil service exams to the entire society, these measures are still very limited and have not had a widespread effect. This indicates that the boundary barriers of the elite group have been gradually reinforced and the tendency toward closure is strengthening. In a certain sense, the phenomenon of "elite regeneration" has replaced the brief "elite circulation" of the past.

What should be of even greater concern is that the tendency toward barrier formation and closure within the elite group not only exists in contemporary society but also, from a longitudinal perspective, has begun to have a significant impact on their progeny, displaying a degree of intergenerational transmission. In Chinese society, the family plays an exceedingly important role in shaping the future prospects of its children. Presently, the offspring of the elite group have started to exhibit obvious advantages in their basic survival and developmental status compared to those from other groups.

Secondly, there appears to be a zero-sum interaction between the elite group and the masses, rather than a mutually beneficial situation.

The current trend of barrier formation and closure among China's elite group is also characterized by the unilateral expansion of their interests, which often occurs at the expense of the foundational layers of society.

What interaction rules should exist between the various groups within a societal community? Under modern societal and market economy conditions, the interactions between various social groups should follow the basic principle of mutual benefit. Every group has the right to develop,



but the development of any group should not be predicated on harming the reasonable interests of other groups. In other words, the enhancement of the elite group's interests should not come at the necessary expense of the foundational layers, nor should the development of the foundational layers come at the cost of the elite group's interests (as was the case before the reform and opening-up). The development of the elite should occur in tandem with that of the foundational layers; for instance, as the elite's interests grow, the situation of the foundational layers should improve accordingly. The interests of the elite and the foundational layers should form a win-win relationship, rather than one side's gain causing the other's loss.

Reflecting on the specific situation in China at this stage, it can be observed that the interests of the elite group and the foundational layers often show a sort of inverse relationship, manifesting a non-mutually beneficial dynamic where their interests are inversely correlated. Unlike the initial period of reform and opening-up when broad societal benefits were evident, since the mid-1990s, the benefit distribution among various social groups in China has become noticeably uncoordinated. In a 2002 survey on "who has benefited the most since the reform and opening up," two groups were identified by more than half of the respondents as having gained the most: party and government officials (59.2%), and private entrepreneurs (55.4%). Following them were entertainers, urban and rural individual entrepreneurs, and state-owned enterprise managers; while workers and farmers were ranked second to last (1.5%) and third to last (3.4%), respectively. The gravity of the issue is compounded by the fact that the substantial gains of one party often come at the necessary loss of another. As some scholars have noted, "After the socioeconomic system transformation, as social economic organizations pursued individual survival, a zero-sum pattern emerged between workers and managers. With a given total income, the higher the workers' income (labor cost), the lower the profits or profit-determined incomes for managers, making it profitable to suppress workers' wages." Another scholar has pointed out that since the reforms, "China has experienced a rather severe stratification of interests, a new bipolar structure. Recent income surveys have shown that the high-income group occupies an excessively large proportion of the total income. This not only encroaches upon the share of the low-income group but also impinges on the middle-income group. The wealth gap in China is widening at an alarming rate, indicating an extraordinary force or mechanism at work. This force or

mechanism is a combined effect of the market and power.” A prominent manifestation of this phenomenon is the rapid increase in China’s Gini coefficient. According to many scholars’ estimates, China’s actual Gini coefficient has reached around 0.5.

#### *4.4 Negative Impacts Caused by China’s Elite Group*

The negative effects caused by the issues within China’s elite group during the current stage are extensive and profound, touching on all aspects of Chinese society. These effects are primarily manifested in the following areas:

First, the distortion and damage to the modern social class structure.

Since the economic reforms and opening-up, China has undergone massive changes in its social class structure as modernization and the market economy have progressed. A modern social class structure has essentially taken shape. The clear issues within the Chinese elite group can, to a certain extent, distort and damage China’s modern social class structure.

Within the current social class system in China, the elite group occupies a distinctly advantageous position. Not only do they have substantial socioeconomic resources and undisputed ability to control outcomes, including the power to set rules and policies and to intervene in the market, but they also hold social discourse power. More importantly, the elite often transcend professional boundaries to form alliances based on mutual interests. For the elite, such alliances not only yield benefits from possessing redistributive power but also allow them to directly acquire wealth created by the market economy. If this situation continues to develop unchecked, it could lead to the formation of a powerful “vested interest group” that can cause considerable harm. The existence of such a dominant “vested interest group” inevitably leads to a scenario where “the strong get stronger and the weak get weaker,” creating an unjust and rigid pyramid-shaped social structure. This situation results in unequal interactions among various social classes and groups, obstructs social mobility channels, and squeezes the normal development space for the foundational and middle classes. It prevents them from fully enjoying the wealth growth brought about by the market economy and from benefiting from social redistribution. In other words, there is a dual loss of wealth and shared benefits. The strong “vested interest” phenomenon within the elite group means that the basic survival and dignity of the

foundational class are not guaranteed, and the marginalized state of this class inhibits the potential for its members to become part of the middle class, making such a prospect very distant. For the middle class, their normal living and development space is significantly restricted. For instance, the rapid rise in real estate prices in recent years has dramatically diminished or even wiped out the savings of many middle-class members, making their survival and development more challenging. A survey primarily involving middle-income participants revealed that 69.7% believe that the government should focus on the housing needs of the low-income group. However, 59.8% also think that high housing prices most significantly impact the middle-income group, who also struggle to afford high housing costs. In summary, under the conditions of “the strong perpetually strong, the weak perpetually weak,” a fair and rational modern social class structure, that is, an olive-shaped class structure, is difficult to achieve.

Second, the phenomenon of “block alliances” coexisting with “segmented divisions” within the elite group itself.

Given the intense and often rule-defying impulses for self-interest present within China's elite group at this stage, it is clear that even within its own ranks, a healthy development cannot be expected. Instead, there emerges a distorted existence and growth. This is prominently displayed in the simultaneous occurrence of “block alliances” and “segmented divisions” within the elite group itself, which means: from a horizontal perspective, members of the elite tend to easily form interest-based alliances with one another; while vertically, there is a tendency for rifts and contradictions to occur among them. Both the phenomenon of “block alliances” and “segmented divisions” have very adverse effects on social integration.

Looking horizontally, within the same region, elites tend to reach consensus relatively easily for mutual benefit, leading to the formation of “block alliances.” This can be seen in issues like regional market barriers and the protection of certain unlawful business practices. For example, in recent years, real estate developers have colluded with local officials to artificially inflate property prices. The real estate sector reaps huge profits, while local governments gain substantial revenue from land concessions and deed taxes, contributing to a superficial boost in local GDP and political achievement. “In the macro-control of the real estate market in recent years, the game between different interest groups has been very intense,

with real estate developers wielding the most power. Under the entanglement of shared interests, some developers, local officials, academic experts, and specialized media have formed a special interest group. With maximizing developers' profits at the core, local officials fan the flames for the real estate industry, reaping GDP growth and accomplishments; academic elites guide public expectations, influencing government decisions in exchange for 'benefits' from developers; specialized media outlets create public opinion narratives for developers, in return for advertising revenues." The practices of the Hohhot municipal government are quite emblematic in this regard. In 2004, the price of commercial housing in Hohhot was relatively low. To change this, at the end of 2004, Hohhot restructured its land reserve center into an institution directly under the government, beginning the operation of "the largest state-owned assets." The city government even brought in a professional company from Beijing as a land operation consultant to carry out land value assessments, auctions, and investment attraction activities. In 2005, with the aid of the professional company, Hohhot disposed of over 8000 acres of land through "bidding, auctioning, and listing," with land prices rising from about 300,000 yuan per acre at the end of 2004 to more than 500,000 yuan, and peaking at 3 million yuan. The net revenue from land for the city government exceeded 400 million yuan. The average sale price of commercial residential buildings also sharply increased from 1590 yuan per square meter in 2004 to over 2400 yuan in 2005. As some scholars have pointed out, "Supported by the substantial financial power of economic elites, officials from different departments and levels in certain localities have formed a mutual support and cover-up social network and a power exchange system." The severity of the issue lies in the fact that over time, the "block alliance" phenomenon among the elite group will inevitably lead to differing degrees of centrifugal tendencies away from the central government.

From the perspective of vertical relationships, particularly within the hierarchical structure of government, lower-tier members of the elite group may act in ways that protect local or departmental interests, sometimes contradicting the policies and directives of their superiors to varying degrees. "As administrative and fiscal reforms have progressed, local governments, which were once mere agents of the state, have become representatives of independent interest entities, or have become interest entities themselves." "A local government is akin to the board of

directors of a large conglomerate.” Consequently, the elite group sometimes exhibits a kind of “segmented division,” where conflicts of varying intensity arise between different levels of the hierarchy, often based on interest-related negotiations.

After 1994, China’s fiscal system underwent significant changes, with the central government’s share of fiscal revenue rising dramatically from 22% in 1993 to 55.7% in 1994; meanwhile, the local governments’ share plummeted from 78.0 to 44.3%. On the positive side, this shift was conducive to strengthening the state’s macroeconomic control. On the negative side, it increased the financial burden on localities, with many local governments incurring severe debt. Many local governments, especially at the grassroots level, find themselves with excessive responsibilities yet insufficient financial authority. These governments struggle to ensure the payment of salaries for officials and teachers, maintain the normal functioning of public services, manage daily social affairs, and achieve developmental goals—all with limited funds. As a desperate measure, some local governments resort to irregular practices to protect activities or groups that can secure benefits for their region, community, or department. The tendency of local governments to covertly resist directives from higher authorities or directly contravene national laws and policies is not only due to a lack of public consciousness but is also a direct result of the need to address their own fiscal shortages. The gravity of the issue lies in the fact that if contravening superior mandates becomes habitual and an unwritten rule, such harmful practices will proliferate across various domains. In extreme cases, this can lead to varying degrees of centrifugal tendencies from the central government or relevant departments, resulting in difficulties in policy implementation. In severe instances, it can even lead to varying degrees of social unrest. This phenomenon carries with it a concerning potential for the future.

Thirdly, it undermines the public’s confidence in reform and development.

The credibility of public authority is crucial to the people’s confidence in the prospects of reform and development. Alliances among elite groups that serve their own interests, as well as the ensuing corruption, can create a widespread and profound psychological impact on the populace. Surveys indicate that “in 2011, 37.3% of people believed that corruption was very serious, and 36.9% felt that it was relatively serious; in 2013, 33.7% still viewed corruption as very serious, while 41.6% considered it relatively serious.” “When asked about the most serious social issues at present,

34.6% of respondents identified corruption and embezzlement, ranking it fourth among listed social concerns, consistent with survey results from 2011.”

Looking further, if the alliance of elite group interests and the resultant corruption are not effectively controlled and continue to spread unchecked, the public will, to varying degrees, lose confidence in reform and development. Correspondingly, the drive toward modernization will lose the recognition and support of the people, thereby depriving the modernization process of its most vital impetus.

## 5 ACTIVELY PROMOTE THE HEALTHY AND RATIONAL DEVELOPMENT OF THE CHINESE ELITE GROUP

How can we effectively encourage the healthy and rational development of the Chinese elite group? To address this issue, at least several important aspects should be taken into account:

### 5.1 *It is Imperative to Establish a Foundational Value Orientation of Social Justice Across the Whole Society*

Social justice is not only the basis for the design and arrangement of modern societal institutions but also the basic rule governing interactions among social strata. Social justice essentially embodies two core value orientations: first, to ensure that all members of society can share in the fruits of socioeconomic development; and second, to provide ample space for the free development of every individual. The main function of these two fundamental value orientations of social justice is to guarantee that each stratum or group has its own baseline for basic survival and dignity, as well as space for free development. Both of these value orientations are indispensable. If a society emphasizes only the basic value orientation that allows all members to share in the outcomes of socioeconomic development, while neglecting to provide ample space for the free development of every individual, then it will inevitably become an egalitarian society devoid of vitality. Conversely, if a society follows only the basic value orientation that ensures ample space for the free development of every individual, while ignoring the sharing of socioeconomic development outcomes among all members, then it will surely become a society with increasing wealth disparity and instability. Specifically, the two basic value orientations of social justice require that the development of the

elite group not only be encouraged in a reasonable and ample manner but also prevent the scenario where the elite's development comes at the expense of the foundational value orientation of the broader society's ability to share in the social development outcomes.

### *5.2 Establish a Fair, Scientific, Reasonable, and Effective Interest Coordination Mechanism*

It is essential to prevent a single stratum or group within the social hierarchy from becoming overwhelmingly dominant, where the relatively powerful unilaterally determine everything. The primary components of such an interest coordination mechanism include:

A mechanism for the articulation of interest demands, ensuring that channels for expressing the interests of different social groups are open, widespread, and fully accessible, while also proactively providing necessary information to members of society in a timely manner.

A mechanism for interest negotiation, ensuring that all parties involved in handling interest-related issues, along with a relatively neutral party, can participate in the negotiations together.

A mechanism for interest protection, ensuring the long-term safeguarding of the basic rights of societal members.

A mechanism for interest adjustment, aiming to raise the income level of low-income earners, reduce the proportion of low-income earners, expand the proportion of middle-income earners, and regulate the income of high-income earners.

### *5.3 Establish an Olive-Shaped Social Stratum Structure with a Predominance of Middle-Income Individuals*

Determined by China's unique historical conditions, the evolution of the modern social stratum structure in China follows a clear historical logic. This logic dictates that the elite group, characterized by modern consciousness and behaviors, forms and develops first, exerting a significant positive influence on the entire society while also introducing many problems. Subsequently, the foundational stratum with modern characteristics sees substantial development, forming the basic supporting force of the modern social structure. Together with the elite group, they constitute a healthy modern social stratum system and correct or amend various issues caused by the former unilateral development of the elite group.

The essence of an olive-shaped modern social stratum structure is to extensively transform the foundational stratum into a middle class, thus completely liberating them from relative poverty and weakness. Such a social stratum structure is just: it reflects the general well-being and shared fruits of social development; it showcases the fairness of institutional design based on the fundamental rights of the vast majority of society's members (the principle of large numbers in mathematics) and the effectiveness of social policy implementation; it indicates a reasonable equilibrium in the social interest structure, as opposed to scenarios dominated unilaterally by any particular interest group; it also reflects a reasonable correspondence between the actual abilities and income status of society's members, since in any society, individuals with high and low abilities are in the minority, while those with moderate abilities are in the majority. Furthermore, such a social stratum structure is also harmonious and stable. This is because those with steady property have steadier intentions; middle-income individuals tend to comply with laws and regulations more readily; they serve as an effective buffer between the rich and the poor; they have greater resilience to economic downturns and crises; and a large proportion of middle-income individuals are able to significantly aid members of vulnerable groups, greatly improving their circumstances.

#### 5.4 *Standardize the Behavior of the Elite Group*

Clear division of labor and strict boundaries are not only the fundamental norms required by modern society for the elite group but also a necessary prerequisite for enhancing the positive effects of the elite group and mitigating their negative impacts in China at the current stage. It must be acknowledged that achieving this on a general level requires the design and arrangement of basic institutions of modern society, such as the establishment of a scientific, rational, and democratic decision-making system, as well as effective supervisory and restraint mechanisms, and so forth. Although this calls for a relatively lengthy process, in the medium and short term, there are still many important tasks that can be undertaken with significant results. Taking the political elite group as an example, although the basic standardization of elite behavior depends on substantial advancements in political system reform, it is entirely possible to accomplish many things in the medium and short term by adhering to the principle of tackling easier tasks before more difficult ones and



making progress step by step. As for the direct breakthroughs in the standardization of the political elite group, in reality, many aspects are not complicated and are relatively simple, making it entirely possible to choose a few important breakthrough points for effective progress. For instance, the practice of “conflict of interest and recusal” and “asset disclosure” for public officials is widely recognized and prevalent internationally. The United Nations General Assembly adopted the “International Code of Conduct for Public Officials” in 1996, which stipulates, “Public officials shall not use their position or office to improperly benefit themselves or their family members’ personal or financial interests, nor shall public officials engage in any transaction that conflicts with their official duties and responsibilities, or acquire any position or function or have any economic business or other similar interests that are incompatible with the performance of these duties.” And “public officials should, depending on their position and in accordance with the permissions or requirements of laws and administrative policies, disclose or reveal, and where possible, make public their own private assets and liabilities as well as those of their spouse and/or other dependents.” Clearly, even under the current institutional level, China is capable, at least to a considerable extent, of achieving these two points. The key lies in the determination to do so. Once this is accomplished, it can be highly effective in preventing the formation of interest alliances among elite groups and the various forms of corruption that arise from them.

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## The Synergistic Interaction Between Chinese Modernization and Global Modernization

The development of modern productive forces and market economies has transformed formerly isolated nations into an interconnected whole, characterized by openness and mutual exchange. This has rendered economic globalization an objective reality. In the face of this historical current of human society, no country can afford to stand aloof. For any nation, failure to open up to the outside world and integrate into the economic globalization process means having no future, passively enduring setbacks, or even facing extinction. Therefore, for their own survival and development, every country must open up and proactively immerse itself in the tide of economic globalization.

Since the initiation of its reform and opening-up policies, China has actively pursued an autonomous path to external openness, aligning with the era of economic globalization. It has effectively engaged in resource complementarity with other nations, eagerly absorbed the advanced achievements of global modernization, and transformed the immense pressure exerted by global modernization into a significant endogenous driving force for its own modernization efforts. China's modernization has achieved globally recognized tremendous successes and made significant leaps due to the reform and opening-up, as well as the stimulation from global modernization, making the process irreversible. Clearly, without reform and opening-up, without integration into economic globalization, the splendid accomplishments of China's modernization would not exist.

It should also be recognized that China's modernization has made increasingly important contributions to global modernization. Not only has China achieved remarkable success in its modernization efforts, but it also holds the world's second-largest economic volume, possesses the most complete industrial chain globally, has vast domestic and international markets, and boasts strong capacities for both outbound investment and attracting foreign investment, with a robust development momentum. Moreover, in its international interactions, China has shaped the fundamental concept of building a community with a shared future for humanity and adhered to the basic stance of peaceful development. Consequently, unlike some countries, China's corresponding international influence has been growing steadily. China can offer significant impetus to global modernization and contribute to the world peace essential for it. To a certain extent, the inclusion of China's modernization has led to a distinctively different scenario in the world's modernization process than before.

Clearly, in today's context, the modernization of China and the world have formed a benign interaction. Both exert a positive influence on each other, and their interdependence is increasingly evident. Given the significance of the interaction between Chinese modernization and global modernization, it should rightfully become an important topic of focus within the academic community.

## I THE EPOCHAL OPPORTUNITY FOR A POSITIVE INTERACTION BETWEEN CHINESE MODERNIZATION AND WORLD MODERNIZATION

In the more than four decades since 1978, China's opening-up to the outside world has coincided with what can be described as a rare epochal opportunity, or a significant "strategic opportunity period." China has capitalized on this exceptional chance for modernization, fostering a positive interaction between its own modernization process and that of the world. This has not only resulted in a great leap forward in China's modernization efforts but has also made substantial contributions to the modernization of the world.

To comprehend this rare epochal opportunity for China's modernization, we must analyze it from two dimensions: the basic conditions of world modernization and those of Chinese modernization.

### *1.1 Favorable Opportunities Presented by Global Modernization*

When considering how global modernization during this period has facilitated China's modernization leap, there are several scenarios that warrant special attention.

First, the Progress of Human Civilization.

This can be understood from two perspectives. Firstly, from the perspective of developed countries, a number of evident advancements have occurred, particularly in the gradual establishment of their social protection systems. For instance, social welfare systems grounded in the concept of social justice have increasingly taken shape, and as a result, the capital-centric phenomena based on the law of the jungle have begun to diminish. Such progressive phenomena inevitably have a spillover effect, to some extent reducing the "exploitation" and "oppression" that developed countries might impose on developing nations. Secondly, from the perspective of developing countries, the post-World War II era saw the disintegration of the former colonial system, leading to a wave of former colonies and semi-colonies gaining national independence and establishing sovereign states. The ideals of national independence, state sovereignty, and territorial integrity have attained legitimacy and, to a certain degree, recognition by the international community. Coupled with this change, the direct colonial aggressions and military occupations that were prevalent in the past have objectively been significantly reduced, and international relations have, relatively speaking, become more equitable. "The post-war international order aimed to solidify the victories of the world's fight against fascism, embodying the principles of international justice and the aspirations of the international community. Acts of national military expansion were unprecedentedly constrained, the impact of fundamental human values on international norms greatly increased, and the concerns of non-Western countries received more attention." These developments suggest that the progress of human civilization has, to a certain extent, weakened the artificial oppression that colonial powers historically imposed on their colonies. In this context, many newly independent developing countries have embarked on modernization autonomously. Among these, some nations' modernization efforts, such as those of South Korea and Singapore, have even been successful, while others, like China, have achieved a preliminary takeoff in modernization.

Second, the maintenance of a generally peaceful world situation.

In the over 70 years since the end of World War II, although the Cold War between the United States and the Soviet Union at times resulted in severe confrontations, the world has generally maintained a state of peace. There are many reasons behind this peace, one of the most significant being that some of the antagonistic major powers each possessed nuclear weapons capable of destroying the other and even the entire world, thus objectively forming effective mutual nuclear deterrence. "The penalties of military conflict were considered less than the penalties of defeat. By contrast, the nuclear age based itself on a weapon whose use would impose costs out of proportion to any conceivable benefit. Strategic stability was defined as a balance in which neither side would use its weapons of mass destruction because the adversary was always able to inflict an unacceptable level of destruction in retaliation. Ultimately, strategists on both sides coalesced, at least tacitly, on the concept of a mutual assured destruction as the mechanism of nuclear peace." Under such circumstances, the major nuclear powers have refrained from launching military wars on a global scale. Thus, while the world has at times been in a state of tension, on the whole, it has objectively maintained a peaceful situation. "When, during the Cold War, the two sides, Washington and Moscow, challenged each other, it was through proxy wars." The overall maintenance of world peace, objectively speaking, has provided security assurance for the advancement of economic globalization and has offered the necessary international conditions for the smooth progress of China's modernization construction.

Third, the adjustment of the world's industrial structure.

Beginning in the 1960s, due to the rapid development of science and technology as well as the increase in labor costs in developed countries, the world's industrial structure underwent widespread adjustments. "In the changing industrial structure of developed countries, traditional industries such as steel, textiles, shipbuilding, and chemical manufacturing are in decline, gradually losing their dominant positions, while some emerging high-tech industries are rapidly developing." Developed countries, in order to concentrate on developing their own high-value-added high-end industries, first transferred a large number of labor-intensive industries to developing countries, and then "began to transfer the production of capital and technology-intensive products to developing countries, and even started to move certain processes in the production of high-tech products to a few developing countries." The adjustment of the world's industrial structure represents a very important opportunity for

many developing countries, including China. With respect to the “low-end” and “mid-end” industries that developed countries have adjusted out of and handed over to developing countries, the former, generally speaking, would not deliberately suppress the development of these industries by the latter due to their own needs. This provides a certain degree of security and predictability for developing countries when expanding these industries. Moreover, for developing countries like China, although the profits from “low-end” and “mid-end” industries may be relatively low, the laws of industrial development indicate that to form a complete industrial system, a country needs to progress step by step from low to high. For China, doing well in these industries lays a solid foundation for the development of a complete industrial system. In the long run, only in this way can China gradually “transform its abundant labor resources into a comparative advantage in manufacturing and gain a competitive edge for Chinese products internationally, thereby reaping the dividends of globalization.”

Fourth, the rapid advancement of economic globalization.

During this period, the process of economic globalization has advanced rapidly and has had a profound impact on the modernization of the entire world. “Over the past few decades, economic globalization has made significant contributions to the development of the world economy and has become an irreversible trend of the times.” The development of modern productive forces necessitates the rational allocation of production factors on a global scale through a worldwide market. Economic globalization is primarily manifested in the international flow of production factors and the integration of markets on a global scale. One significant outcome of economic globalization is the rapid growth of world trade volume. The end of the Cold War saw an increasing number of countries focusing on their own economic development and openness to the outside world, actively joining the process of economic globalization. The deepening of economic globalization means that the movement of production factors has become more convenient worldwide, significantly reducing production costs and effectively promoting the economic modernization of the entire world. The establishment and relatively effective operation of international trade organizations like the WTO have, to some extent, enabled trade activities between countries to follow a set of relatively fair market economy competition rules. All these factors have led to a substantial increase in world trade volume. “For the world as a whole, the ratio of trade to GDP in 2008 was about 30%, up from 20% in 1980

and 12% in 1970. In the year 2000, the total amount of world goods imports and exports was 13,101.5 billion USD; by 2019, this figure had soared to 38,151.9 billion USD. The development of world trade, objectively speaking, has a substantial need for the participation of a country like China, which has the largest population in the world and immense demand space and supply capacity.

Another important result of economic globalization is the rapid expansion of the total amount of international investment. After World War II, for a variety of reasons such as “some developed countries having narrow domestic markets, fierce competition, and ‘excess’ capital, forcing them to seek out spaces abroad for survival and reproduction” and “bypassing trade barriers to produce and sell in foreign countries,” international investment grew rapidly, actively seeking opportunities around the world. Since the late 1980s, “most countries have relaxed restrictions on the flow of international capital, laying the institutional foundation for the global expansion of capital. Developed countries began to gradually lift restrictions on the transnational flow of capital from the 1970s, and by the mid-1990s had essentially abolished foreign exchange controls on the international movement of capital. At the same time, many developing countries began to recognize the importance of foreign capital for their economic development and took measures to relax restrictions on capital flows.” Globally, “foreign investment, which had averaged \$26.2 billion between 1986 and 1990, rose nearly ten times to more than \$250 billion in 1996.” Subsequently, the amount of international investment continued to grow rapidly. The total foreign direct investment worldwide was 1356.63 billion USD in 2000 and 1539.88 billion USD in 2019. For China, at the beginning of its reform and opening-up, capital was particularly important and was also the scarcest production resource. Therefore, attracting a certain amount of international investment to China could powerfully propel China’s modernization construction.

Fifth, the increase in common issues among nations.

With the advancement of economic globalization and the increasing openness of various countries, the connections between nations have become ever more intertwined, and their interdependence has rapidly strengthened. Under such circumstances, countries inevitably face an increasing number of common problems. For each nation, these issues are mostly of critical importance concerning the security of their baseline, such as the international economic crisis, international public health crises, climate change, cybersecurity, refugee issues, and the threat of terrorism,

among others. If mishandled, allowing these problems to spread could bring severe disasters to many countries and even to the entire world. It is noteworthy that these problems are wide-ranging, concerning multiple countries, and even relate to all nations, making the response challenging and costly. Therefore, no single country can tackle such global issues alone; effective action depends on close cooperation among nations. As Xi Jinping has pointed out, “All global problems faced by humanity are insoluble by any one country alone; they require global action, global response, and global cooperation.” Thus, cooperation between nations becomes an inevitable choice. This cooperation includes joint actions between countries as well as self-restraint by the countries themselves. And for such global cooperation between nations, the involvement of a major country like China is naturally indispensable.

### *1.2 China Seizes a Propitious Epochal Opportunity*

From the perspective of China’s inherent advantages in joining the global modernization trend, it can be asserted that China has also seized a propitious epochal opportunity to engage in beneficial interactions with world modernization.

Firstly, the construction of modernization has become the central epochal mission of China. After a prolonged historical period of arduous exploration, the task of modernization finally became the central epochal mission for China. The inception of China’s modernization began in the late Qing dynasty. However, at that time, China’s modernization did not possess the potential for a positive interaction with the global modernization efforts. This was because China was then a semi-colonial and semi-feudal society, lacking fundamental national independence and autonomy, and was thus subject to the whims of foreign powers. The central task of the era for China at that time was anti-imperialism and anti-feudalism. The goal was to create necessary preconditions for an independent and autonomous modernization, not the modernization itself. With the establishment of the People’s Republic of China, the nation achieved national independence. From that point onward, the construction of modernization in China had the possibility of autonomous development. Subsequently, China preliminarily achieved social equality and established an initial large-scale industrial system. These laid many significant and indispensable foundations for the future leap in China’s modernization. Regrettably, for a relatively long period before 1978, China erroneously



focused its central epochal mission on “class struggle as the guideline.” “After the basic completion of socialist transformation in our country, the party’s major mistake over a long period was not to shift the emphasis of its work to economic construction but to continue to uphold the class struggle as the guideline, neglecting the development of education, science, culture and the arts, and grossly exaggerating the class struggle in the realm of ideology, leading up to the turmoil of the ‘Cultural Revolution’.” The misalignment of the central epochal task impeded the achievements that should have been accomplished in China’s modernization process.

Beginning in 1978, China underwent a significant shift in its central epochal task, redefining the nation’s principal mission as the pursuit of modernization. The Communiqué of the Eleventh Central Committee of the Communist Party of China’s Third Plenary Session proposed to “shift the focus of the whole Party and the attention of the people nationwide to socialist modernization construction.” Deng Xiaoping asserted, “What is our primary task at present and for a considerable time to come? In a word, it is to carry out modernization construction.” Since then, modernization has been the central epochal mission for China. The extreme importance of this event cannot be underestimated. The establishment of modernization as the central epochal task fundamentally ensured the advancement of China’s reform and opening-up policy, thereby making the positive interaction between China’s modernization and the world’s modernization a possibility. The reason is straightforward; an essential aspect of modernization construction is the necessity to open up to the outside world, to integrate into the trend of economic globalization, and to realize the positive interaction between China’s modernization and global modernization. Deng Xiaoping highlighted, “Opening up holds significant importance; it is impossible for any country to develop in isolation. To achieve development, one must persist in opening up and reforming internally.” Xi Jinping also noted, “The integrated world is out there; whoever refuses this world will also be refused by it.” Evidently, to conduct genuine modernization construction, one must open up to the outside world. This is a principle.

Secondly, the dual alignment with the trends of the times and public opinion has solidified the foundation of China’s openness to the world.

Undoubtedly, for any nation, an effective and scientific policy can powerfully propel modernization efforts, and this is even more critical for developing countries. In terms of policy, “only by achieving

both alignments—that is, aligning with public opinion and the trends of the times—can a country effectively gain broad popular consensus while also conforming to the historical development trajectory to effectively promote societal advancement.” Reflecting on the pre-reform era in China, objectively, due to the erroneous positioning of the class struggle as the central epochal task, national policies were insufficient in supporting modernization from the standpoint of both “aligning with public opinion” and “aligning with the trends of the times.” This insufficiency resulted in an unsuccessful modernization initiative and a failure to improve the basic living conditions of the populace adequately. “According to World Bank data, in 1978, China’s per capita GDP was only \$156, less than a third of the average for Sub-Saharan African nations.” The Engel coefficient exceeded the internationally recognized poverty line of 60%. In 1978, China’s rural poverty population stood at 770 million, with a rural poverty incidence rate of 97.5%. This context meant that “the scarcity of basic living materials during the planned economy era has become a profound and indelible collective memory for a large proportion of the Chinese society.” Therefore, escaping poverty and achieving a prosperous life became a strong and widespread aspiration among the Chinese people.

Since the reform and opening-up, China has achieved both alignments: not only focusing on modernization and establishing a market economy system, thereby aligning with the historical development trend, but also paying attention to the improvement of basic livelihoods, thus meeting public expectations. The dual alignment with the trends of the times and public sentiment not only allowed China’s modernization to make significant leaps but also led to substantial and widespread improvements in the living conditions of its citizens. The considerable enhancement in the basic living conditions enabled the Chinese populace to enjoy the fruits of modernization, including the benefits brought by opening-up to the outside world, which in turn resulted in a high degree of endorsement for modernization and for the opening-up policy as an integral part of modernization. All these factors have provided a solid historical and popular foundation for the benign interaction between China’s modernization and world modernization, making it an inevitable trend in historical development.

It is evident that over the past four decades since the reform and opening-up, the broader international environment characterized by

world peace and development has presented a rare epochal opportunity for the benign interaction between China's modernization and world modernization. The irreversible momentum of China's modernization has also offered an extremely important historical opportunity for this positive engagement with global modernization. Thus, the valuable epochal opportunities provided by both international and domestic macro-environments have made the constructive interaction between China's modernization and the global modernization a feasible reality.

## 2 THE SUBSTANTIAL IMPETUS OF GLOBAL MODERNIZATION ON CHINESE MODERNIZATION

The positive interplay between Chinese modernization and global modernization is first and foremost evidenced by the significant impetus that global modernization has provided for China's modernization efforts. This influence is manifested in several aspects, among which the following phenomena are particularly notable.

### *2.1 Spurring the Enormous Growth in China's Import and Export Volume*

Global modernization has the capacity to offer vast international market opportunities for countries engaging in opening-up policies. Since the commencement of its reform and opening-up, particularly after China's accession to the World Trade Organization in 2001, China has secured an unprecedented share of the international market, enabling the full realization of its potential and vitality. Through its own industrious and diligent labor, China has witnessed an immense surge in its import and export volume. The rate and scale of this growth have been so transformative that the phrase "earth-shaking" would not be an exaggeration to describe it. Table 1 illustrates that, starting from 1978, with the exception of a few individual years, China's total volume of goods traded internationally has grown at a rapid pace annually; after 2002, this growth accelerated explosively. From 1979 to 2020, the average annual growth rate of China's import and export volume of goods was 17.6%. In 1978, China's total volume of goods traded was a mere \$20.64 billion, accounting for only 0.8% of the global trade volume and ranking China 29th in the world. By 2020, China's total volume of goods traded had skyrocketed to \$4655.913 billion, approximately 230 times that of 1978; in 2019,

China's share of the global trade volume reached 12.0%, positioning it at the top of the world rankings.

**Table 1** Status of China's goods imports and exports and world's total goods imports and exports

<i>Year</i>	<i>China's total goods import and export value (Billion USD)</i>	<i>World's total goods import and export value (Billion USD)</i>	<i>Percentage of China's total goods import and export value in world's total goods import and export value (%)</i>	<i>World ranking</i>
1978	206.4		0.8	29
1980	381.4		0.9	28
1985	696.0			
1990	1154.4		1.6	16
1995	2808.6			
2000	4742.9	131,015	3.6	8
2001	5096.5			
2002	6207.7			
2003	8509.9			
2004	11,545.5			
2005	14,219.06	212,956		
2006	17,604.38			
2007	21,761.75			
2008	25,632.55			
2009	22,075.35			
2010	29,740.01	307,427	9.7	2
2011	36,418.64			
2012	38,671.19			
2013	41,589.93			
2014	43,015.27			
2015	39,530.33	332,782		
2016	36,855.57			
2017	41,071.38			
2018	46,224.15	392,950	11.8	1
2019	45,778.91	381,519	12.0	1
2020	46,559.13			

Source: National Bureau of Statistics: "China Statistical Yearbook - 2021"; National Bureau of Statistics: "International Statistical Yearbook - 2020"

During this period, closely associated with the rapid increase in total import and export volume was the swift growth of foreign direct investment (FDI) into China, as well as a substantial rise in foreign exchange reserves. Table 2 indicates that from 1979 to 1982, FDI in China amounted to only \$1.769 billion in total. This figure rose modestly to \$1.956 billion in 1985 and \$3.487 billion in 1990, then surged dramatically to \$37.521 billion in 1995. The inflow of FDI continued to escalate, reaching \$40.715 billion in 2000, \$60.325 billion in 2005, \$105.73 billion in 2010, \$126.267 billion in 2015, and \$144.369 billion in 2020. China's share of global FDI was a mere 0.1% in 1980, but this grew to 1.7% in 1990, 3.0% in 2000, 8.2% in 2010, and peaked at 9.2% in 2019. As for the global ranking, China stood at 128th in 1978, ascended to 55th in 1985, climbed to 12th in 1990, advanced to 8th in 2000, and soared to 2nd in 2010 and 2019.

Table 3 reveals that China's foreign exchange reserves were a mere \$167 million in 1978, declining to negative \$1.296 billion in 1980, but rebounded to \$11.093 billion in 1990. A meteoric ascent was observed in 1995 with reserves skyrocketing to \$73.597 billion, and then leaping again to \$165.57 billion in 2000. By 2010, reserves had soared to an extraordinary \$2847.34 billion, and by 2020, they stood at \$3216.522 billion. The proportion of China's foreign exchange reserves relative to the world's total was 0.6% in 1978, growing to 3.3% in 1990, 8.5% in 2000, and surged remarkably to 30.7% by 2010, with a slight decrease to 26.3% in 2019. In terms of global rankings, China's reserves were 38th in 1978, improved to 36th in 1980, jumped to 10th in 1990, leapt to 2nd in 2000, and ultimately dominated the top position in 2010 and maintained it through 2019.

The swift growth in total import and export volume, alongside the inflow of foreign direct investment and the rapid accumulation of foreign exchange reserves, has significantly facilitated the development of China's economy. "The growth rates of individual developing countries correlate better with their export performance than with almost any other single economic indicator, and there is a strong correlation across countries between the growth of exports and the growth of GDP, taking 133 countries over the period 1995–2006." This trend was even more pronounced in China during this era. "In 1978, China's per capita GDP was extremely low, indicative of a country primarily inward-focused, with foreign trade constituting only 9.7% of its GDP." From a critical perspective, such a low level of foreign trade was one of the reasons for the inadequacy of

**Table 2** Status of foreign investment in China

<i>Year</i>	<i>Foreign direct investment (Billion USD)</i>	<i>Percentage of foreign direct investment in the world (%)</i>	<i>World ranking of foreign direct investment</i>
1978			128
1980	17.69 (1979–1982)	0.1 (1980)	
1985	19.56		55
1990	34.87	1.7	12
1995	375.21		
2000	407.15	3.0	8
2001	468.78		
2002	527.4		
2003	535.05		
2004	606.3		
2005	603.25		
2006	658.21		
2007	747.7		
2008	923.95		
2009	900.33		
2010	1057.3	8.2	2
2011	1160.11		
2012	1117.16		
2013	1175.86		
2014	1195.62		
2015	1262.67		
2016	1260.01		
2017	1310.35		
2018	1349.66	9.3	2
2019	1381.3462	9.2	2
2020	1443.69		

Source: National Bureau of Statistics: “China Statistical Yearbook - 2021”; National Bureau of Statistics: “International Statistical Yearbook - 2020”; Department of Comprehensive Statistics of National Economy, National Bureau of Statistics: “Compilation of Statistical Data for 55 Years of New China”

China’s modernization efforts at the time. A monumental shift occurred following the implementation of the reform and opening-up policy.

As the most populous nation in the world, China possesses an enormous cohort of working-age individuals. This vast labor force, once provided with employment opportunities, has the potential to generate considerable demographic dividends. During the early stages of modernization, China was confronted with the pressing issue of transitioning

**Table 3** Status of China's Foreign exchange reserves

<i>Year</i>	<i>Foreign exchange reserves (Billion USD)</i>	<i>Percentage of foreign exchange reserves in the world (%)</i>	<i>World ranking of Foreign exchange reserves</i>
1978	1.67		38
1980	- 12.96	0.6	36
1985	26.44		
1990	110.93	3.3	10
1995	735.97		
2000	1655.7	8.5	2
2001	2121.65		
2002	2864.07		
2003	4032.51		
2004	6099.32		
2005	8188.72		
2006	10,663.44		
2007	15,282.49		
2008	19,460.3		
2009	23,991.52		
2010	28,473.38	30.7	1
2011	31,811.48		
2012	33,115.89		
2013	38,213.15		
2014	38,430.18		
2015	33,303.62		
2016	30,105.17		
2017	31,399.49		
2018	30,727.12	26.9	1
2019	31,079.24	26.3	1
2020	32,165.22		

Source: National Bureau of Statistics: "China Statistical Yearbook - 2021"; National Bureau of Statistics: "International Statistical Yearbook - 2020"; Department of Comprehensive Statistics of National Economy, National Bureau of Statistics: "Compilation of Statistical Data for 55 Years of New China"

a large portion of its labor force from the primary sector to the secondary and tertiary sectors. Without adequate employment opportunities in these sectors, the substantial labor force would lack a critical avenue for unleashing the demographic dividend, thus leaving China's immense productive potential untapped. It was precisely during this period that a multitude of export-oriented, labor-intensive enterprises emerged, providing extensive employment opportunities for the large

workforce, enabling the release of significant demographic dividends, and thereby effectively propelling China's economic development.

Furthermore, akin to many developing countries, China experienced a severe shortage of production capital in the early stages of modernization. This scarcity of capital represents a conspicuous bottleneck for the modernization takeoff of developing nations. "The deficiency in capital formation stems from a low level of savings and limited saving capacity on the supply side, and from a low rate of investment and insufficient investment incentives on the demand side." Particularly at the outset of China's economic reforms and opening-up, there was an acute shortfall of production capital. In this context, the introduction of substantial foreign investment has played a pivotal role in facilitating the establishment and growth of numerous enterprises in China—a condition that is indispensable for the nation's economic modernization. "Countries with scarce capital can both import capital-intensive products and attract foreign capital to compensate for their scarcity of factor endowments." In the early 1980s, the modest amount of foreign investment introduced in a few coastal areas such as Shenzhen was exceedingly valuable. At the time, this modest inflow of foreign capital formed critical "development poles," exerting a significant "demonstration" effect and a direct impetus for modernization both locally and nationally. As China's modernization progressed, the country's attractiveness to foreign investment has only strengthened. Reports from institutions like Goldman Sachs highlight that China's manufacturing sector—with its "vast domestic market, comprehensive industrial supply chain, and robust infrastructure"—is highly appealing to foreign manufacturing investments. Additionally, the formation of China's substantial foreign exchange reserves not only indicates that the country's trade activities are predominantly surplus-bearing, reflecting a generally healthy and secure state, but also provides a certain degree of market control. This, to some extent, aids China in effectively managing potential economic risks from the international landscape in the future, ensuring the security of its foreign trade activities.

## 2.2 *Facilitation of the Establishment and Refinement of China's Market Economy*

The inexorable trend toward economic globalization is observable across nations. The market economy is not only an integral part of modernization in the global context but also forms the foundational linkage of



economic globalization. For any country, the presence of a standardized, well-developed market economy and the capability to adapt to and abide by its rules are critical not only for the sustainable development of its own economy but also for its competitive edge in international economic relations.

China's market economy has emerged and evolved from nonexistence to a state of gradual maturation. In the initial stages of the reform and opening-up policy, as the planned economy system gradually receded, China addressed the concept of a commodity-based economy. In 1992, China set forth the goal of establishing a socialist market economy, thereby providing a legitimate foundation for the market economy, which formally supplanted the previous planned economy and consequently experienced significant and rapid development. With its accession to the World Trade Organization (WTO) in 2001, China's integration into the global market became an irreversible trend. This move holds indispensable and profound significance for the standardization and enhancement of China's market economy and for bolstering the country's economic competitiveness on the international stage from an institutional perspective. "Joining the WTO represents a major step in our country's long-term strategy of opening-up, with significant and far-reaching implications as it propels our openness to a new stage of 'institutional opening-up.' This is not a mere quantitative increase in the degree of openness but a qualitative leap in its nature. The significance of this leap lies in the fact that a key characteristic of the new stage of opening-up is the deep-seated institutional reforms, thereby securing the establishment and safeguarding of the openness through institutional means."

China's integration into the global market has had a positive and proactive "forcing" effect on the regularization and refinement of its domestic market economy, effectively promoting the standardization and improvement of the domestic market. From a macroeconomic perspective, this integration has continuously elevated the degree of marketization in China. Scholars have estimated that, by the end of 2001, the development level of China's market economy had reached 69%, surpassing the critical threshold of a market economy standard, indicating that a market economy framework had been established. By 2003, this figure had risen to 73.8%, signifying that China had become a market economy country. Other scholars have observed, "Assuming a 100% market economy standard, by the end of 2001, China's market economy had advanced to 64.26%, subsequently exceeding 70%, and climbing to 76.4% by 2008,

which implies that the framework for a market economy in China has been solidly established.” Furthermore, joining the global market has contributed to the enhancement of China’s global competitiveness. Following its accession to the WTO, China significantly reduced its tariffs. “By 2010, China had fulfilled all its tariff reduction commitments, bringing the overall tariff level down from 15.3% in 2001 to 9.8%. The average tariff rate for industrial goods decreased from 14.8 to 8.9%, and for agricultural products, it dropped from 23.2 to 15.2%, approximately one-fourth of the global average for agricultural tariffs, and significantly lower than the average tariffs of 56% for developing members and 39% for developed members. The highest bound tariff for agricultural products in China is 65%, compared to 440% for the United States, 408% for the European Union, and 1706% for Japan.” The reduction in tariffs has put Chinese enterprises under greater competitive pressure, compelling them to enhance their own competitive capabilities. As a result, China’s competitive strength has continually been reinforced under this immense “forcing” pressure. The World Economic Forum’s “Global Competitiveness Report 2019” shows that in 2019, China ranked 28th among the major countries and regions in the Global Competitiveness Index, the highest position among large developing countries.

From a microeconomic perspective, China’s entry into the global market has played an irreplaceable role in promoting the establishment of domestic modern enterprise systems with strong competitiveness. A nation’s market competitiveness is largely reflected in the competitiveness of its specific enterprises. “To enhance competitiveness, producers must find ways to reduce the production costs of their products. Once the majority do so, the overall economic efficiency of society will significantly improve.” Undeniably, it is through opening-up and learning from advanced foreign enterprises and being “forced” by the competitive strength of developed countries that Chinese enterprises have gained vital, indispensable experience, activated their potential, and improved their market competitiveness. In this aspect, Huawei, as a highly globally integrated domestic enterprise, serves as a quintessential example. Huawei’s formidable competitiveness derives not only from its technological leadership but also from its familiarity with international markets and robust international market competitiveness, which is directly related to its learning from American modern enterprises. Ren Zhengfei of Huawei believes, “The modern enterprise management system, honed by Western companies over a century since the scientific management

movement, encapsulates the lessons from the rise and fall of countless enterprises and is a crystallization of human wisdom—a valuable treasure of humanity. We should adopt a humble attitude and make great efforts to systematically learn from it. Only by establishing a modern enterprise management system can all our efforts be directed towards tangible outcomes.” Throughout Huawei’s development, “from its inception to hiring dozens of American consulting firms to teach Huawei management, the United States should take pride. The cultural export from the United States has brought development to Huawei.”

### *2.3 Facilitating the Upgrading and Transformation of China’s Industrial Structure*

Under the conditions of openness and market economy, particularly since China’s accession to the WTO, the country has steadily refined and improved its market economic system in the face of intense competitive pressure from highly modernized developed nations. China has elevated its human capital standards and introduced a significant number of advanced foreign technologies, among other initiatives. Such measures have collectively contributed to a considerable enhancement in China’s production capabilities and output; more importantly, they have precipitated a substantial upgrading and transformation of China’s industrial structure. This shift is prominently reflected in the optimized composition of China’s product exports within its total export mix.

Table 4 illustrates this optimization: The proportion of primary products in China’s exports was 11.56% in 2000, declining to 9.94% in 2002, 8.40% in 2004, 7.34% in 2006, 6.82% in 2008, 6.32% in 2010, 5.97% in 2012, 5.90% in 2014, 6.01% in 2016, and 6.43% in 2018. Compared to the year 2000, the share of primary products in China’s exports had decreased by 5.13 percentage points by 2018, representing a decline of 44.4%. The share of industrial manufactured goods rose from 87.98% in 2000 to 93.43% in 2018, an increase of 5.45 percentage points, or 6.1%. The proportion of labor and resource-intensive manufactured goods and low-skill and technology-intensive manufactured goods shifted from 31.48% and 9.72% in 2000 to 21.49% and 10.28% in 2018, respectively, marking a decrease of 9.99 percentage points and an increase of 0.56 percentage points, with the former category experiencing a reduction of 32.2%. For medium-skill and technology-intensive manufactured goods and medium-skill electronics products (excluding components),

the export shares were 20.15% and 1.52% in 2000, respectively, climbing to 25.26% and 1.67% in 2018—an increase of 5.11 percentage points and 0.15 percentage points, with growth rates of 25.4% and 1%, respectively. High-skill and technology-intensive manufactured goods, high-skill electronics products (excluding components), and high-skill electronics components saw their export shares rise from 26.64%, 7.90%, and 9.56% in 2000 to 36.39%, 8.15%, and 17.17% in 2018, with increases of 9.75, 0.25, and 7.61 percentage points, and growth rates of 36.6%, 3.1%, and 44.3%, respectively.

When examining the evolution and transformation of China's industrial structure since the reform and opening-up policies, at least two scenarios merit our attention: First, China's industrial structure is becoming more comprehensive and systematic. From the perspective of the industrial chain, China possesses the production capacity across all industrial sectors. It is "the only country in the world with all 41 industrial categories, 207 medium categories, and 666 subcategories according to the United Nations' industrial classification system." Particularly noteworthy is the rapid development in the category of equipment manufacturing. For instance, as revealed by the "2021 Top 50 Global Construction Machinery Manufacturers," among the global equipment manufacturing sectors, "XCMG Group, a Chinese manufacturer, has entered the top three globally, marking the first time a Chinese brand has achieved such a ranking. Sany Heavy Industry and Zoomlion are ranked fourth and fifth globally, with LiuGong at fifteenth." Second, the production capabilities of certain industries in China are at the forefront internationally. For example, in the 5G sector, China is already a global leader. The Ministry of Industry and Information Technology of China has stated that the country's development in 5G has achieved significant global leadership. "Currently, China has built more than 1.15 million 5G base stations," accounting for over 70% of the world's total, representing the largest and most advanced 5G standalone network globally. The number of 5G base stations in China has seen a remarkable increase, from only 130,000 in 2019 to over 1.15 million by November 2021. All urban areas of prefecture-level cities, over 97% of county-level city urban areas, and 40% of township areas have achieved 5G network coverage. The number of 5G terminal users has reached 450 million, accounting for more than 80% of the global total."

The upgrading and transformation of the industrial structure have foundational and positive significance for the overall progression of

**Table 4** Share of various types of Chinese product exports in total exports unit: %

	2000	2002	2004	2006	2008	2010	2012	2014	2016	2018
Primary products	11.56	9.94	8.40	7.34	6.82	6.32	5.97	5.90	6.01	6.43
Manufactured industrial products	87.98	89.61	91.18	92.22	92.90	93.44	93.79	93.83	93.61	93.43
Labor and resource-intensive manufactured goods	31.48	29.13	24.89	23.38	20.99	21.86	21.94	22.28	22.15	21.49
Low-skill and technology-intensive manufactured goods	9.72	8.42	9.52	10.47	12.80	10.91	10.67	10.33	9.82	10.28
Medium-skill and technology-intensive manufactured goods	20.15	20.57	19.41	20.25	22.48	21.90	22.94	23.69	25.24	25.26
Medium-skill electronics products (excluding components)	1.52	1.79	1.72	1.67	1.59	1.65	1.58	1.62	1.73	1.67
High-skill and technology-intensive manufactured goods	26.64	31.49	37.36	38.12	36.62	38.77	38.24	37.52	36.39	36.39
High-skill electronics products (excluding components)	7.90	10.51	14.59	14.29	12.84	13.57	11.52	10.02	8.89	8.15
High-skill electronics product components	9.56	12.69	14.36	15.36	13.88	14.91	14.82	15.40	16.91	17.17

Source: Pei Changhong et al.: "The Historical Mission of Upholding and Reforming the Global Multilateral Trading System—On the Occasion of the 20th Anniversary of China's Accession to the WTO," Reform, Issue No. 11, 2020

China's modernization. It not only provides robust support for China's comprehensive modernization from the aspect of modern productive forces but also endows China's modernization efforts with formidable autonomy, ensuring that it is not susceptible to the control of other nations.

#### *2.4 Promotion of the Cultivation and Enhancement of Human Capital Required for China's Modernization*

The construction of economic modernization is principally achieved through the enhancement of both "output quantity" and "output rate" (productivity). As the process of modernization advances, there is an increasing emphasis on the improvement of output rate; how well this rate is enhanced has become a key factor influencing the level of a nation's economic modernization and the strength of its competitiveness. The increase in output quantity primarily relies on the augmentation of capital and the number of laborers. In contrast, the enhancement of the output rate largely depends on a workforce with high professional and vocational standards. "According to calculations by the American economist Denison, over the 60-year span of national income growth in the United States, the proportion of 'increased input quantity' has been declining, while the proportion of 'improved output rate' has been rising. Further analysis reveals that the decline in input proportion is mainly due to physical factors, especially capital; the increase in output proportion is mainly due to human factors (i.e., 'progress in knowledge'). This result also indicates that the main potential for national economic growth lies in the area of human resources." The United States serves as an example. "After the relaxation of immigration laws in 1962, between 1962 and 1980, a total of 500,000 technical professionals migrated to the United States." Another example is Singapore. "Singapore has implemented a series of policies to attract overseas talent, amassing a group of research professionals from around the world. In Singapore's three main universities (National University of Singapore, Nanyang Technological University, and Singapore Management University), 85% of scholars are graduates of top global universities (mainly from leading universities in the United States and the United Kingdom), and about 70% of these scholars are from countries other than Singapore, with 17% originating from China." Needless to say, these technological professionals have played a significant role in the development of the economies

and scientific and technological advancements of both the United States and Singapore. Similarly, a key factor for China's modernization and its capacity to sustain ongoing development is whether China can effectively cultivate and enhance its human capital. Further, education is the most important means of nurturing and improving human capital.

It must be acknowledged that while domestic education is the primary avenue for China to foster and elevate human capital, the reality is that studying abroad, the introduction of foreign professional and technical talents, and vocational training related to foreign enterprises also play an indispensable and positive role in the cultivation and enhancement of China's human capital.

Studying abroad is a crucial pathway for the effective cultivation and enhancement of China's human capital. Over the 40 years from 1978 to 2019, the number of Chinese students studying abroad has shown explosive growth every few years. As indicated in Table 5, the number of students going abroad in 1978 was 860, rising to 2124 in 1980, surging to 38,989 in 2000, leaping to 118,515 in 2005, escalating to 284,700 in 2010, and soaring to 523,700 in 2015, reaching a staggering 703,500 by 2019. The figure for 2019 represents an 818-fold increase from 1978. More importantly, from 2011 onwards, the number of students returning to China after completing their studies began to exceed the number of those going abroad for study. Objectively, due to the superior living conditions and advanced research environments in developed countries, developing nations often experience a brain drain where the number of returnees is less than those going abroad for education. However, as China's own development progresses, living standards of its citizens rise, and research conditions gradually improve, the number of returning scholars has been increasing and their proportion has been growing. In 2011, the number of returnees was 55% of the number of students going abroad, marking the first time that the proportion of returnees surpassed that of Chinese students going abroad. This proportion has continued to rise since. By 2019, the proportion of returning scholars had reached 82.5%, with the total number approaching 4 million individuals. Significantly, these returnees have become an important force in driving the development of China's science, technology, and economy. Surveys show that "67.9% of overseas returnees brought technology back with them, of which 75.9% of the technology was world-leading, and 22.9% was domestically leading."

**Table 5** Status of Chinese students studying abroad and returned overseas Students. Unit: persons

<i>Year</i>	<i>Students studying abroad</i>	<i>Returned overseas students after graduation</i>
1978	860	248
1980	2124	162
1985	4888	1424
1990	2950	1593
1995	20,381	5750
2000	38,989	9121
2001	83,973	12,243
2002	125,179	17,945
2003	117,307	20,152
2004	114,682	24,726
2005	118,515	34,987
2006	134,000	42,000
2007	144,000	44,000
2008	179,800	69,300
2009	229,300	108,300
2010	284,700	134,800
2011	339,700	186,200
2012	399,600	272,900
2013	413,900	353,500
2014	459,800	364,800
2015	523,700	409,100
2016	544,500	432,500
2017	608,400	480,900
2018	662,100	519,400
2019	703,500	580,300

Source: National Bureau of Statistics: “China Statistical Yearbook - 2021.”

China places great emphasis on the introduction of mid-to-high-end talents from overseas, adopting a range of substantial and pragmatic preferential policies to drive this initiative, with demonstrably effective outcomes. At the national level, the Central Government formulated and implemented the “National Medium and Long-term Talent Development Plan (2010–2020)” and the “Thousand Talents Plan.” The “Thousand Talents Plan” aimed to attract approximately 2000 high-level overseas talents to return to China (or come to China) for innovation and entrepreneurship within a span of 5–10 years. Such policies for the recruitment of mid-to-high-end talents from abroad have achieved



notable success. By the end of 2018, the “Thousand Talents Plan” had successfully attracted over 7000 high-level overseas talents.

From a local perspective, some more developed regions have also formulated and executed specific policies to recruit overseas talent. For instance, Shanghai’s “Overseas Talent Aggregation Project” and other talent initiatives have positioned the city as a “Talent Pearl of the Orient” in the eyes of high-level overseas talents. Shanghai has been recognized as the most attractive Chinese city for foreign experts. The city has also become a magnet for returning Chinese students, who increasingly display higher educational attainments and optimized structural qualities. According to relevant information, Shanghai currently boasts over 1000 national-level “Thousand Talents Plan” high-level talents, more than 900 Shanghai “Thousand Talents Plan” high-level talents, and over 3000 “Shanghai Municipal Pujiang Talent Plan” talents. “Currently, the number of foreigners working in Shanghai has reached 215,000, accounting for 23.7% of the national total and ranking first in the country. Since the nationwide implementation of the foreigner’s work permit system in China in April 2017, by the end of February 2021, Shanghai has issued over 270,000 ‘Foreign Work Permits,’ nearly 50,000 of which are for high-end foreign talents (Category A), accounting for approximately 18% of the total, with Shanghai leading the country in attracting foreign talent.”

Looking at the national scale, by the end of 2016, “there were 49 joint provincial and ministerial overseas student entrepreneurship parks, with a total of 347 national overseas student entrepreneurship parks, housing over 27,000 companies, and 79,000 overseas students engaged in entrepreneurship within these parks. In 2014 and 2015, the number of foreign experts working in mainland China continued to surpass 600,000 person-times each year.” Moreover, the quality of mid-to-high-end talents that China attracts from overseas has been gradually improving, “evidenced by a reasonable age structure; a continuous rise in the proportion of experts with advanced degrees; a stable distribution across various job positions; nearly 60% of experts working for 1–3 years or over 5 years; the largest salary bracket being between 10,000 and 30,000 yuan per month, accounting for 36.81%; and 95% of experts receiving affirmative job performance evaluations.”

The cultivation and enhancement of human capital in China provide robust support for the formation of important strategic heights in China’s modernization, the sustained development of its economy, and the

upgrading of science and technology. Research shows that “53.7% and 51.4% of high-level experts believe that the ‘Thousand Talents Plan’ has played a ‘very significant’ or ‘relatively large’ role in China’s breakthrough in key technologies and the development of high-tech industries.”

From the above, it is evident that opening-up to the outside world has allowed China to truly face global modernization and integrate into the current of world modernization. World modernization has directly propelled China’s modernization efforts. Through the exchange of resources with other countries, learning from developed nations, and the introduction of a substantial number of mid-to-high-end talents from abroad, China has been spurred by the world market to refine and perfect its domestic market economy. Competing on the global stage, particularly with developed countries, has fully activated and unleashed China’s immense potential, significantly enhancing its competitiveness. More importantly, China’s endogenous drivers of modernization have been fostered and strengthened. It is precisely this continuously reinforced and elevated internal dynamism that ensures the robust, ongoing, stable, and healthy advancement of China’s modernization efforts.

### 3 THE SIGNIFICANT CONTRIBUTION OF CHINA’S MODERNIZATION TO GLOBAL MODERNIZATION

From a global perspective, the ascent of China’s modernization has exerted a significant impact on the process of modernization worldwide, making notable contributions.

While the modernization success of any given country will invariably influence global modernization to varying degrees, it is important to recognize that there is a close correlation between the scale of a country—including its population and economic size—and the magnitude of its contribution and influence on world modernization. Under the condition of a given level of modernization, due to differences in scale and other factors, the specific contributions and the extent of influence that different countries have on global modernization can vary significantly. Countries like Israel and Singapore, despite their acknowledged achievements in modernization and relatively high levels of modernity, have a limited capacity to contribute to and influence global modernization due to their smaller national scale. In contrast, China, as the world’s most populous nation with a massive economic volume, has made substantial progress in its modernization efforts, which, in turn, are bound to

make a comparatively more significant contribution and have a relatively larger impact on the global stage. In other words, the global landscape of modernization has decidedly evolved and developed since China joined the current of economic globalization and achieved universally recognized extraordinary advancements.

### *3.1 China as the Foremost Engine for Global Economic Development*

The rapid progression of China's economic modernization has markedly propelled the growth of the global economy, positioning China as the most significant engine of worldwide economic expansion. Prior to the reform and opening-up policies, from 1961 to 1978, China's annual contribution to global economic growth was a mere 1.1%. However, in the subsequent period from 1979 to 2000, following these reforms, China's modernization efforts accelerated dramatically, with the annual average growth rate of China's per capita GDP reaching 9.2%. Gradually, China emerged as a primary catalyst for global economic growth. From 1979 to 2012, China's average annual contribution to the world's economic expansion was 15.9%, second only to the United States and ranked second globally. Between 2013 and 2018, China's contribution rate increased to an annual average of 28.1%, leading the world. Since 2006, China has consistently maintained its status as the top contributor to global economic growth, serving as the primary engine of this expansion. In 2019, China's contribution to global economic growth reached approximately 30%. Estimates indicate that from 2013 to 2016, in the absence of China's influence, the annual average growth rate of the global economy would have slowed by 0.6 percentage points, and the intensity of fluctuations would have increased by 5.2%. The manufacturing sector, a fundamental pillar of the Chinese economy, has also made significant contributions to the growth of the world's economy. In 2020, China's manufacturing industry accounted for nearly 30% of the global share. According to the "Global Machinery Equipment Report" released by German officials in July 2021, China, for the first time in 2020, surpassed Germany in the manufacturing of machinery equipment, securing the top spot in global sales.

China's role in driving the global economy is also evident in many other aspects. Among these, the rapid growth of China's outbound

investment, its substantial provision of consumer goods to foreign populations, and the surge in outbound tourism are particularly prominent and exemplify its pivotal role.

Firstly, China's meteoric rise in outbound investment is manifested in two principal aspects: the swift increase in foreign direct investment (FDI) and the rapid multiplication of investment projects abroad. Table 6 illustrates that prior to the reform and opening-up policies, as well as in the initial stages of these reforms, China's FDI was minimal, ranking 45th in 1978, 63rd in 1980, and 22nd in 1990 in the global context. With the deepening of reforms and especially post-2001 after joining the WTO, China's FDI experienced colossal growth. The nation's outbound investments surged from \$2.7 billion in 2002 to \$68.81 billion in 2010, reaching \$143.04 billion in both 2018 and 2019, and ascending to \$153.71 billion in 2020. Correspondingly, China's share of the world's FDI increased from 0.1 to 4.9%, 14.5%, 11.2%, and 18.0% in these years, securing its position as the 33rd, 5th, 2nd, 4th, and ultimately the leading investor globally.

Secondly, the swift augmentation of outbound investment projects is evident. Since the reform and opening-up, China's achievements in this domain have significantly eclipsed those of many developed nations. "In 2019, China's overseas contract projects achieved a turnover of 1192.75 billion yuan, a year-on-year increase of 6.6% (equivalent to \$172.9 billion, a 2.3% increase), with new contracts amounting to 1795.33 billion

**Table 6** Status of China's outward direct investment

<i>Year</i>	<i>Outward direct investment (Billion USD)</i>	<i>Share of world total (%)</i>	<i>World ranking</i>
1978			45
1980			63
1990		0.3	22
2000	27.0 (2002年)	0.1	33
2010	688.1	4.9	5
2018	1430.4	14.5	2
2019	1369.1	11.2	4
2020	1537.1	18.0	1

Source: National Bureau of Statistics: "China Statistical Yearbook - 2021"; National Bureau of Statistics: "International Statistical Yearbook - 2020"; National Bureau of Statistics: "International Statistical Yearbook - 2021"

yuan, up 12.2% year-on-year (equivalent to \$260.25 billion, a 7.6% increase).” Under the “Belt and Road” initiative, China has engaged in extensive infrastructure project investments in participating countries. Notable completed projects include the acquisition of Turkey’s third-largest port by three major Chinese state-owned enterprises, the Yanbu Refinery in Saudi Arabia, the Asmat Ali Khan Bridge (China–Bangladesh Friendship Bridge Seven), the China–Myanmar natural gas pipeline project, and the Silk Road Eco-Cultural Long March. Ongoing large-scale infrastructure endeavors include the Kazakhstan Sukoil and Gas Company (Hong Kong-funded), the Padma Bridge and river dredging project, the Silk Road Book Fragrance Project, the China–Laos Railway (Yuxi–Mohan–Vientiane), the China–Myanmar Railway (Baoshan–Ruili, Dali–Lincang, Lincang–Qingshuihe), the China–Belarus Industrial Park, the Horgos International Border Cooperation Center, and the Malaysia–China Kuantan Industrial Park, among others. For instance, “The Mzimvubu River Dam project in South Africa represents the first agreement signed in the South African market under the name of China Civil Engineering Construction Corporation, with a project size of approximately \$1.2 billion. The main scope includes the construction of two dams, installation of hydroelectric generators, power transmission lines, as well as the development of agricultural irrigation pipelines, pump stations, and water treatment plants. Upon completion, the project will supply municipal water to 700,000 people, provide irrigation for 2900 hectares of agricultural land, and deliver industrial water to industrial parks, playing a vital role in stimulating local economic development.” Scholars have commented on China’s achievements in outbound investment: “In the past two decades, Chinese construction companies have catapulted from obscurity to dominance in the international infrastructure sector.” “Indeed, the West has long ceded leadership in this field to China.” Undoubtedly, these Chinese direct investments and projects abroad have had a positive and catalytic effect on the modernization efforts of host countries. Moreover, as China’s investments are often focused on infrastructure and improving the quality of life, they not only leverage China’s distinctive capabilities in construction but also gain widespread recognition and consent from the governments and people of the host nations, thereby facilitating more sustainable development.

The influence of Chinese export products on daily life in importing countries has been growing increasingly significant. These goods, known for their high quality and affordability, have not only reduced living costs

for local populations but also enhanced their quality of life, to the extent that the day-to-day living in some countries has become highly dependent on products from China. A prime example is the United States, where the daily lives of citizens are becoming more intertwined with Chinese products, to the point where it is now practically impossible for the US economy to disengage from China's. Bloomberg recently cited author Daniela Wei, who reported that from sushi to ski gloves, American consumers rely more on Chinese manufacturing than one might expect. "For some of these products, more than nine out of every ten items purchased by American shoppers are made in China." BWC Chinese Network has also repeatedly mentioned that due to the irreplaceability of many Chinese-manufactured goods globally, consumers worldwide, including those in the United States, cannot do without Chinese products, meaning that even if prices rise, American consumers will still procure these goods from China. To illustrate, in the year 2021 alone, China exported approximately 39.43 billion face masks, 800 million pairs of surgical gloves, 650 million sets of protective clothing, and 46.762 million pairs of goggles to the United States. The quantity of masks alone equates to around 120 masks produced in China for every person in the United States.

Since the year 2000, with significant increases in individual incomes and greater openness to the world, China's international tourism has also seen rapid development. Table 7 indicates that, from the perspective of outbound tourist numbers, the figure for China was 10.47 million in 2000, 57.39 million in 2010, and a staggering 149.72 million in 2018; this represents a 14-fold increase from 2000 to 2018—a rate of growth that is quite rare among nations worldwide. In comparison, high-income countries saw their outbound tourist numbers rise from 485.82 million in 2000 to 618.39 million in 2010, and then to 814.28 million in 2018—an increase of only 0.68 times over 2000, much lower than that of China. Middle-income countries had 136.15 million outbound tourists in 2000, 280.73 million in 2010, and 514.53 million in 2018—an increase of 2.78 times since 2000, which is also considerably less than the increase seen in China. Other representative countries such as the United States, Japan, India, South Korea, Russia, the United Kingdom, France, and Germany, all experienced growth rates far below China's. From the standpoint of international tourism expenditure, China's outlay was \$14.17 billion in 2000, \$54.88 billion in 2010, and an astounding \$277.35 billion in 2018; this is nearly a 19-fold increase from 2000.

**Table 7** Status of representative international tourism

<i>Country</i>	<i>Number of outbound tourists (10,000 persons)</i>			<i>International tourism expenditure (Billion USD)</i>		
	<i>2000</i>	<i>2010</i>	<i>2018</i>	<i>2000</i>	<i>2010</i>	<i>2018</i>
World	73,338	107,342	156,356	5269.1	9949.6	15,753.2
High-income country	48,582	61,839	81,428			
Medium-income country	13,615	28,073	51,453			
China	1047	5739	14,972	141.7	548.8	2773.5
The United States	6133	6106	9256	861.8	1100.5	1865.1
Japan	1782	1664	1895	426.4	393.1	281
India	442	1299	2630	36.9	104.9	257.9
Korea	551	1249	2870	79.5	207.9	347.7
Russia	1837	3932	4196	88.5	301.7	387.9
England	5684	5376	7039	418.6	607.2	688.9
France	1989	2504	2691	290.2	467	579.3
Germany	8051	8587	10,854	576.1	908.7	1042
Brazil	323	646	1063	45.5	188.8	222.3

National Bureau of Statistics: "International Statistical Yearbook - 2020"

In contrast, global international tourism expenditure rose from \$526.91 billion in 2000 to \$994.96 billion in 2010, and to \$1575.32 billion in 2018—merely doubling since 2000. The corresponding expenditure for other prominent nations during the same period was also significantly lower than China's, with Japan notably exhibiting a considerable decrease rather than an increase. The substantial development of China's international tourism has had a positive impact on the destination countries: it not only contributes to an increase in employment opportunities for local residents but also promotes the development of the tertiary sector in these regions.

### 3.2 *Boosting the Modernization Efforts of Developing Countries*

From the perspective of the global modernization process, the importance of developing countries has increasingly come to the fore. After World War II, a number of these countries embarked on autonomous modernization efforts, achieving preliminary or substantial development. Nations such as China, South Korea, Singapore, Malaysia, India, and Vietnam in Asia; Brazil and Chile in Latin America; and Nigeria and Ethiopia in

Africa have been part of this wave. Success stories of modernization from among the developing countries, like Israel, Singapore, and South Korea, continue to emerge. This trend suggests that the foundational layer of world modernization is continually being elevated, the geographical scope of modernization is expanding, and the pathways to modernization are becoming more diverse. As a result, the world's modernization endeavors are gaining increasingly robust momentum. Although the modernization trajectories of these nations are often fraught with various setbacks, the overarching reality remains indisputable: the modernization process in developing countries is making headway.

As a nation with a history of more than a century subjected to semi-colonial and semi-feudal humiliation, and with several decades of arduous struggle toward modernization, China harbors a profound empathy for other developing countries. China is acutely aware of the tribulations faced by oppressed nations, understands the critical importance of independent and autonomous modernization in developing countries, and recognizes the extreme challenges inherent in modernization efforts. Furthermore, China is deeply appreciative of the support many developing countries, particularly many in Africa, provided in restoring China's lawful rights in significant international matters such as its position in the United Nations. It is for these reasons, among others, that China has extended substantial assistance toward the modernization of developing countries, leading the way among its peers. Additionally, unlike many developed nations, China's aid for modernization in developing countries comes without any strings attached. In 1964, during his visits to 11 African countries, Premier Zhou Enlai announced China's "Eight Principles for Economic Aid and Technical Assistance to Other Countries," with the most crucial principle being that "The Chinese government, in providing assistance, strictly respects the sovereignty of the recipient countries, and attaches no conditions or asks for any privileges in return."

Following the reform and opening-up policy, as China's understanding of the principles of modernization construction deepened and the market economy system became more entrenched, the nature and methods of cooperation between China and other developing countries underwent adjustments. China's economic cooperation with other developing countries evolved from a model of merely providing assistance to a multifaceted approach of mutual benefit. China has judiciously recalibrated the scale, layout, structure, and sectors of its foreign aid according to its national conditions, intensifying support for the least developed countries and



placing greater emphasis on the economic efficiency and sustainable impact of aid projects, with an increased flexibility in the modes of assistance. China's aid to the modernization efforts of developing countries is grounded in the philosophy of teaching someone to fish rather than just giving them a fish, shifting from a focus on "transfusion" of aid to encouraging the development of the recipient countries' own "blood-making" capabilities, that is, the formation of endogenous drivers of modernization.

For the initial stages of modernization in developing countries, the most immediate challenges often lie in the severe shortage of capital, human resources, and basic infrastructure. Following its economic liberalization, and with the enhancement of its economic strength and comprehensive national power, China has provided effective cooperation and assistance to developing countries in these crucial areas, adhering to fundamental principles of no political strings attached, equality, mutual benefit, and shared growth.

China has extended substantial and feasible financial aid to developing countries. "China's foreign aid funds have maintained rapid growth, with an average annual growth rate of 29.4% from 2004 to 2009." "From 2010 to 2012, China's foreign aid amounted to RMB 89.34 billion." "Between 2013 and 2018, China's foreign aid totaled RMB 270.2 billion, including grants, interest-free loans, and concessional loans. Of this amount, grants accounted for RMB 127.8 billion, representing 47.30% of the total foreign aid, focusing on supporting other developing countries to construct small and medium-sized social welfare projects and implementing cooperation in human resource development, technical cooperation, material assistance, South-South cooperation aid funds, and emergency humanitarian aid projects." From the perspective of the geographic distribution of the recipient countries, the scope is quite extensive. "From 2013 to 2018, China provided aid to 122 countries across Asia, Africa, Latin America and the Caribbean, Oceania, and Europe, as well as to 20 international and regional multilateral organizations."

China has rendered substantial assistance in the domain of human resource development for developing nations. It has actively pursued foreign aid cooperation in human resource development through initiatives such as official training programs, technical personnel training, and on-the-job academic degree education projects. These projects encompass a wide array of more than 100 specialties across 17 sectors including

political diplomacy, public administration, national development, agriculture and poverty reduction, healthcare, education and research, culture and sports, and transportation. From 2013 to 2018, China organized over 7000 training programs, benefiting approximately 200,000 individuals. China has been a staunch supporter of foundational education, higher education, and vocational training in developing countries and regions. Facilities such as primary and secondary schools have been established in nations including Nepal, Armenia, Mozambique, Namibia, Peru, and Uruguay, coupled with the provision of computers, laboratory equipment, and educational materials to enhance the basic educational infrastructure in these developing countries. In South Sudan, China provided tailored educational technical assistance by creating customized textbooks in English, mathematics, and science for primary schools, printing 1.3 million textbooks which benefitted 150,000 students and teachers. Furthermore, China has contributed to the establishment of vocational and technical schools or training centers in countries such as Laos, Cambodia, Nepal, Myanmar, Pakistan, Afghanistan, Rwanda, Uganda, Malawi, Egypt, Sudan, Liberia, Equatorial Guinea, and Vanuatu, and has supplied vocational education materials to countries including Azerbaijan, Ethiopia, and Madagascar, thereby aiding in the improvement of vocational education quality. In the realm of higher education, China has assisted in the enhancement of educational facilities and the nurturing of high-quality talents in various countries. Noteworthy projects include the construction of the Emalus Campus of the University of the South Pacific in Vanuatu, the Malawi University of Science and Technology, the Chinese Department building at Kabul University in Afghanistan, the library at the University of Dares Salaam in Tanzania, and the Kabala teaching district at the University of Bamako in Mali.

China's assistance in infrastructure development for developing countries has been notably impactful. Research indicates that Chinese foreign aid has indirectly spurred economic growth in recipient countries by improving local infrastructure, accounting for 55.30% of the total economic impact of China's aid. Between 2010 and 2012, China facilitated the construction of 86 economic infrastructure projects in Africa, including over 70 transportation projects such as roads, bridges, airports, and ports. Notable among these is the construction of the third section of the Thika Superhighway in Kenya, which has enhanced connectivity within Kenya and between neighboring countries such as Ethiopia and Tanzania. The construction of the Hambantota International Airport

in Sri Lanka has further enriched the country's multimodal transportation network, fostering greater interaction and connectivity with the surrounding region. From 2013 to 2018, in alignment with the China–Pakistan Economic Corridor, China executed multiple infrastructure projects in Pakistan, including the expansion and upgrade of the Peshawar–Karachi Motorway and the Karakoram Highway, which have invigorated overland trade between China and Pakistan. To advance the construction of the China–Indochina Peninsula and Bangladesh–China–India–Myanmar economic corridors, China has supported the building of roads, bridges, and tunnels in Bangladesh, Myanmar, Laos, and Cambodia, promoting the interconnectivity and joint development of Southeast and South Asia.

Indubitably, China's assistance in crucial areas such as finance, human resources, and infrastructure has significantly bolstered the initial steps and ongoing development of modernization in recipient countries.

### *3.3 Enhancing the World's Capacity to Withstand Common Social Risks*

The development of modern productive forces, the advancement of science and technology, and the deepening of globalization have, on one hand, propelled tremendous progress in human civilization and created an enormous wealth of social assets. On the other hand, they have also given rise to a multitude of complex social disputes, contradictions, and risks. These issues are intricately intertwined and rapidly proliferate to every corner of the globe. Against this backdrop, the trajectory of human societal development inevitably confronts a plethora of uncertainties and risks across social, economic, and ecological domains. As scholars have noted, "Within the developed framework of modernity, the societal production of wealth systematically coincides with the societal reproduction of risk. The exponential growth of productive forces within the process of modernization has escalated the release of dangers and potential threats to an unprecedented extent. From this perspective, a risk society is a global risk society." These disputes and risks span multiple dimensions. "The proliferation of terrorism, weapons of mass destruction, financial crises, severe natural disasters, climate change, energy and resource security, food security, and public health safety are increasingly prevalent global issues that are critical to human survival and the sustainable development of economies and societies." Take financial risk, for example. According to

data from the Institute of International Finance, in 2018, global debt reached \$243.2 trillion, amounting to 317% of global GDP. This colossal debt poses significant economic and societal risks to the global economy. If such diverse risks are not effectively mitigated and countered, they could inevitably lead to international financial crises, public health crises, climate change crises, and geopolitical conflicts. These crises could, at the very least, exact a heavy toll on human society and, at worst, precipitate a regression in societal advancement.

These social disputes and risks are global in nature, concerning every nation. “Once a crisis such as a financial crisis, terrorist activities, a public health emergency, or an ecological catastrophe emerges in one country or region, it can swiftly have a cascading negative impact on other nations and regions.” As mentioned earlier, no single country can effectively shield itself against these societal disputes and risks on its own. Therefore, a collaborative effort among nations is imperative for combating these social risks. Every country bears the responsibility to counter social risks, and no nation can or should remain detached; otherwise, they might eventually “get burned.” Despite this, it is undeniable that there is a considerable disparity in how different countries respond to these common global social risks. Some countries actively engage, others react passively, and in certain situations, some may even resort to a “beggar-thy-neighbor” approach, attempting to shift their own disputes, contradictions, and risks onto other nations.

It is an evident fact that as China progresses with its opening-up policies and rapidly enhances its comprehensive national power, the country is increasingly playing a proactive and influential role in the global arena, particularly in addressing societal disputes, contradictions, and risks. China has engaged actively in mitigating the impacts of the international financial crises of 1997 and 2008 and was significantly involved in combating the SARS public health crisis in 2004. Notably, China’s pivotal role in the fight against the COVID-19 pandemic that began in 2020 stands out. Generally speaking, China has not only successfully contained the domestic spread of the coronavirus to other countries but has also made a substantial contribution to the global pandemic response efforts. As of October 2021, China has provided more than 1.5 billion COVID-19 vaccine doses to over 100 countries and international organizations, with a goal to supply 2 billion doses within the year. Furthermore, the vaccines produced by China have been recognized by professionals for

their efficacy, safety, and accessibility. Additionally, by September 2021, China had supplied hundreds of billions of masks worldwide.

It is especially worth noting that the risk of climate change poses an increasingly severe threat to human society, and the governance of climate change is becoming an integral part of the modernization process for all nations. “Human activities since the Industrial Revolution, particularly the substantial consumption of fossil fuels by developed countries, have led to a significant increase in the concentration of greenhouse gases in the atmosphere, exacerbating global climate change characterized primarily by warming. Global warming is affecting every region on Earth, with many of the changes being irreversible. Rising temperatures, increasing sea levels, and the frequency of extreme weather events pose grave challenges to human survival and development, and present long-term, significant threats to global food, water, ecology, energy, infrastructure, as well as the safety of people’s lives and property. The urgency of addressing climate change cannot be overstated.” Without effective management of climate change risks, not only will the sustainable progress of modernization in various countries be impacted, but also the fundamental existence of human society itself.

In the realm of climate change risk management, China has exerted significant and arduous efforts, making a critically important contribution to the world. China has transformed from an active participant to a key leader in global climate governance. This evolution is marked by two key developments:

Firstly, China has embraced advanced concepts and scientific objectives. The nation views ecological and environmental governance as a crucial component of its modernization drive, an integral part of its own modernization, and a commitment to the world at large. President Xi Jinping has stated that “humanity forms a community with a shared future; protecting the ecological environment is a common challenge and responsibility faced globally.” He advocates for the implementation of development concepts that are innovative, coordinated, green, open, and shared. He also emphasizes that “lucid waters and lush mountains are invaluable assets,” highlighting a vision where the creation of material and spiritual wealth to fulfill people’s growing demands for a better life goes hand in hand with the provision of high-quality ecological goods to meet the growing desire for a beautiful environment. Secondly, China has adopted extraordinarily strict and vigorous measures. It adheres to the

principles and requirements of the United Nations Framework Convention on Climate Change and the Paris Agreement with utmost discipline. Xi Jinping has underscored the importance of “using the strictest systems and the rule of law to protect the ecological environment.” He has called for establishing a stringent control system for ecological preservation, ensuring that the ecological functions, areas, and properties are not diminished, reduced, or altered. To this end, China has not only incorporated strict carbon emission controls into its 12th, 13th, and 14th Five-Year Plans but has also established leadership groups at both central and provincial government levels to oversee climate change response and energy conservation and emission reduction, ensuring these measures are enforced. China applies a “veto” system in its carbon emission controls, demonstrating an unparalleled level of commitment and strictness in its climate change governance measures compared to other nations. Thirdly, these efforts have borne significant fruits. Due to the advanced concepts, scientific targets, and stringent measures, China has achieved considerable success in climate change governance. By 2020, China’s carbon emission intensity had fallen by 18.8% compared to 2015, exceeding the binding target of its 13th Five-Year Plan and dropping by 48.4% from 2005 levels—surpassing its international commitment to reduce emissions by 40–45% by 2020. This translates to approximately 5.8 billion tons less CO<sub>2</sub> emitted, effectively reversing the trend of rapidly increasing emissions. Table 8 illustrates that China’s key indicators in climate change governance have improved rapidly post-2000, especially since 2010. Investments in industrial pollution management were 23.48 billion yuan in 2000, 45.82 billion yuan in 2005, 39.69 billion yuan in 2010, 77.68 billion yuan in 2015, and 45.42 billion yuan in 2020. The proportion of primary electricity and other energy sources in the total primary energy supply increased from 3.1% in 1978 to 19.6% in 2020. Afforestation covered an area of 5,105,138 hectares in 2000, 5,403,791 hectares in 2005, 5,909,919 hectares in 2010, 7,203,509 hectares in 2015, and 6,933,696 hectares in 2020. Additional data reveals that “by the end of 2020, the national forest area reached 220 million hectares, with a forest coverage rate of 23.04%, the comprehensive vegetation coverage of grasslands stood at 56.1%, wetland protection rate exceeded 50%, and the forest vegetation carbon reserve was 9.186 billion tons, underscoring the significant carbon sink value of the ‘lungs of the Earth.’” It is imperative to recognize that these remarkable achievements have been made

**Table 8** Status of climate change management in China

<i>Year</i>	<i>Investment completed in industrial pollution control (10,000 CNY)</i>	<i>Share of primary electricity and other energy in total primary energy consumption (%)</i>	<i>Total afforestation area (hectares)</i>
1978		3.1	
1980		3.8	
1990		4.8	
2000	2,347,895	7.7	5,105,138
2001		8.8	
2002		8.8	
2003		8.1	
2004		8.4	
2005	4,581,909	8.4	5,403,791
2006	4,839,485	8.5	3,838,794
2007	5,523,909	8.6	3,907,711
2008	5,426,404	9.5	5,354,387
2009	4,426,207	9.8	6,262,330
2010	3,969,768	10.4	5,909,919
2011	4,443,610	9.6	5,996,613
2012	5,004,573	11.2	5,595,791
2013	8,496,647	11.8	6,100,057
2014	9,976,511	13.5	5,549,612
2015	7,736,822	14.5	7,683,695
2016	8,190,041	16.7	7,203,509
2017	6,815,345	17.4	7,680,711
2018	6,212,736	18.2	7,299,473
2019	6,151,513	19.0	7,390,294
2020	4,542,586	19.6	6,933,696

National Bureau of Statistics: "International Statistical Yearbook - 2021."

in the context of China's rapid economic development, making them particularly precious.

### *3.4 Making Significant Contributions to World Peace*

China has historically sought a peaceful external environment as a necessary condition for its survival and development, both throughout its history and during periods of modernization takeoff.

Historically, China has adhered to a foreign strategy grounded in peace. In the context of world history, there have been numerous

formidable military empires that expanded their dominion and ruled over vast territories through large-scale military aggression, relying on the plundering of essential resources from other nations to sustain themselves. In contrast, China's approach has been distinct; the nation has not depended on foreign military conquests to seize the resources of others for its survival. Instead, China's production and development have always been propelled by internal dynamism, utilizing its relatively limited resources through exceedingly diligent labor to ensure the survival and propagation of its people. Furthermore, on this foundation, China has crafted a highly prosperous traditional civilization that endures to this day. Harmony and unity, cooperation and coexistence represent the historical DNA of the Chinese nation. "The Chinese people have never bullied, oppressed, or enslaved the people of other nations." A clear historical fact is that "hundreds of years ago, even when China's GDP accounted for 30% of the world's total, it never engaged in foreign aggression or expansion." Overall, China is acutely aware of the maxim "a warlike state, however big it may be, will eventually perish" and is vigilant against the emergence of aggressive militarism. "In comparison to more recent regional contenders for power, China was a satisfied empire with limited territorial ambition." Therefore, "in fact, China has never initiated conflict unless it was first attacked." Even in "routine" foreign interactions, China has followed its unique protocol of "generosity in giving, frugality in receiving," hospitably welcoming foreign visitors without coveting or demanding benefits from them.

From the perspective of the modernization takeoff period, China has steadfastly maintained an orientation toward achieving its modernization goals through its own efforts. In the annals of world history, the modernization of many nations has been predicated on the exploitation and oppression of other countries. The onset of modernization in Britain serves as a quintessential example. In the nineteenth century, the catalyst for Britain's modernization, alongside domestic efforts, was significantly attributed to the exploitation and oppression of its colonies. The vast expanse of British colonies provided essential capital, raw materials, and labor forces integral to the country's modernization takeoff and served as critical markets for its capital and industrial goods. This was aptly described by a British scholar: "The plains of North America and Russia are our corn fields; Chicago and Odessa our granaries; Canada and the Baltic are our timber forests; Australasia contains our sheep farms, and in Argentina and on the western prairies of North America are our herds of



oxen; Peru sends her silver, and the gold of South Africa and Australia flows to London; the Hindus and the Chinese grow tea for us, and our coffee, sugar and spice plantations are in all the Indies.” Even today, the United States, in pursuit and expansion of its own interests, readily resorts to economic sanctions and military strikes against other nations. Furthermore, some major powers, even though currently at a less developed stage, are eager to engage in regional hegemonistic aggression, bullying neighboring countries with comparatively weaker strength.

In contrast, the ascent of China’s modernization has been markedly different. Since the reform and opening-up policies, the Chinese people have primarily sought to harness internal developmental momentum through arduous and extraordinary efforts, activating and enhancing the indigenous drivers of modernization through opening-up to the world. Moreover, China has never shifted its problems and contradictions onto other nations. At the onset of reforms, hundreds of millions of Chinese rural workers left their homes to toil in labor-intensive enterprises, earning meager incomes. Tens of millions of laid-off state-owned enterprise workers faced the daunting challenge of reemployment and entrepreneurship, their struggles for survival and work stirring deep empathy. An abundance of statistical data indicates that Chinese people are among the longest working in the world on average. It is through this incredibly industrious labor that the Chinese people have achieved a takeoff in modernization. “China has transformed from a nation mired in poverty and weakness into the world’s second-largest economy, not through foreign military expansion and colonial plunder, but through the hard work of its people and the maintenance of peace.”

The deep-rooted philosophy and behavioral orientation toward peace have become essential prerequisites for the continuity of Chinese civilization and the takeoff of its modernization. Following the reform and opening-up, China has formed a very lucid judgment of global developmental trends. Deng Xiaoping noted that “the truly major problems in the world, carrying a global strategic dimension, are peace and economic or developmental issues.” The report of the 13th National Congress of the Chinese Communist Party also highlighted, “Focusing on the two main themes of peace and development to adjust the diplomatic layout and the Party’s foreign relations.” As China’s modernization has advanced, the importance placed on peace and development has escalated to the point of becoming enshrined in the nation’s constitution, thereby

elevating it to the foundational legal framework of the state. The Constitutional Amendment of the People's Republic of China, passed in 2018, incorporated the principles of "adherence to the path of peaceful development" and "the recognition that China's future is inextricably linked with the world's future," thereby establishing the fundamental philosophy and behavioral orientation of peaceful development as a basic national policy. Significantly, within the Constitution of the People's Republic of China, peaceful development is underpinned by the goal of "building a community with a shared future for mankind" and embodies the principles of "mutual respect for sovereignty and territorial integrity, non-aggression, non-interference in internal affairs, equality and mutual benefit, peaceful coexistence," as well as "mutual benefit and win-win outcomes." Thus, China's commitment to peace synthesizes the directional (fundamental aims) with the practical (concrete content), forming the modern Chinese conceptual and behavioral framework for peaceful development. Scholars have observed that "the rise of a powerful China presents a more nuanced challenge than that of the Soviet Union, for the latter was a military rather than an economic competitor. China has not surrounded itself with a cordon of satellite states nor has it sought to subvert other nations' governments in the manner of the Soviet Union. Beijing does not export its ideology in the way the Soviet Union exported communism. On the contrary, it prioritizes economic growth as its guiding principle, allowing nothing to disrupt this growth. In this regard, China has garnered respect on the global stage."

Since the inception of the reform and opening-up, China has made significant contributions to the world's peaceful development, rooted in its fundamental philosophy and behavioral orientation toward peace. These contributions manifest across various facets. For instance, in upholding the international order, China has consistently supported a United Nations-centered international system, advocated for multilateralism, and opposed unilateralism, especially hegemonism predicated on the strong bullying the weak. In the realm of international economic interactions, China has championed conducting equitable and mutually beneficial economic exchanges in accordance with the rules of the World Trade Organization. With regard to developing countries, China has always advocated for providing assistance within its capacity while emphasizing mutual benefits.

It is particularly noteworthy that China's defense policy exemplifies its commitment to maintaining and contributing to world peace. China's

dedication to peaceful development is evident in its national defense policy through several specific contributions to world peace: first, significant disarmament. Given China's recognition of peace and development as the main global trends, it logically follows that substantial disarmament would ensue. Since the reform and opening-up, China has conducted several rounds of troop reductions. Notably, between 1985 and 1987, China reduced its armed forces by 1 million personnel; in 1997, another reduction of 500,000 was initiated; between 2003 and 2005, an additional cut of 200,000 took place; and starting in 2015, a further reduction of 300,000 was made. "Since the reform and opening up, China has been committed to promoting world peace, proactively reducing military personnel by over 4 million." The current size of the Chinese military stands at 2 million personnel. On one hand, there is the rapid development of China's modern economy, and on the other hand, there is a substantial downsizing of its military forces, presenting a stark contrast. This clearly reflects China's adherence to peaceful development as the trend of the times. Second, defense expenditures have been confined to a reasonable range. Following the reform and opening-up, with the establishment of modernization as the central task and increased investment in improving people's livelihoods, China significantly reduced the proportion of national defense spending. "The percentage of national defense expenditure relative to Gross Domestic Product (GDP) decreased from a peak of 5.43% in 1979 to 1.26% in 2017, maintaining below 2% for nearly three decades. In 1979, national defense spending accounted for 17.37% of national fiscal expenditure, which fell to 5.14% in 2017, a decline of over 12 percentage points, indicating an overall downward trend." Compared with other countries, China's defense spending as a percentage of GDP is relatively low. In 2020, the global average military expenditure as a percentage of GDP was 2.4%, with the United States at 3.7%, while China was only 1.7%. Third, active participation in United Nations peacekeeping operations. China first engaged in UN peacekeeping in 1990. From 1990 to 2020, China participated in 25 UN peacekeeping missions, dispatching over 40,000 peacekeepers. "From the initial military observers to structured units such as engineering squads, medical teams, transportation divisions, helicopter units, guard contingents, infantry battalions, as well as staff officers, military observers, and contracted military personnel in peacekeeping roles." All these endeavors have made substantial contributions to the maintenance of global peace.

## 4 CONCLUSION

### 4.1 *Increasingly Adverse International Factors*

As can be observed from the foregoing discussion, since the initiation of its reform and opening-up policies, China has seized a rare epochal opportunity, achieving a mutually beneficial interaction between its own modernization and the broader modernization of the world. On one hand, China's progress in modernization has been significantly facilitated by the global advancement of modernity—an essential factor underlying the country's universally acknowledged achievements. On the other hand, the forward momentum of global modernization has, to some extent, been spurred by China's developmental endeavors, marking a distinct departure from the past.

However, it must be recognized that the symbiotic dynamics between the modernization of China and that of the world are not without obstacles. This is due to a variety of unfavorable factors emerging from the international milieu that unavoidably influence China's development. These factors primarily stem from the immense competitive pressures exerted by the advanced productive forces and scientific technologies of developed nations, the various coercive measures imposed by the United States to suppress China's modernization, and the considerable uncertainties originating from developing countries. Among these, the pressure from the United States is most severe and direct.

The takeoff of China's modernization is a significant event in the narrative of global modernization. Owing to its vast scale and substantial achievements, China's economy now occupies an important position within the world economic system and wields increasing influence, thereby precipitating notable shifts in the fundamental structure of international relations. In a sense, the basic architecture of international relations is still shaped by powerful nations configuring the global landscape in accordance with their national interests, economic strength, technological advantages, and spheres of influence. Within this established framework, the United States still enjoys a predominant share of advantages and wields considerable influence and authority. As a superpower with a strong sense of superiority and a penchant for hegemony, the United States typically engages in unilateral external relations that favor its interests. In sectors where the United States maintains competitive dominance, it may pursue fair market competition to harvest the dividends of its competitiveness; conversely, in areas where it lacks an

advantage, it may resort to anti-globalization tactics, such as sanctions or even direct military strikes, to undermine the competitiveness of others and secure its hegemonic dividends. With China's rapid modernization, the United States has encountered an unprecedentedly formidable competitor since the end of the Cold War. Beginning in 2019, the United States has employed every tactic short of direct military confrontation, including economic sanctions, technological embargoes, political vilification, fomenting national division, and military intimidation, in a concerted effort to thwart the prospects of China's modernization.

After over four decades of reform and opening-up, China now possesses a colossal economic volume, a complete industrial chain, vast domestic and international markets, formidable defense capabilities, and is deeply integrated into the global market system. Viewed from a long-term perspective, the intense pressure from the United States is unlikely to inflict fundamental or catastrophic damage on China. Nevertheless, it is objectively evident that, in the medium to short term, American suppression will exert certain pressures on China's modernization, including its economic development, scientific and technological advancement, and external openness, resulting in noticeable adverse impacts.

#### *4.2 Proactively Addressing Various Adverse International Factors*

In the face of numerous adverse international factors, China's most efficacious strategy is to concentrate on its own affairs, expanding and strengthening its modernization endeavors. In this regard, China must be psychologically prepared for a long-term struggle and ready to undertake numerous specific tasks. Among these, several key areas warrant particular attention: Firstly, driving high-quality development of the Chinese economy. A robust modern productive force is the bedrock that will secure China's unassailable position. Xi Jinping has pointed out that focusing on economic development is crucial to national prosperity, and development is the first and foremost task in governance and rejuvenation of the nation—it is the foundation and the key to solving all of China's problems. Economically, China's scale is undeniably large. However, when the quality of the economy is scrutinized, there are a number of issues that become apparent. This is particularly evident in China's relatively low labor productivity and the excessive energy consumption per unit of output. This situation not only affects the sustainable development of the Chinese economy but also its competitiveness internationally.

The key to addressing this issue lies in upgrading and transforming the economy through the refinement of the market economy and vigorously developing high technology to achieve high-quality development. Secondly, fostering unity and integration within Chinese society. The greatest potential danger to China's modernization does not come from abroad but from within. In tandem with economic development, China should promote its own social unity and integration. If China can elevate its social cohesion in step with its economic leaps, then no country will have the strength to contain such a powerful and united nation. To this end, as China vigorously advances its modern economic development, it must pay attention to issues of social justice to harmonize the interest relationships among different groups, ensuring that gains are made in a coordinated manner that contributes to effective social unity and integration. Thirdly, adopting a more active stance on opening-up to the outside world. Economic globalization is an inevitable trend in the development of human society, "a result of the development of social productive forces and the inevitable outcome of scientific and technological progress." Given this, China should steadfastly join this historical current rather than retreat into isolation due to temporary adverse international factors. On the contrary, China should deepen and improve its openness to the outside world. To this end, China should actively promote the development of the "Belt and Road" initiative, make good use of important international platforms such as the United Nations and the WTO, adhere to their rules, engage in high-quality interactions with more countries, earnestly fulfill its obligations, and provide feasible assistance to developing countries. By excelling in these endeavors, China's modernization will not only reap increasing benefits from globalization over time and earn a better international reputation, but it will also effectively contribute to the peaceful development of the world.

In the grand scheme of things, globalization is an intrinsic principle of human societal development, and peaceful progress is the inexorable trend of the world. Today, "peace and development remain the central themes of our time." The historical trajectory of human advancement is not subject to the whims of human will and is an irresistible force for any nation. Furthermore, in the context of the relationship between the United States and China, the economies of both countries now exist within a unified global market system, rather than as two parallel economic entities, exhibiting a state of profound integration. This implies that any forceful sanctions and suppression of China's economy by the

United States would also inflict significant damage on its own economic interests. Evidently, such sanctioning and suppressive actions by the United States represent a classical zero-sum game, which is neither aligned with China's national interests nor with those of the United States. Fundamentally, the interactions between nations ultimately revolve around their respective economic interests, rather than the opposite. For any rational state, it is implausible to allow a mutually detrimental, zero-sum dynamic to persist indefinitely. In the long run, effective economic cooperation between the United States and China is the only course of action beneficial to the United States. This too is a pattern, and an ineluctable one at that. In this context, the United States needs to undergo a psychological adjustment process in response to the irresistible growth of the Chinese economy. After all, the United States is a nation that prioritizes its own interests and possesses a lucid understanding of them. Given time, once the United States psychologically adapts to this objective reality, it is reasonable to expect that its corresponding actions will alter to varying degrees, leading to an enhanced level of cooperation.

It is readily apparent that if China achieves high-quality economic development, strengthens its social cohesion, and adopts an enthusiastic stance toward deepening its openness and integration into the historical current of economic globalization, it can effectively advance its own modernization. Concurrently, this will facilitate the gradual improvement of the fundamental structure of international relations, curtail the unilateralist logic of the survival of the fittest, and contribute a beneficial impetus to the healthy and sustainable progression of global modernization efforts. All of these factors are conducive to fostering a continuous and positive interplay between China's modernization and the global modernization process.

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## Adverse International Factors Facing China's Modernization and the Countermeasures

In the context of contemporary society and market economy, it is imperative for any nation to open its doors and integrate into the global flow of modernization, including economic globalization, to survive and progress through interaction with other countries. This represents an inevitable trend in the development of human society, leaving no alternative for any nation. Since the initiation of the reform and opening-up, a significant reason behind the substantial achievements in China's modernization has been its engagement with the world through opening-up, thus joining the global process of modernization, which includes economic globalization. While benefiting from global modernization, China has also made noteworthy contributions to it. Consequently, there has been a preliminary establishment of a benign interaction between China's modernization and that of the world, a dynamic that is poised to exert extensive and profound influences both on global society and China itself. The importance of this issue merits becomes a significant research topic within academic circles.

It must be recognized that the world consists of over 200 nations and regions, each with their distinct interests and demands and varying levels of modernization, as well as differing degrees of international influence and discourse power. All these factors create a unique basic structure of international relations. In turn, this fundamental structure of international relations invariably impacts the modernization efforts of individual nations both positively and negatively. Since the end of the Cold War, the basic structure of international relations has been in a period of

significant transition. "Looking at the world, we are confronted with a major upheaval that has not been seen for a century." In such a critical period, multifaceted and multidimensional factors on the international stage converge, yielding a complex and extensive array of impacts, both advantageous and detrimental, on the modernization efforts of every nation. For example, to maintain their dominant positions and authoritative voice within the basic structure of international relations, countries such as the United States, which represent the modernized powerhouses, will inevitably suppress and undermine the development of potential rising nations. With China's rapid economic growth placing it second in the world and first among developing nations, China's increasing global impact is inevitable, and it will naturally face a multitude of adverse factors internationally. These negative influences, as they are becoming increasingly prominent, have begun to affect China's modernization construction and its beneficial interactions with world modernization.

It is crucial to note that the unfavorable international factors confronting China's modernization should not be simplistically attributed to oppression from the United States alone. Objectively speaking, the challenges to China's modernization arise predominantly from three aspects: from the perspective of modern productive forces, China is under pressure from the foundational economic competitiveness and crucial scientific and technological competitiveness of developed countries; from the perspective of direct competition, China faces various forms of suppression from the United States, the most powerful modernized nation; and from the perspective of broader cooperation and interaction in foreign affairs, China is also confronted with a diverse array of risks stemming from other developing countries. Clearly, addressing these adverse international factors effectively is a necessary condition for the healthy progression of China's modernization and for achieving sustainable and constructive interaction with global modernization.

## I FACING THE PRESSURE OF COMPETITION FROM ADVANCED PRODUCTIVE FORCES IN DEVELOPED COUNTRIES

From the perspective of modern productive force competition, China's modernization faces pressure that stems from the advanced economic competitiveness and cutting-edge scientific and technological prowess of



developed nations. This pressure constitutes the most fundamental challenge to China's modernization. The key to ensuring sustained progress in China's modernization lies in effectively addressing this challenge.

Since the reform and opening-up, China's modernization efforts have led to universally acknowledged significant achievements. The standard of living for its citizens has improved to an unprecedented degree, society has undergone transformative changes, and the economy has soared to become the second-largest in the world. Additionally, China has begun to integrate into the process of economic globalization, assuming an increasingly prominent role. In 2020, China's total volume of imports and exports accounted for 13.1% of the global trade, securing the top position worldwide. "China has become the largest trading partner for over 50 countries and ranks among the top three for over 120 countries." It can be said that, with its considerable economic scale, a complete industrial chain, and high economic interdependence with the majority of nations, China has established a solid foundation within the global market economy and is standing on firm ground. Currently some modernized powers, like the United States, harbor strong intentions to impede China's modernization and have put these intentions into practice, even resorting to severe and "robber-like" sanctions and embargoes on China's economy. The issue, however, is that facing a country like China—with its massive economic volume, intricate economic ties with key nations, deepening mutual economic dependency, and rapidly enhancing globalization—no modernized power, including the United States, can fundamentally alter China's positive economic trajectory or its significant role in the global economy, as long as China avoids serious internal problems and does not commit "subversive errors." This is an indisputable, objective reality.

China's modernization has taken off primarily due to the massive unleashing of potential through its market economy, the widespread benefits of cheap labor, the effective support of a complete industrial chain, the continuous momentum from initial industrial structure upgrading, the multiplier effect of the country's massive scale, the integrative effect of its strong social mobilization ability, and the substantial wealth accumulation that comes from its populace's globally recognized hard work and diligence.

At the same time, it is important to recognize that many countries are pursuing modernization. Whether developed countries can continue

to maintain or expand their advantages, and whether developing countries can achieve the goal of “catching up” with developed ones, depends on the competitive strength of each nation. According to the principle that productive forces determine production relations and that the economic base determines the superstructure, the most basic and fundamental competitiveness between nations in terms of modernization is the competition of productive forces; that is, the economic competitiveness and scientific and technological capabilities. Therefore, it can be reasoned that, to further advance China’s modernization and realize its ambition to become a modernized powerhouse, it is crucial to enhance China’s competitiveness in the economy and science and technology, the two most important aspects of productive forces. It is precisely in these two areas that China faces considerable pressure from developed countries, which is an objective reality that should not be overlooked.

Overall, China’s current economic level and scientific and technological standards still lag behind those of developed countries, and it faces immense pressure from the advanced competitiveness of these nations in both respects.

### *1.1 Significant Disparities in Economic Standards*

In terms of aggregate performance, China’s economy ranks first or among the top few globally on many crucial economic indicators. In 2020, China’s GDP total ranked second in the world, accounting for 17.4% of the global share; foreign direct investment in China was the second-highest worldwide, with a 15.0% global share; its outbound investment was in the lead globally, with an 18.0% share; and China’s foreign exchange reserves were the largest worldwide, with a 25% global share. As for industrial product outputs such as crude steel, coal, electricity, cement, fertilizer, and cotton fabric, China stands as the world’s leading producer. According to statistics from the World Steel Association, the global crude steel production in 2020 was 1.864 billion tons, of which China contributed 1.053 billion tons, accounting for 56.5% of the global production.

It is noteworthy, however, that despite these remarkable achievements in economic volume, a substantial gap remains when considering the actual level of economic development or the “quality” of economic

growth when comparing China to developed nations. This gap is particularly evident in China's relatively low GDP per capita and the comparably lower labor productivity.

In 2020, China's GDP per capita stood at \$10,500, which was essentially on par with the global average of \$10,909 but significantly lower than the average of \$43,953 for high-income countries. This figure was also substantially below the GDP per capita of the United States at \$63,544, the United Kingdom at \$40,285, Japan at \$39,539, Germany at \$46,208, and South Korea at \$31,489.

Closely linked to the modest GDP per capita is China's relatively low labor productivity and the high energy consumption in its production processes. As demonstrated in Table 1, in 2019, the gross domestic product (GDP) per employed person in China (when looking at the purchasing power parity in constant 2017 international dollars) was only \$30,143, which is notably lower than the average of \$103,571 for high-income countries. This productivity is significantly below that of the United States at \$128,447, the United Kingdom at \$94,007, France at \$111,303, Japan at \$78,570, and Australia at \$99,307, and it is also noticeably below the global average of \$39,722. Among developing countries and regions, China's productivity even fell short of Russia at \$56,950, Brazil at \$33,025, Argentina at \$52,840, and Iran at \$44,190 (2015), only surpassing India at \$19,729. Furthermore, Table 1 reveals that in 2014, China's energy consumption per \$10,000 GDP (when looking at the purchasing power parity in constant 2017 international dollars) was 1.88 tons of oil equivalent, significantly higher than the average of 1.02 tons for high-income countries, 1.4 tons for middle-income countries, and 1.21 tons for the global average. In comparison, the United States' energy consumption was 1.21 tons, the United Kingdom's was 0.63 tons, France's was 0.85 tons, Japan's was 0.89 tons, Australia's was 1.12 tons, Brazil's was 0.95 tons, and India's was 1.25 tons.

This indicates that, for China, a nation with only over four decades of history in earnest modernization efforts, there remains a significant journey ahead in the economic modernization process. Correspondingly, as modern economy is the material foundation of contemporary society, the construction of a fully modernized Chinese society will demand prolonged and arduous efforts. It is crucial to maintain a lucid awareness of this reality.

**Table 1** International comparison of GDP per employee and energy consumption per \$10,000 GDP

<i>Country</i>	<i>GDP per employed person (purchasing power parity, constant 2017 dollars). Unit: Dollars. 2019</i>	<i>Energy consumption per \$10,000 GDP (purchasing power parity, constant 2017 prices). Unit: Oil equivalent in tons. 2014</i>
The world	39,722	1.21
High-income countries	103,571	1.02
Middle-income countries	27,852	1.4
Lower-middle-income countries	25,840	
Low-income countries	6620	
China	30,143	1.88
United States	128,447	1.21
United Kingdom	94,007	0.63
France	111,303	0.85
Japan	78,570	0.89
Russia	56,950	1.86
Australia	99,307	1.12
Brazil	33,025	0.95
Argentina	52,840	0.86
Iran	44,190 (2015)	2.35
India	19,729	1.25

National Bureau of Statistics: "International Statistical Yearbook – 2020."

## *1.2 The Substantial Gap in Science and Technology*

In the realm of science and technology, despite the tremendous strides China has made since the implementation of its reform and opening-up policies, the overall gap between China and developed countries remains considerable. Currently, China's scientific and technological capabilities exhibit advantages in certain specific fields, or in other words, possess strengths at specific points, yet lack a comprehensive or systemic advantage.

In this context, two interrelated indicators are particularly telling of a country's fundamental scientific and technological level: the ratio of research and development (R&D) expenditure to the Gross Domestic Product (GDP) and the number of researchers per one million people. The former indicator reflects the material conditions a country can provide for the development of science and technology, while the latter

Illustrates the human resource support available for scientific and technological advancement. Table 2 demonstrates that, despite significant progress over the past two decades, China still lags considerably behind developed nations in these key metrics. In 2017, China's R&D expenditure as a percentage of GDP was 2.1%, aligning with the global average; however, this figure trails the average of 2.6% for high-income countries, 2.8% for the United States, 2.2% for France, and 3.2% for Japan. Regarding the number of researchers per one million people, China had 1224.8 in 2017, significantly surpassing the average of 736.5 for middle-income countries (2015) and substantially higher than the numbers for developing countries and regions such as Brazil, Argentina, and India. Nevertheless, this is notably below the average of 4350.8 for high-income countries. By comparison, the United States boasted 4412.4 researchers, the United Kingdom 4341.2, France 4561.1, Japan 5304.1, and Australia 4532.4 (2010).

Additionally, China lags notably behind some developed nations in specific indicators such as the number of Nobel Prize laureates and the

**Table 2** International comparison of the proportion of research and development expenditure to GDP and researchers per one million people

<i>Country</i>	<i>R&amp;D expenditure as a percentage of GDP (Unit: %). 2017</i>	<i>Researchers per one million people (Unit: Persons). 2017</i>
The world	2.1	
High-income countries	2.6	4350.8
Middle-income countries	1.4	736.5 (2015)
China	2.1	1224.8
United States	2.8	4412.4
United Kingdom	1.7	4341.2
France	2.2	4561.1
Japan	3.2	5304.1
Russia	1.1	2821.5
Australia	1.9	4532.4 (2010)
Brazil	1.3	887.7 (2014)
Argentina	0.5	1192.2
Iran	0.8	
India	0.7	216.0 (2015)

National Bureau of Statistics: "International Statistical Yearbook – 2020."

income from intellectual property (IP) royalties. Regarding Nobel laureates, China currently has only two. “As of 2020, the Nobel Prize has been awarded to 930 individuals, hailing from dozens of countries and regions. The United States boasts the most laureates, with 384 recipients, accounting for over 40% of all Nobel laureates. The United Kingdom and Germany follow, each with over 100 recipients.” While the quantity of Nobel laureates may not fully encapsulate a nation’s foundational scientific and technological condition, and the number is influenced to some extent by various factors including history, culture, politics, and nationality, it must be acknowledged that this metric does, to a certain degree, reflect the general level of a nation’s scientific and technological prowess. Furthermore, when examining the status of income from IP royalties, China is also significantly behind some developed countries. This indicator can, to some extent, directly demonstrate a nation’s capacity for technological innovation. Compared to developed nations, China’s income from IP royalties is notably lower. In 2020, China’s IP royalty earnings amounted to only 8.55 billion USD, while France generated 14.67 billion USD, the United Kingdom 23.9 billion USD, Germany 35.87 billion USD, Japan 43.03 billion USD, and the United States a staggering 113.78 billion USD. China’s figures were only slightly higher than Singapore’s, a nation with a much smaller economic scale, at 8.28 billion USD.

The considerable gap between China and developed countries in both economic and scientific-technological dimensions exerts tremendous pressure on China’s modernization efforts. The advanced modern economies and cutting-edge science and technology of countries like the United States enable them to occupy high-end positions in industrial chains and commanding heights in science and technology. This, in turn, affords them significant advantages in international economic exchanges, such as the power to shape discourse around regulations, set standards, and determine product pricing. Once a nation wields these dominant regulatory, standard-setting, and pricing powers, it effectively means that developed countries possess a greater share of profit distribution rights in their international economic interactions, which are advantageous toward their own interests. All these factors constitute a formidable competitive edge and exert direct pressure on China’s modernization initiatives, necessitating substantial costs. For instance, as a country with relatively low per capita oil resources, China must import large quantities of crude oil to meet the needs of its modernization, making it the world’s largest importer of

crude oil. Concurrently, due to its technological lag and urgent modernization requirements, China is compelled to invest considerable funds to import high-tech products from developed nations. For example, in 2020, China's total imports of crude oil amounted to approximately 1.22 trillion RMB, ranking first in the world in terms of cost. At the same time, China imported 543.5 billion units of integrated circuits, with a total import value of 2.42 trillion RMB. The funds China spent on integrated circuit imports have exceeded the amount spent on crude oil imports by more than double.

It is crucial to acknowledge that the significant disparity between China and developed countries in economic and scientific-technological dimensions has multifaceted adverse effects on China's modernization efforts. In the long term, if these critical issues cannot be effectively addressed and overcome, this gap will not only escalate the cost of China's modernization, but also weaken its direct endogenous impetus for modernization, leading to a deficiency in sustained driving force. This could broadly hinder China's pursuit of high-quality economic growth and limit its ability to establish commanding heights in its modernization endeavors, consequently impeding China's potential to emerge as a frontrunner in global modernization.

The history of world modernization illustrates that a nation's aspiration to play a pivotal role in global modernization increasingly hinges on its ability to achieve high-efficiency, high-quality economic development. Moreover, as the linkage between economic development and science and technology tightens, the potential for a nation to realize such high-efficiency, high-quality development increasingly depends on breakthroughs in scientific and technological innovation. As Marx noted, the enhancement of labor productivity "depends on the general level of science and the progress of technology, or, in other words, on the application of science in production." Only by making significant contributions to key industries and scientific and technological advancements can a country cement its critical position in the world's modernization narrative. For instance, the United Kingdom's leadership in the first industrial revolution and the United States' leadership in the second and third industrial revolutions enabled them to secure dominant positions in the course of world modernization successively. From this perspective, it is evident that for China to alleviate and resolve the pressures of advanced productive forces from developed countries, make substantial progress in

its modernization projects, and secure a significant role in world modernization, a prerequisite exists. China must persevere in striving to achieve breakthroughs in the development of key industries and in technological innovation, playing an instrumental and leading role and thereby making historic and significant contributions to global modernization.

## 2 CONFRONTING THE UNITED STATES' SUPPRESSION THAT SAFEGUARDS ITS OWN INTERESTS

From the perspective of direct competition, China faces various forms of suppression and embargo from the United States, the most powerful modernized nation in the world. Furthermore, by leveraging its advantageous position within the fundamental structure of international relations, the United States is capable to a certain extent of mobilizing various international factors unfavorable to China's modernization efforts, thus intensifying the force and pernicious impact of such suppression.

In the international arena, if the first formidable pressure faced by China's modernization is the competitiveness of developed countries' modern economies and scientific-technological advancements, then the second substantial pressure comes from the deliberate suppression orchestrated by the United States, which wields the greatest influence within the current international relations framework, to protect its own vested interests.

### *2.1 Nations with Greater Power Exert Significant Influence on the Basic Structure of International Relations*

Within each sovereign state, there naturally exists a public authority institution, namely the government, which is recognized by its citizens and designed to coordinate the interests among various groups within the country, thereby maintaining its normal functioning. In contrast, in the international community, there is no universally recognized "world government" serving as a public authority institution. It is in this sense that, "despite many differences between the modern global system and ancient international systems, their nature is fundamentally anarchic." Although the number, and sometimes influence, of international organizations are increasing, it must be acknowledged that, in general, the role these international organizations play can never be equated with the public authority institutions within sovereign states. For larger and



more powerful nations, the influence of international organizations is even more limited.

An objective reality, whether favored or not, is that nations with substantial strength and influence have a profound impact on the basic pattern of international relations. This constitutes a principle within the field of international relations. Despite the impossibility of a “world government,” it is undeniable that the necessity for extensive international openness and the resultant large-scale interactions among states inevitably lead to the formation of a certain international relational order. Such an order and the international organizations that facilitate interaction and dialogue among nations lay the groundwork for the basic pattern of international relations. Without this, exchange among nations, external openness of states, and the entire global economic integration could not proceed, potentially plunging the world into a state of disorder. The question, then, is how this basic pattern of international relations comes into being. To a certain extent, the realist theory within international relations theory offers a plausible explanation for the formation of this pattern. According to realism, the so-called international system is a power-political theater with nation-states as principal actors, operating in a state of anarchy. There is no world government or universal authority to enforce laws and establish order. For the vast majority of small and medium-sized countries, the consideration of an exerting force at the systemic level does not exist. Typically, they can only comply with the existing structure and may seek to protect their security by forming alliances with superpowers. In this context, it is fair to say that the formation of the basic pattern of international relations will naturally follow the principle of state strength: one or several nations with significant economic and military power can shape a pattern of international relations that favors their own interests. Within this pattern, powerful nations thus acquire a corresponding advantage.

In essence, the majority of the nations’ activities of competition and cooperation are carried out within the framework of this international relational structure. Evidently, the basic pattern of international relations tends to favor the modernized powers that command greater strength, influence, and a stronger voice in international discourse. Although human civilization is continuously advancing, with an increasing awareness of sovereignty and equality among nations and a growing proportion of just actions within the international community, for a considerable historical period, nations have naturally prioritized their own national

interests. Consequently, the practice of prioritizing national interests above those of other states is a “normal” and “standard” choice. Associated with this is the predilection in contemporary international interactions to prioritize one’s own national interests above international morality and the interests of other nations. Looking further, under normal circumstances, since the basic pattern of international relations is shaped under the dominance of major powers and practical considerations prioritize national interests, the existing pattern evidently favors the interests of these major powers. Such powers can leverage their substantial strength and discourse to “smuggle” their own interests into the international pattern, thereby accruing additional benefits. Of course, the actions of these powerful states should have a reasonable boundary: they should not come at the expense of the legitimate interests of other nations. Otherwise, this could evolve into an unjust practice of self-benefit at the harm of others. The issue is that such unjust behavior is all too common and even a matter of course, particularly among some major powers like the United Kingdom and the United States.

## 2.2 *The United States Uses Various Means to Suppress Any Competitor*

Since the nineteenth century, the fundamental pattern of international relations has undergone a period of significant change. Prior to World War II, European powers dominated the basic configuration of international affairs, holding a hegemonic status over the world. “For 150 years before the end of the Second World War, Europe was recognized as the geopolitical center of the world. During this period, the European powers were engaged in a vigorous contest for overseas colonies and domination over Europe itself. Consequently, Europe was both the battleground for global competitors and the arena for the struggle for supremacy among the great powers.” This scenario changed with the advent of World War II. For a considerable length of time following the end of the war, the new foundational structure of international relations was governed by the Yalta system established by the wartime Allied leaders, which resulted in a bipolar world dominated by two superpowers, the United States and the Soviet Union. This bipolar configuration led the world into a prolonged period of the Cold War, characterized by severe confrontation. “The Cold War’s most salient feature was the ideological and power struggle between the Eastern bloc, led by the Soviet Union, and the

Western bloc, led by the United States. Both superpowers established their respective alliances and engaged in intense rivalry and contention across the Eurasian continent.” With the dissolution of the Soviet Union in 1991, the severe standoff between the Eastern and Western blocs came to an end, and international relations began to take on a “one superpower, multiple great powers” structure. During the two decades from the 1990s to the early twenty-first century, the United States, as the sole superpower, wielded unprecedented influence over the entire world, while China, the European Union, and Russia, among other nations, also held significant sway. This gave rise to a situation where, on one hand, the process of global modernization was advancing, and on the other, the intricacies and contradictions between nations were becoming increasingly entangled. All of these factors contribute to meaningful shifts in the basic pattern of international relations.

Historically, it must be acknowledged that the United States has played a vital and predominantly positive role in advancing global modernization, not merely acting as a disruptive force. To deny this contribution is to eschew a realistic and objective stance. The United States has undoubtedly been instrumental in the development of the modern global economy, advancements in science and technology, and the cultivation of human resources. Furthermore, the United States has made certain contributions to the establishment of a stable international order, as evidenced by its pivotal role in the founding of the United Nations and the drafting of the United Nations Charter. In this regard, as Lee Kuan Yew once stated, it can be said that “The world has developed because of the stability America established. If that stability is rocked, we are going to have a different situation.”

In the contemporary landscape of international relations, the United States, by virtue of its formidable national strength, retains substantial influence and authority on the world stage, significantly shaping the fundamental patterns of global interactions. Whether one approves or not, this is an objective reality that must be acknowledged. At the conclusion of World War II, the economic indicators of the United States were staggering: American GDP accounted for 56% of the world total, industrial output exceeded 40% globally, gold reserves represented 75% of the world’s total, steel production was 63.9%, oil production was 70%, and US goods comprised 50% of the global consumer goods market. From the dawn of the twentieth century to the present—a span of more than a hundred years—the United States has consistently been at the

forefront of modern economic and scientific technological arenas. Influenced by a myriad of historical and current factors, the United States has amassed a multitude of allies and followers, including expansive military alliances like NATO and targeted regional military partnerships with countries such as Japan and South Korea, as well as a plethora of economic and issue-specific alliances. Moreover, the United States possesses the largest military force in the world. In 2020, American military expenditure amounted to \$778 billion, nearly 40% of global military spending. Although the number of overseas bases was significantly reduced after the Cold War, there were still 514 US military installations abroad in 2018. It is on the basis of such overwhelming national strength and international influence that the United States has played a significant role in the formulation of key international rules, thereby impacting the basic structure of international relations. “Following World War II, the United States’ capability in participating in and leading the establishment of international norms and rules was unrivaled. The collective security system of the United Nations Security Council was established under U.S. leadership, and reforms to United Nations regulations were also subject to American influence. The United States spearheaded the creation of institutions like the World Bank (WB), the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade (GATT), which have become integral to the institutional framework of the post-war international economic order.” All these aspects ensure that the United States will continue to be a powerful and influential modernized nation for a considerable period in the future. As Lee Kuan Yew pointed out, “For the next two to three decades, America will remain the sole superpower. The U.S. is the most militarily powerful and economically dynamic country in the world. It is the engine for global growth through its innovation, productivity, and consumption.” This is one aspect of the issue.

On the other side of the equation, the United States is wary of other nations that are rapidly advancing in their modernization efforts, particularly those large in scale and steadily increasing in modernization levels, guarding against any state that poses a challenge or even a potential challenge to American national interests and influence. As the world’s only superpower, the United States possesses a profound sense of superiority, habitually criticizing and intervening in the affairs of any nation it disapproves of. Henry Kissinger observed, “The United States considered itself both the source and the guarantor of democratic institutions around the globe, increasingly setting itself up as the judge of the fairness of foreign

elections and applying economic sanctions or other pressures if its criteria were not met.” Importantly, when the United States perceives that a country’s modernization momentum is accelerating, potentially affecting its influence and authority in the world, or if a specific company’s technology in another country might surpass or impact the leading position of American technology in the same field, the United States does not hesitate to exert heavy pressure. It combines the potential weakening of its national interests with its self-declared moral high ground, using national interests as the starting point, values or other pretexts as excuses, and its national strength as support, sparing no effort to suppress, regardless of whether the target is an ally. Furthermore, the United States has at its disposal an extensive “toolkit” for exerting pressure, with a diverse array of options ranging from political measures (including the means to subvert a government), military strikes, economic sanctions, technological embargoes, and extraterritorial judicial measures to various technical financial methods. The specific tactics employed are contingent upon the particular circumstances at hand.

On the national level, the United States’ suppression of Japan holds particular significance. In the 1970s and 1980s, Japan’s economy experienced rapid development. “In gross national product per person, Japan surpassed the United States in 1977 or 1978, according to varying estimates by economists.” A plethora of Japanese electronics corporations that were leaders in the global market rose to prominence, with their products proliferating across numerous nations. Japan’s surge in goods exports resulted in a substantial trade surplus with the United States, evidently impacting the American economy and its global economic influence. In response, through the Plaza Accord, the United States implemented a series of stringent economic countermeasures against Japan. These measures significantly restricted Japanese exports and forced the opening of its domestic market. Against the backdrop of persistent American pressure on Japan’s export and market sectors, the Japanese government’s mismanagement led to the country falling into the “economic pressure trap” set by the United States, culminating in a period of stagnation following the bursting of the economic bubble in the 1990s.

Regarding the suppression of specific corporate entities in other countries, the United States’ extraterritorial jurisdiction over the French high-tech firm Alstom is emblematic of American actions against foreign high-tech enterprises that threaten the prospects of domestic American companies. Alstom, a significant French high-tech enterprise, was once

a global leader in hydroelectric and high-speed rail technologies, and its advancements also supported France's prestigious nuclear power industry. To eliminate this competitor, the United States facilitated the acquisition of Alstom by General Electric at a bargain price. To achieve this discounted purchase, the United States arrested Alstom executive Frederic Pierucci on allegations of business bribery in Indonesia, detaining him for over two years and imposing a hefty fine of \$772 million on Alstom. Ultimately, in 2014, Alstom was acquired by General Electric at a reduced price, and thus the United States eradicated a formidable international high-tech competitor. Pierucci lamented, "The United States has become the only nation capable of enacting and enforcing extraterritorial laws." "For nearly two decades, European countries have willingly endured this 'extortion'. Firms from Germany, France, Italy, Sweden, the Netherlands, Belgium, and the United Kingdom have been sanctioned for bribery, banking crimes, or violation of embargoes, with billions of dollars in fines flowing into the coffers of the United States Treasury."

Furthermore, the United States has exploited its technological superiority in networking to conduct surveillance on leaders of many countries, including its allies, and on international organizations, including the United Nations, intercepting a multitude of confidential communications. The Record of the United States' Global Surveillance Activities, disclosed by the China Internet News Research Center, reveals that "the United States engages extensively in clandestine surveillance worldwide. Leaders from as many as 35 countries, including UN Secretary-General Ban Ki-moon, German Chancellor Angela Merkel, and Brazilian President Dilma Rousseff, have appeared on the National Security Agency's monitoring list." "In addition to the United Nations headquarters, the IT infrastructure and server information of the European Union and the International Atomic Energy Agency have been compromised by the United States." Such practices constitute a severe violation of international law and an infringement upon the legitimate rights of the concerned parties.

### 2.3 *China Becomes the Main Target of US Suppression*

As China swiftly advances its modernization efforts and correspondingly expands its global influence, the focus of the United States' strategies to suppress other nations has gradually shifted toward China.

Over the past four decades, since the implementation of its reform and opening-up policies, China has achieved universally acknowledged

monumental successes in its modernization. The gap between China's and the United States' GDP has rapidly narrowed, while the proportion of the US economy in the global total has noticeably declined. In 1978, China's share of global GDP was a mere 1.7%; by 2000, this had risen to 3.5%—double the figure from 1978, yet still only 11.7% of the US GDP. By 2020, China's share had surged to 17.4%, amounting to 70.3% of that of the United States. In the year 2000, the United States' share of global GDP was 30.6%; this decreased to 24.7% by 2020. China now leads the world in total volume of goods traded and foreign exchange reserves. In certain scientific and technological domains, such as 5G technology, China is beginning to take a leading global position. It is important to note that China still has a considerable way to go in terms of per capita GDP to surpass the United States, but given China's large national scale and sustained economic growth momentum, surpassing the United States in total GDP seems to be an eventuality, barring unforeseen circumstances. "Goldman Sachs has projected that in 2027 China will overtake the United States as the world's largest economy." Crucially, compared to per capita GDP, the total GDP of a country has a relatively greater impact on global influence and discourse power. Thus, the rapid growth of China's GDP contributes to its swiftly growing influence and voice on the world stage, facilitating an increasingly advantageous position in the fundamental structure of international relations. Some scholars have posited that "as a world order led by China emerges, the US-dominated world order is disintegrating at an impressive rate." While such a statement may seem absolute, it nonetheless contains an element of validity.

From the American perspective, significant shifts in the basic structure of international relations, compounded by various emerging social contradictions within the country, have led to a severe sense of crisis and anxiety. "From a realist viewpoint, it is natural for a rising power to become assertive and for a declining power to respond anxiously." Faced with the objective reality of China transforming from a relatively backward country into a strong modernized nation and an unprecedented powerful competitor since the Cold War, initially "The sense of cultural supremacy of the Americans will make this adjustment most difficult." To maintain its dominant global position and sense of superiority, the United States is likely to intensify its efforts to undermine a rising formidable opponent. Furthermore, several severe domestic social contradictions have emerged in recent years, such as rapid inflation, unprecedented public debt that

has reached a historical high as reported by the United States Treasury with figures exceeding \$30 trillion as of January 31, 2022, and stark ethnic tensions and wealth disparities, leading to noticeable societal fragmentation. The prominence of these domestic social issues necessitates that the US government designates a formidable foreign “hypothetical enemy” that can garner national consensus. Subsequently, under the guise of “America First” and defending national interests, the United States employs an “anti-globalization” approach to divert public attention and deflect from severe domestic social issues. Moreover, for electoral reasons, American politicians can sometimes “win elections by running against an imaginary enemy.” In summary, multiple factors—including China’s modernization, shifting blame for domestic social issues, and electoral politics—inevitably result in the United States imposing unprecedented, comprehensive, and sometimes unscrupulous suppression, sanctions, and blockades on China.

Since 2019, the United States has mobilized nearly every conceivable resource and tactic, short of direct military engagement, against China across all major spheres of interaction.

On the security front, the United States, in concert with some of its allies, has sought to construct an “Asia-Pacific NATO” in opposition to China, while simultaneously exerting deterrence in the Taiwan Strait, South China Sea, and East China Sea regions. “The United States, leveraging ideological and civilizational clashes, aims to build an international anti-China coalition. This coalition is envisioned with the ‘Five Eyes Alliance’ at its core, backed by NATO’s military might, and fronted by the Indo-Pacific strategic partnerships to contain China’s influence.”

Economically, the United States has levied a multitude of retaliatory tariffs that span a broad spectrum of Chinese industries, alongside sanctions on numerous Chinese corporations. In an effort to suppress the Chinese tech giant Huawei, the United States has even resorted to extrajudicial measures, fabricating charges to arrest and prosecute Meng Wanzhou, Huawei’s CFO, in Vancouver, Canada—a political case emblematic of extraterritorial judicial overreach, in direct contravention of the principles of international law.

On the political stage, the United States has endeavored to forge a “democratic alliance” to balance against China, utilizing issues in Hong Kong, Xinjiang, and Tibet as pretexts for intervening in China’s domestic affairs.



In the realm of technology, the United States has adopted a plethora of suppressive and obstructive measures against China. “The U.S. perceives technological competition as the crux of the Sino-American strategic rivalry. The long-term, systematic, multi-domain, and alliance-based characteristics of U.S. competition against China in technology are increasingly pronounced. The U.S. seeks to exert comprehensive pressure on China through strategies such as augmenting investments in technological R&D, reforming its domestic research systems, implementing a ‘small yard, high fence’ approach, constructing a ‘democratic technology alliance’, contesting for global research talent, and dominating international technology standards—all in a bid to consolidate its ‘technological leadership’ and construct a ‘position of power’ aimed at China.” Huawei, as one of China’s most significant high-tech enterprises, has been particularly targeted and subjected to multiple rounds of sanctions.

Diplomatically, the United States has closed some of China’s consulates on American soil and has severely restricted academic exchanges and the activities of Chinese students in the United States.

On the international stage of public opinion, the United States has engaged in stigmatization campaigns against China. For its own interests, the United States has affixed a series of pejorative labels to China such as “China threat,” “neocolonialism,” “authoritarianism,” “cultural infiltration,” “deception,” and “manipulation.” “Once established, stigmatization can have adverse effects on the targeted nation, and can even provide a pretext for the stigmatizing nation to adopt exclusionary or aggressive policies—thus, stigmatization can be seen as a political strategy.” Even former President Trump, without any evidence, labeled the COVID-19 virus as the “Wuhan virus” or “China virus” in an attempt to stigmatize and tarnish China’s image.

By observing the various suppressive actions undertaken by the United States against China, it is not difficult to discern that an array of terms traditionally bearing negative connotations, such as “rogue,” “thief,” “deceiver,” “scoundrel,” “villain,” and “insane,” when applied to describe the current suite of policies and strategies that the United States has adopted toward China, seem to resonate with a sense of accuracy and appropriateness. Such descriptions do not appear to be exaggerated or unwarranted.

While the United States’ multifaceted pressure campaign against China may not hinder China’s long-term modernization trajectory, it has had a palpable negative impact in the short term, disrupting the pace of China’s

modernization efforts to some extent and inducing a reactive, rather than proactive, posture in China's high-tech development.

### 3 FACING A MULTITUDE OF SOCIAL RISKS ARISING FROM DEVELOPING COUNTRIES

From the perspective of broader international engagement and cooperation, China's modernization faces a plethora of diverse risks originating from developing countries. The adverse impacts of these risks on China's modernization are not only apparent in the present but are also likely to have more extensive and profound negative effects in the long run.

It must be acknowledged that as long as China pursues an open-door policy and engages in cooperation with other nations, its modernization efforts must confront not only the pressure of advanced productive forces from developed countries and the varied forms of suppression by the United States, which aims to maintain its advantageous position in the basic international relations structure, but also the multitude of uncertainties, varied risks, and their consequent adverse effects originating from developing countries.

#### *3.1 Cooperation with Other Developing Countries Is Indispensable for China*

From the standpoint of international engagement and cooperation, China's interaction with other developing countries has a solid foundation. On one hand, although the level of modernization in developing countries may not be high enough to offer direct and effective support to China in aspects such as modern productive forces, scientific and technological advances, or capital, China possesses relative advantages in these areas, which can facilitate mutually beneficial cooperation with other developing countries. China's reciprocal and advantageous interactions with many developing countries have a certain historical tradition. Starting from the 1950s, China has provided generous assistance and constructed various socioeconomic projects in numerous developing countries, establishing a strong national reputation. Moreover, the concept of a shared human destiny proposed by China in recent years resonates with many developing countries. All these factors contribute to fostering effective and mutually beneficial cooperation between China and a multitude of developing countries. On the other

hand, looking at the potential of developing countries to positively contribute to China's modernization, as their modernization progresses and economic globalization advances, developing countries can offer important natural resources, increasingly expansive market potential, and growing developmental opportunities to China. Furthermore, in the context of responding to the intense pressure from the United States, many developing countries represent regions where American influence is relatively weak, thus providing China with necessary maneuvering space, creating a countervailing force, and enhancing the strategic depth of China's modernization. Additionally, "If developing countries prosper, the world will have a more solid foundation for stability and prosperity." This scenario, in turn, can provide a vital and indispensable positive safeguard for an international environment that is conducive to China's modernization.

Compared to the era of planned economy, China's foreign economic engagement has undergone significant transformations since the advent of the Reform and Opening-Up policy. During the planned economy period, China's openness to the outside world was essentially in a state of stagnation, with foreign trade volume being extremely limited. In 1977, China's total import and export trade volume was a mere 27.25 billion RMB. By 1978, China's foreign exchange reserves were only a paltry 167 million USD. Under these circumstances, foreign trade contributed negligibly to China's overall economic development, to the extent that it was almost inconsequential. It could be said that China was substantially isolated at that time. Interactions between China and developed countries were largely limited to reciprocal economic exchanges at the governmental level. In contrast, China's economic exchanges with a large number of developing countries were predominantly characterized by state-assisted and cost-disregarding interactions, such as grants and low-interest loans, where the political implications often overshadowed the economic significance. Furthermore, due to the absence of private enterprises at the time, there was essentially no scope for private economic engagement with foreign entities.

However, post reform and opening-up, China embarked on a path of true modernization, adopting a market economy system and integrating into the global market economy. Against this backdrop, China inevitably began to massively open up to the outside world. China's economic cooperation with other nations, including developing countries, had to be conducted in accordance with market economy principles,

adhering to the local laws and engaging in mutually beneficial economic activities. Only through such an approach could China's economic interactions with other countries, including developing countries, achieve reciprocity, cooperation for mutual gain, and sustainability. Moreover, within the context of a market economy, a substantial number of private Chinese enterprises were compelled to "go global," engaging in economic interactions abroad, including with developing countries. These outward economic engagements are an integral component of China's modernization efforts and constitute a necessary undertaking. Economic interactions with other developing countries provide a beneficial impetus to China's modernization trajectory.

### 3.2 *Diversification and Complications in Developing Countries*

It must also be recognized that the unique circumstances of developing countries themselves introduce considerable uncertainty and a multitude of risks to China's modernization efforts. As the world has advanced in modernization, including the process of economic globalization, the situation in developing countries, compared to the immediate post-World War II period, has undergone significant changes, resulting in a more complex and diversified landscape. Firstly, economic globalization has drawn an increasing number of developing countries into the fold of the global modernization process, leading them to engage in international economic activities governed by market economy principles. It is within this context of globalization that the disparities in modernization achievements among developing countries have widened. Some, like China, have managed a preliminary leap into modernization, while countries such as South Korea and Singapore have joined the ranks of high-income nations; others have accelerated their modernization efforts, still others are proceeding at a more gradual pace, and there are those that have yet to commence modernization, remaining in a state of stagnation.

Secondly, the cultural dynamics within developing countries present a particularly complex situation. On one hand, the valuable elements within the diverse cultural traditions of developing countries have fostered various modernization pathways. "Economic prosperity serves to transform the self-confidence and self-image of societies, thereby enabling them to project their political and cultural values on a broader canvas." In this context, the inclusivity toward foreign cultures, including those of many developing countries, is on the rise. The historical tendency for

developed countries to attempt to eradicate and destroy the cultures of less developed nations during the early stages of world modernization has, to some extent, been mitigated. On the other hand, as part of the process of globalization, “in social terms, contacts among people with different religious beliefs and other deeply held values have often led to conflict: witness the great crusades of medieval times (the eleventh through the thirteenth centuries) or the current notion of the United States as ‘the Great Satan’ held by some Islamic fundamentalists in the Middle East.” Clearly, from social and economic perspectives, globalization does not necessarily lead to homogenization. Consequently, many developing countries and regions are experiencing conflicts between religions, ethnic groups, and value systems, and in some cases, there are movements that resist globalization and reject modern civilization.

Thirdly, shifts in the fundamental patterns of international relations have prompted new behaviors among some developing countries. Following the end of the Cold War, there was a significant transformation in the basic structure of international relations. As the United States intensified its efforts against certain “imagined enemies” among developing countries, anti-American and anti-Western sentiments have been fostered and have spread in some countries, particularly in the Middle East and Latin America. Moreover, as some developing countries have achieved certain milestones in their modernization, the emergence of more autonomous national forces has led to the formation of new, closer, and more independent economic relationships with neighboring states, thereby altering the geopolitical landscape of their regions to varying degrees. The countries of the Association of Southeast Asian Nations (ASEAN) and some in Africa fall under this category. Additionally, some former colonies, despite gaining independence, still maintain historical and contemporary ties with their former colonial powers to some extent, and the influence of the former colonial powers persists, further complicating geopolitical intricacies. The relationships between some African countries and nations such as the United Kingdom and France are illustrative of this scenario. It is noteworthy that these three situations often intertwine, further complicating the already complex interrelations among these countries.

### 3.3 *The Main Manifestations of Social Risks Arising from Developing Countries*

The complex nature of developing countries has spawned a variety of interest demands and corresponding intricate attitudes and behaviors in foreign interactions. From the perspective of the international environment, this diversity introduces numerous uncertainties into China's modernization efforts, creating several social risks and potentially yielding negative effects.

Firstly, there is significant volatility in the major policies of some developing countries. The varied national conditions of developing countries are an undeniable reality. "The political systems, economic development, and religious beliefs of the countries collaborating on the 'Belt and Road' initiative differ enormously, with many facing substantial domestic security risks." Some developing nations have a low level of modernization, lack comprehensive market economy regulations, have an underdeveloped rule of law, and suffer from low national creditworthiness and inferior state governance. Additionally, the governments of these countries are often heavily influenced by various domestic interest groups and the politics of elections, leading to frequent and arbitrary policy changes and government turnovers. Consequently, these countries are prone to take short-sighted actions that disregard long-term national interests, resulting in unpredictable behavior. In such contexts, it is possible for developing countries to introduce policies that are detrimental to foreign investors without warning, including those from China. In 2016, the President of Zimbabwe issued a "mandate" to all foreign-owned companies to either transfer a minimum of 51% of their shares to black Zimbabwean citizens by April 1, according to the country's indigenization laws, or to cease operations and leave. "According to data from the Chinese embassy, over 10,000 Chinese merchants were conducting business and residing in Zimbabwe at that time. Investment figures for Zimbabwe in 2012 indicated that foreign investment amounted to 929 million US dollars, with Chinese investments accounting for 72%. This meant that after March 31, these businesses would either have to give away 51% of their shares to the Zimbabwean government without compensation or shut down." Similarly, in Sri Lanka, "in January 2015, following the electoral defeat of former President Rajapaksa, who had previously been a strong supporter of the 'Colombo Port City' project, the new government called for a review of the project on the grounds of insufficient feasibility assessment

and environmental impact, thereby inflicting substantial financial losses on Chinese investors.”

These examples highlight the dynamic and unpredictable socio-political landscapes within developing countries, which can pose significant risks to foreign investments and international collaborations.

Secondly, geopolitical risks are prevalent. Some developing countries do not approach matters from the perspective of comparative advantage in foreign trade but often impose deliberate restrictions and exclusions on economic and trade activities from China based on geopolitical stances, politicizing economic issues. This situation is relatively common, with recent actions by India serving as a quintessential example. India’s exclusionary policy toward Chinese investments spans various sectors, including greenfield investments, government funding, venture capital, and mergers and acquisitions. The result of these policies is such that “despite China’s investments in India being relatively substantial, the influence of Chinese capital on India’s foreign direct investment (FDI) inflows is minimal, with direct investments from China accounting for only 1.21% of its total FDI, a figure not commensurate with India’s vast market potential.”

Thirdly, social risks are compounded by states of societal insecurity. The smooth progression of modernization is contingent upon the assurance of social security within a nation. However, influenced by various historical and contemporary factors, some developing countries experience acts of terrorism to different degrees, directly endangering economic interactions between China and these nations. “In January 2020, the Pakistan Institute for Peace Studies released its 2019 security report for Pakistan, stating that there were 229 terrorist attacks within Pakistan that year, a 13% decrease compared to 2018; these attacks resulted in 357 deaths and 729 injuries.” In Egypt, “terrorist threats primarily emanate from the Sinai Province, which pledged allegiance to the ‘Islamic State’, and organizations such as ‘Hasm’, which are linked to the Muslim Brotherhood. The majority of terrorist incidents occur in the Sinai Peninsula, targeting security forces, government departments, and religious sites, without specifically aiming at foreign nationals or corporations. In 2019, various terrorist and attempted terrorist incidents occurred in Egypt, with over 90% concentrated in the Sinai Peninsula. Since 2020, security forces have discovered and defused improvised explosive devices and engaged in firefights with terrorists in multiple locations.”

Today, China's modernization is inseparable from the "Belt and Road" initiative, one of the most vital conduits for foreign engagement. The "Belt and Road" represents one of China's most significant strategic layouts for opening-up to the world. Along the route of the "Belt and Road," developing countries constitute the majority; hence, the various risks emanating from these nations increasingly and notably exert adverse impacts on China's modernization efforts.

## 4 THE ADVERSE EFFECTS AND LIMITATIONS OF UNFAVORABLE INTERNATIONAL FACTORS ON CHINA'S MODERNIZATION

### 4.1 *The Adverse Effects of Unfavorable International Factors on China's Modernization*

Indubitably, in the short term, the aforementioned three principal adverse factors emanating from the international environment will inevitably exert a deleterious impact on China's modernization efforts. The economic and scientific lead of developed countries will assuredly impact the competitiveness of Chinese products internationally. Notably, under vigorous suppression from the United States, China's ability to learn from the advanced science and technology of developed countries will face stringent restrictions. The procurement of high-end manufacturing equipment, such as photolithography machines, and high-tech products like semiconductor chips, will also be severely curtailed. Furthermore, the profitability of some of China's key export products will be hampered due to the imposition of substantial tariffs by the United States. Consequently, the profits of pertinent Chinese enterprises, especially those in the high-tech sector, may be adversely affected or even drastically reduced. This, in turn, poses an impediment to the development of science and technology and, by extension, could set back the overall progress of China's modernization to a certain degree. A typical case in point is the Chinese high-tech giant Huawei, which experienced a steep decline in revenue under the full force of the US crackdown. "In 2021, Huawei reported a global sales revenue of 636.8 billion yuan and a slump of 28.6% compared to 2020, marking the first revenue decline since the company started reporting annual results in 2006." These developments have placed China's international economic activities in a somewhat reactive state, with a marked increase in uncertainty. Concurrently, China's national security has also



been somewhat compromised. The uncertainty and risk factors present in developing countries mean that China's significant investments in these nations are unlikely to yield rapid results. "According to statistics, over 85% of the assets and personnel of China's overseas oil projects are located in countries and regions with severe security challenges, constantly facing risks such as political instability, war, religious conflicts, deteriorating law and order, terrorist attacks, and community or tribal harassments."

#### 4.2 *The Limited Adverse Effects of Unfavorable International Factors on China's Modernization*

Equally undeniable is the fact that, on the whole, the adverse impacts on China's modernization from the three aforementioned aspects of the international environment are relatively contained. They are unlikely to reach a level that could be considered "debilitating" or "fundamental" in nature. China is now fully capable of withstanding these impacts. In the long run, the modernization process of China will not be halted as a result.

Firstly, the advancement of China's modern productive forces is capable of meeting the competitive pressures formed by the modern economies and scientific advancements of developed nations. In recent years, China has achieved monumental successes in the spheres of modern economy and science and technology, resulting in substantial wealth accumulation and the establishment of the world's most comprehensive industrial chains. Importantly, in terms of quantity, China has made substantial and sustained investments in scientific research, second only to the United States, and the dividends of these investments are gradually becoming evident and will persist over a significant historical period. Furthermore, China produces millions of graduates in science and engineering from its higher education institutions each year. The robust support from its vast wealth and human resources positions China to possess increasingly formidable economic and technological competitive abilities in the future. In this context, to a certain extent, the advanced productive capacities of developed countries can effectively stimulate China's ambition, creativity, and vigor, thereby serving as a catalyst for the upgrading and modernization of China's productive forces.

Secondly, China possesses sufficient resilience to withstand the pressure exerted by the United States.

Economically speaking, the economies of China and the United States have become deeply intertwined, rendering them inseparable. The effect that the prosperity or damage of one has on the other is profoundly evident. Moreover, China places great emphasis on both international and domestic economic cycles, as well as its strong endogenous momentum, endowing the Chinese economy with significant flexibility and toughness. This also allows for the generation of new economic growth points that can, to a certain extent, counteract and resist the economic coercion and technological embargoes from the United States. Furthermore, the recent substantial expansion of China's middle-income group has notably stimulated domestic consumption demand, providing essential support and indicating a marked expansion of the domestic market—which is poised to become the world's largest consumer market. Under these circumstances, to a degree, the United States' economic pressure on China inadvertently also undermines its own economy, which it increasingly struggles to sustain. According to a research report by Morgan Stanley, "The imposition of tariffs by the United States on 34 billion dollars' worth of Chinese goods could decrease China's GDP growth by 0.1 percentage points; should the tariffs extend to 200 billion dollars' worth of goods, the decrease could reach 0.3 percentage points, with indirect effects potentially causing an additional downturn of 0.2–0.3 percentage points on China's GDP growth." Similarly, "The recent trade protectionist measures by the United States could slow down its own GDP growth by 0.3–0.4 percentage points." Moreover, from the perspective of domestic demand, the United States significantly relies on China, which has a relatively complete industrial chain, to supply a vast array of high-quality and cost-effective products. Therefore, contrary to what the United States might have anticipated, its rigorous economic offensive has not devastated the Chinese economy. Instead, it has catalyzed China's economic vitality, leading to rapid development. In the year 2020, which was heavily impacted by the COVID-19 pandemic, China's total import and export volume not only did not decrease but it increased, reaching a total of 32.1557 trillion yuan, a 1.9% increase from the previous year. In 2021, trade between China and the United States surpassed 750 billion dollars, setting a new historical high and registering a 30% increase from the previous year. Additionally, even the United States' allies, considering their own paramount economic interests, are unlikely to comply entirely with the United States' directives. For instance, from January to

November 2021, the total trade volume between China and the European Union reached 4.84 trillion yuan, a 20% increase compared to the previous year.

In the short term, the United States' pressure on China may seem to intensify. The "Thucydides Trap" theory suggests that the smaller the power disparity between a rising nation and an established power, the greater the pressure the established power exerts on the rising nation. However, looking ahead, this situation is likely to gradually shift. The rationale is straightforward: a country's international actions should ultimately serve and benefit its own economic interests. The economic damage inflicted by the United States upon itself through its measures against China does not align with its fundamental interests, nor does it adhere to economic principles or market logic, and it certainly cannot alter the positive trajectory of China's modernization efforts. Furthermore, the United States not only relies on China's vast market but also requires collaboration with China on critical issues such as climate change, nuclear proliferation prevention, counter-terrorism, and combating international crime. Therefore, after a period of venting frustration and trial and error, the United States, as a nation intrinsically focused on practical benefits and pragmatism, is likely to make significant adjustments and gradually return to a path of constructive competition or mutually beneficial economic engagement with China.

Thirdly, the cooperation between China and developing nations is a trend dictated by the prevailing circumstances.

In the long run, it is inevitable that China will engage in mutually beneficial interactions and collaborations with other developing countries. On one hand, China's modernization efforts necessitate close cooperation with developing nations. On the other hand, as these developing countries continuously advance their own modernization and progressively open up to the world, they inherently require collaboration with China, which boasts a vast market. In 2021, China's "trade with countries along the 'Belt and Road' reached a total of 11.5979 trillion yuan, marking an increase of 23.6% from the previous year." "Direct non-financial investment in 'Belt and Road' countries amounted to 20.3 billion dollars, a growth of 14.1%." It is thus apparent that, in the long term, China and many other developing countries have similarly achieved a preliminary but substantial economic integration, manifesting a scenario where each has become increasingly indispensable to the other. Consequently, both

parties require a global landscape characterized by peace to ensure that their respective processes of modernization are not disrupted.

## 5 EFFECTIVELY PROMOTING BENIGN INTERACTION BETWEEN THE MODERNIZATION OF CHINA AND GLOBAL MODERNIZATION

### *5.1 The Diminishing Global Influence of the United States*

It is undeniable that China's modernization is currently facing numerous adverse factors in the international arena. Among these, the most significant is the role of the United States, the world's sole superpower, which wields advanced economic and scientific capabilities alongside considerable international clout. Within the current framework of international relations, the United States continues to play an extremely crucial role. Leveraging this influence and position, the United States has been able to consolidate various international factors unfavorable to China, exerting multifaceted pressure on China's modernization efforts. This has created certain obstructions to China's economic and technological development, erected barriers to China's external openness, posed threats to China's national security, and thus, to some extent, hindered the positive interaction between China's modernization and global modernization.

Despite this, it should be recognized that the fundamental changes in the international order are dictated by the shifts in the composite strength of different countries based on modern productive forces, rather than the other way around. Historically, the reason why Britain in the nineteenth century and the United States in the twentieth century were able to occupy dominant positions in the international order was due to their respective standings as the world's foremost comprehensive powers at the time. In this sense, looking at the long term, as China's modernization progresses and its position within global modernization rises relatively, accompanied by the corresponding growth in its economic scale and influence, and as the United States' relative position and influence in global modernization diminishes, significant adjustments and improvements in the existing international order are likely to unfold. This is an outcome that is bound to occur eventually.

The diminishing control of the United States over the basic structure of international relations is an incontrovertible reality. Firstly, the economic strength of the United States is gradually waning. In terms

of international control, economic prowess is undeniably fundamental. Since the end of the Cold War, the economic might of the United States has been in decline, a trend that is evident in several aspects. One is the obvious decrease in the proportion of US GDP in the global total. At the onset of the Cold War, US GDP accounted for more than 50% of the world's total; by 2020, this figure had fallen to 24.7%. Secondly, there is a relative decline in manufacturing. Between 1970 and 2007, "the proportion of manufacturing employment in the United States fell from 22.4 to 8.8%, and its added value from 23.5 to 13.1%." This decline in manufacturing has led to economic bubbles of varying degrees due to the lack of foundational economic support. Thirdly, the United States is significantly lagging in infrastructure development. Over the past period, US infrastructure development has suffered from insufficient investment from both private enterprises and the government. "According to the American Society of Civil Engineers, by 2025, the infrastructure funding gap in the United States will exceed 2 trillion dollars." As a result, the United States has witnessed severe the aging of its infrastructure over many years. "The American Society of Civil Engineers has rated the average infrastructure condition in the United States as 'D + ', which signifies that the conditions are 'mostly below standard' and show 'significant deterioration' with a 'strong risk of failure'. The rating slightly improved to 'C-' in 2021, indicating a 'mediocre level with significant deficiencies'. This is the first time in nearly 20 years that the U.S. infrastructure rating has moved beyond a 'D' grade." Aging infrastructure has become a bottleneck in supporting further economic development in the United States. Fourthly, the issue of debt is severe. The total government debt of the United States as a percentage of GDP was 65.46% in 2005, 95.14% in 2010, and 133.92% in 2020. If corporate and private debts are considered, the debt issue in the United States appears even more grave. This astronomical level of indebtedness is unlikely to be resolved in the short term and is bound to impede economic growth.

Second, the United States has overly ambitious strategic objectives. "Decision-makers in Washington are faced with the challenging and enduring reality that the sum of America's global interests and the obligations it has assumed now far exceed its capacity to defend them simultaneously." The United States considers much of the world within its sphere of influence and is quick to employ a range of measures, including military force, against those it finds disagreeable, thereby incurring substantial economic costs. "According to a recent study by Brown

University, the United States' invasion of Iraq in 2003 resulted in a loss of \$1.7 trillion, with an additional \$490 billion spent on veterans' benefits, totaling a governmental expenditure of \$2.2 trillion on the Iraq War to date." Furthermore, research by American scholars indicates that from 2001 to 2021, "the United States spent as much as \$2.3 trillion on the Afghanistan War." The United States' share of global GDP is over 20%, yet its military expenditure approaches 40%. It is understood that robust military capabilities are predicated on a strong economic foundation. "If, however, too large a proportion of the state's resources is diverted from wealth creation and allocated instead to military purposes, then that is likely to lead to a weakening of national power over the longer term." In the long run, the United States' disproportionate military spending is bound to severely undermine its economic strength and thereby damage its influence on the global stage. Had the United States not expended funds on warfare after the Cold War and instead invested in infrastructure and manufacturing, its current economic and national strength would far surpass the present state.

Third, there is a continual increase in the United States' deficit of national credit. It cannot be denied that between the 1940s and 1960s, the United States made significant contributions to world affairs, such as the fight against fascism, the establishment of the United Nations, and the reconstruction of Europe, thus earning a certain amount of national credit. However, since the 1950s, American national credit has been on the decline. Under the guise of upholding justice and human rights, the United States has sought various pretexts and even resorted to fabricating charges to wage numerous wars of aggression, causing immense disasters in other countries. The US government, as the instigator, has shown no significant remorse for the massive loss of life and property incurred in these nations, often dismissing such incidents as "collateral damage." For instance, in 2003, the US Secretary of State presented false evidence at the United Nations Security Council as a legitimate basis for invading Iraq. Reflecting on this in an interview, the Secretary lamented, "It's a blot... and it's going to be a part of my record forever. It was painful. It's painful now." Moreover, the United States, acting in its national interest and disregarding international law, has unilaterally enforced its laws worldwide through "extraterritorial jurisdiction." Additionally, the United States often shirks its obligations to international organizations it participates in and will withdraw from any such organization if it does not gain specific benefits favorable to itself. Such actions have severely

damaged America's national credit and, consequently, weakened its actual influence on the international stage.

It is evident, therefore, that the United States' current actual influence and control over the fundamental structure of international relations are waning. Under these circumstances, while the various repressive measures the United States employs against China's modernization may yield certain short-term effects in some areas, in the long term and overall scope of things, the United States is no longer capable of restraining the momentum of China's modernization efforts, nor can it prevent the positive interaction between China's modernization and global modernization.

### *5.2 Realizing the Positive Interaction Between China's Modernization and Global Modernization*

For China, the key to mitigating or diminishing the current international relations framework's adverse effects on itself, and thereby fostering a positive interaction between China's modernization and global modernization, ultimately lies in the successful advancement of its own modernization efforts.

Since the reform and opening-up, China's modernization has achieved globally recognized monumental successes through positive interactions with global modernization. However, it is essential to soberly acknowledge that, in a certain sense, such achievements only illustrate past successes and the potential for a favorable future trajectory but do not guarantee actual future accomplishments. China's earnest journey toward modernization has a relatively short history of just over forty years. To date, marked by the completion of a moderately prosperous society, China has only achieved a preliminary level of modernization and has embarked on the intermediate phase of its modernization journey. There is still a considerable path to travel before China can claim to be a modernized powerhouse, especially when compared to other modernized nations around the world. Furthermore, in terms of significant changes to the existing fundamental pattern of international relations, path dependency, influenced by various historical and geopolitical factors, is a formidable force. As an emerging modernizing great power, China's aspirations to gain an international position and discourse power commensurate with its actual strength and achieve recognition in principles and practices from the majority of nations and regions will not be accomplished overnight

but will require the span of a prolonged historical period. Consequently, in the process of China's modernization, there are many shortcomings to overcome and a plethora of unknown variables and risks.

To effectively promote a positive interaction between China's modernization and global modernization, much work is necessary. Among these tasks, several critical actions must be prioritized:

Firstly, establish a robust modern economic foundation. If China aspires to advance the modernization of its entire society, it must establish a solid modern economic foundation. Although a developed economy does not automatically translate to modernization in other areas, it is, without doubt, an indispensable material basis for overall societal modernization. As Xi Jinping has stated, "Focusing on economic construction is crucial to national prosperity, and development still holds the key to solving all of China's problems. Only by driving sustained and healthy economic development can we lay a firm foundation for national prosperity, the well-being of the people, and social harmony and stability." Without this economic base, modernization in other aspects is unattainable. Moreover, from the perspective of the fundamental structure of international relations, the strength of a nation's economy determines its international status, not the other way around. "The growth of economic power, the enhancement of productive capacity, and the increase in fiscal revenue will influence the outcomes of great powers." "The impact of economic strength is immense; different economic growth rates can render countries relatively more powerful or weaker." For China, economic strength is always the most crucial foundation in interactions with other countries, and it is the base upon which it can truly secure a significant position within the fundamental international relations framework. Only with a strong modern economic base can China then possess a formidable military capable enough to resist potential foreign invasions and effectively safeguard national interests. It can also possess significant attractiveness and cohesion, which is essential for mutually beneficial cooperation with other countries, thereby realizing a positive interaction with global modernization.

The key to China constructing a solid modern economic base lies in:

- (1) Establishing a Robust Market Economy System



Only within the context of a well-functioning market economy can individuals organically align their personal efforts with the benefits they receive, leading to the most efficient allocation of production factors. This, in turn, infuses society with dynamism and creativity, propelling the economic modernization process. Yet, to ensure the sustainability of this vitality and creativity, the issue of “market failure” must be addressed. To this end, it is imperative to harmonize an “effective market” with an “active government,” emphasizing the government’s role in maintaining macroeconomic stability, strengthening and optimizing public services, ensuring fair competition, enhancing market oversight, preserving market order, promoting sustainable development, facilitating common prosperity, and mitigating market failures.

### (2) Vigorously Promoting the Development of the Private Economy

The accumulation and creation of social wealth is a matter of great personal interest to the public, who are the most passionate and intelligent agents in generating social wealth. One of the significant reasons for the globally acknowledged achievements of China’s economic modernization since the reform and opening-up is the emergence and robust growth of private enterprises. Today, the private economy contributes to more than sixty percent of China’s GDP, establishing it as a fundamental force in propelling China’s economic modernization. Despite this, it is evident that the enormous potential of China’s private economy has yet to be fully realized. In the coming period, if China implements systematic and substantially beneficial measures for the private economy, such as tax relief, deregulation, expanding operational scopes, increasing lending support, and elevating social status, it will ensure even more the vigorous development of the private sector. This will subsequently elevate China’s economic modernization on a macro scale.

### (3) Creating a Solid and Comprehensive Heavy Industry and Manufacturing System.

Undoubtedly, the economic foundation of modern society is modern productive forces rooted in the heavy industry and manufacturing. Beginning in the 1950s, under conditions of severe resource scarcity, China undertook the arduous struggle of establishing a relatively complete

modern heavy industry and manufacturing system. Following the reform and opening-up, through further strenuous efforts, these systems were upgraded, resulting in the world's most comprehensive industrial chains. Leveraging these complete chains has allowed China to continuously advance economic modernization, generate modern multiplier effects, autonomously engage in international trade, effectively withstand external economic risks, and thus foster a positive interaction between China's modernization and global modernization. For a vast economy like China's, neglecting the heavy industry and manufacturing to chase after real estate and finance would mean undermining the economy's foundation with potentially severe consequences—a lesson exemplified by Japan's economic situation in the 1980s.

#### (4) Promoting High-Quality Economic Development

Overall, since the reform and opening-up, China's economy has expanded rapidly, but its labor productivity has not seen a corresponding increase, remaining relatively low compared to key indicators in major countries (see Table 1). This relatively low labor productivity has become a significant bottleneck that impedes the sustained progress of China's economic modernization. If not effectively addressed, China may remain a large economy rather than advance as a modernized economic powerhouse. It can be said that China has largely resolved the issue of "quantity" in economic development but has yet to address the issue of "quality" adequately. Thus, the next task of China's economic modernization is to enhance labor productivity and promote high-quality economic development. "While we value the development of quantity, we must place greater emphasis on resolving issues of quality, aiming to achieve effective growth through significant improvements in quality."

Secondly, gain commanding heights in science and technology. In contrast to the past, under the conditions of modern society and the market economy, the development of science and technology has become increasingly intertwined with economic growth, and it also exerts a growing influence on the people's work, lifestyle, and cultural life. In a certain sense, the state of scientific and technological advancement directly determines the level of economic modernization and the overall standard of a nation's modernization.

From the perspective of foundation and propulsion, science and technology are of increasing significance to the construction of economic modernization. First, it is crucial for the upgrading and transformation of the modern economy. The essence of the renewal of modern productive forces lies in the continuous improvement of labor productivity and the corresponding transformation of industrial structures. The primary pathway to enhancing labor productivity and evolving industrial structures is through the upgrading of science and technology. As Marx noted, the improvement of labor productivity “depends on the general level of science and on the progress of technology, or the application of this science to production.” Furthermore, each significant breakthrough in science and technology invariably leads to an upgrading of industrial structures. For example, the electrical technology revolution that commenced in the latter half of the nineteenth century gave birth to the electric power industry; in the 1930s, the development of synthetic technology led to the synthetic chemical sector becoming an important industrial department. Second, it is concerned with the competitiveness between nations. In the context of economic globalization, for a country to secure a favorable position within the basic pattern of international relations, it must possess a certain level of national strength. The strength of a nation is directly related to the level of its scientific and technological advancements. Thus, the level of science and technology affects a nation’s power and competitiveness. “Whichever country seizes the most advanced science and technology will occupy the commanding heights of current and future industrial development, and its production will enjoy stronger competitiveness compared to other nations.” In today’s world, a country that is relatively advanced in science and technology and simultaneously aggressive can sometimes leverage its technological superiority to capture high profits from other nations. In more serious cases, it can even use this advantage to stifle the modernization process of other countries, causing significant delays. For instance, in recent years, the United States, by virtue of its dominance in chip technology, has not only reaped substantial profits and made China’s costs for importing chips exceed that of oil, but it has also hindered the development of China’s 5G technology through embargoes on high-end chips.

Viewed holistically, China has now emerged as a major player in science and technology but is not yet a powerhouse. To become a modernized powerhouse and a nation with significant influence in the fundamental pattern of international relations, China must gain the commanding

heights in science and technology and become a leader in technological strength. There is no alternative path to this end.

Regarding the path for China to secure the commanding heights of science and technology, it hinges critically on three aspects: bolstering investments in science and technology, robustly advancing the development of basic sciences, and energizing the vitality and creativity of its science and technology talent pool. Currently, national investment in scientific and technological research in China has grown substantially, with expenditures exceeding 20% of the global total, trailing only behind the United States and ranking second in the world. Consequently, the magnitude of investment in science and technology is relatively less of a concern for China. Therefore, two other critical issues emerge. One is the imperative to steadfastly promote the development of basic sciences. Within the ecosystem of science and technology, basic sciences hold a foundational significance for technological advancement. Fundamentally, science should serve as the trunk, with technology as the branches that develop from it. A focus on technology without a scientific foundation could ultimately prove to be fruitless. “We might not discern the immediate utility of a particular equation or law, but the scientific framework is self-consistent. Basic research is like the bricks needed to construct a house; although the use of a particular brick may be unknown, the removal of it could lead to the collapse of the entire structure.” The modernization journeys of the United Kingdom and the United States illustrate that a key reason for their leadership in the three industrial revolutions was their respective dominance in basic scientific research at the time, which in turn spurred innovation in advanced technologies. For a major country like China, which aspires to achieve groundbreaking scientific and technological accomplishments that can influence the entire human society, significant investments and substantial efforts must be made to solidify the foundation of basic sciences. While leapfrogging in technological development is necessary, an overreliance on attempting to do so can lead to excessively utilitarian behavior, or in a sense, opportunism that seeks shortcuts. Historically, “Chinese people value pragmatism, hence often overemphasizing the practical difficulties encountered, some of which are real and others imagined, and leading to a neglect of the underlying principles and theories.” One of the significant reasons for the relatively slow development of basic sciences in China is the disproportionate emphasis on technological catch-up while basic sciences have not been accorded the attention and investment they warrant. “Globally, investments in basic

scientific research typically account for around 15–20% of R&D expenditures while, in China, it has remained around 5% for a long period, with the annual total not reaching 100 billion yuan.” Without a fundamental shift in this situation, the development of science and technology in China may struggle to secure a dominant position globally due to a lack of solid support from basic sciences.

Secondly, it is necessary to energize the enthusiasm and vitality of the scientific and technological workforce. China’s talent pool in the field of science and technology is undeniably vast. Not to mention the large number of students who have studied abroad and returned, the annual number of graduates in science and engineering from higher education institutions alone reaches several million. The key is how to effectively stimulate the creative vitality of this enormous corps of technologists. To this end, scientists and technologists should be provided with ample opportunities for development, supported by necessary tax relief policies and financial backing, and efforts should be made to alleviate their basic living concerns. Only by doing so can their tremendous energy and creativity be unleashed.

Thirdly, we must adhere to the principle of win–win cooperation in international interactions. China’s fundamental approach to international engagement is based on the “common values of humanity—peace, development, equity, justice, democracy, and freedom”—to build a global community with a shared future for mankind. The corresponding mode of external interaction is characterized by mutual benefit and win–win cooperation with other nations, avoiding zero-sum games. Xi Jinping has pointed out, “Countries with different social systems, ideologies, histories, cultures, and different stages of development share interests, rights, and responsibilities in international affairs, forming the greatest common denominator for building a better world.” It can be said that this is a mode of international engagement that conforms to the trend of world development. From the perspective of fundamental principles, with the collapse of the colonial system, the concepts of national independence and equality have been recognized to a certain extent by most countries since World War II. Practices tinged with colonialism, bullying, and hegemony are increasingly repelled by the majority of nations. From the perspective of practical interests, it has been recognized that as economic globalization advances and countries become increasingly interdependent with intertwined interests, any nation that harms the interests of another is likely also harming its own. For instance, the United States

and China, as the world's first and second-largest economies with closely interlinked economic interests, would both suffer substantial harm if they were to engage in severe economic confrontations like prolonged and intense economic sanctions and counter-sanctions, resulting in a typical zero-sum game scenario; moreover, the interests of many other stakeholders' nations would also be damaged to varying degrees. Conversely, the same is true of mutual benefit. From the perspective of actual international interactions, it is reasonable to say that nations are now capable of achieving mutual benefit, win-win cooperation, and working toward common goals to varying degrees. "The success of one country does not necessarily mean the failure of another; this world is fully capable of accommodating the common growth and progress of all countries."

Over the future horizon of a longer term, China has many tasks to undertake in the realm of cooperation and win-win foreign engagement. Among these, several key actions should be particularly prioritized: Firstly, in terms of international activity arenas, China would be well-advised to focus on significant international organizations like the United Nations as primary venues and frameworks for action. China has neither the necessity nor the possibility to reinvent the wheel by constructing a parallel international system. "China has always been a protector of the international order, not a disruptor or revolutionary of international rules, and is even quite cautious concerning reform." The approach of starting anew would not only incur excessive costs but is also nearly infeasible. In this regard, the experiences of the Soviet Union are instructive and worth heeding. Consequently, China should effectively utilize existing, influential international organizations like the United Nations. "The Charter of the United Nations is acknowledged as the foundational norm for state-to-state relations." China aims "to uphold the United Nations-centered international system, the international order founded on international law, and the multilateral trade system with the World Trade Organization at its core." Objectively speaking, while the United Nations has its pros and cons, the benefits considerably outweigh the drawbacks. The United Nations, formed during World War II with an anti-fascist mission, has a certain historical legitimacy. With 193 member states (as of 2019), it boasts of wide representation and is accepted to varying degrees by most countries and regions. Moreover, while the United States exerts significant influence over the UN, it does not have the capability for comprehensive control. In contrast, other international organizations such as the World Bank and

the International Monetary Fund are, relatively speaking, more susceptible to US manipulation. Furthermore, China is one of the founding nations of the United Nations and one of the five permanent members of the Security Council, holding a certain degree of influence. Objectively, for China's international interactions, the United Nations offers considerable operational latitude and potential for improvement.

Secondly, with respect to the specific focus on foreign engagement, China should place special emphasis on its responsibility and action in the governance of global social risks. As modernization progresses and interactions between countries and regions worldwide increase, global social risks, including climate change, public crises, economic crises (including financial crises), and terrorism are escalating rapidly, posing common threats to all nations. To manage these threats effectively, close cooperation between nations is imperative. "No single country can face alone the various challenges confronting humanity." It is evident that although the majority of countries recognize the critical importance of governing global social risks, objectively speaking, the number of countries with the responsibility, sincerity, and capability to actively engage and drive the governance of these risks is limited. Under such circumstances, if China can take on and contribute to this responsibility, it would not only aid in addressing the global social risks it faces but also, due to its contributions to the broader human society, garner varying degrees of trust from most developed and developing nations. Consequently, this would help enhance China's national credibility. China's recent efforts and commitments to global climate issues are a clear testament to this.

Thirdly, enhancing mutual understanding between China and other countries is essential. As an emerging modernized great power, China's aspirations to secure an international position and discourse power commensurate with its actual strength cannot be realized overnight. It requires an extended historical period, considering that China's period of openness to the world is relatively short. Objectively, China's comprehension of the specific circumstances of other countries is not yet comprehensive, and it is even unfamiliar with some practices considered international norms. Likewise, the understanding of other countries of China's national traditions and current situation, particularly those with a shorter history of openness, is insufficient. Some nations even harbor a certain degree of alienation toward China. On the basis of mutual misunderstanding, both China and other countries inevitably form various misjudgments about each other, which can lead to unintended harms.

These misjudgments and harms, which could potentially be avoided or at least mitigated, come at a great cost. Moreover, certain modernized powers, such as the United States, may intentionally demonize China for their self-interest, using their substantial international discourse power to propagate a misleading image of China. “The authors of China’s doctrine of peaceful emergence are acutely conscious that as China resumes its recovery, it has the responsibility and self-interest to assure its neighbors and the world at large that its emergence is benign, not a threat but a plus for the world, and that it will try to avoid disruption and conflict.” In light of this, it is necessary for China to adopt a variety of methods to convey its true nature to other countries, particularly its concept of a shared human destiny, its peaceful development policy, and its tangible contributions to world modernization.

Fourthly, managing its internal affairs well and ensuring its own unity and integration is crucial. For a country like China, which is vast in size, possesses considerable comprehensive national power, has strong social mobilization capabilities, a hardworking and pragmatic populace, and holds a significant share in the global market economy, no country has the capacity to inflict large-scale economic or military damage or halt its modernization process. At most, developed countries that are reluctant to see China’s modernization take off can only delay its development pace by creating various troubles. It is important to recognize that the main issues facing China’s modernization are internal rather than external. Already in the 1980s, John King Fairbank had noted, “China and America are now major centers of the coming world struggle, which will be less between nations than within them.” This foresighted perspective has a degree of validity. For China, as long as no significant internal issues arise, its modernization process is likely to advance gradually. Only severe internal errors could fundamentally derail China’s modernization trajectory. The Soviet Union serves as a cautionary example. Despite its formidable industrial system and military might that the United States feared, the USSR’s lack of a market economy led to an absence of basic economic vitality that was compounded by unresolved domestic welfare issues, causing increasing social disintegration and accumulating centrifugal forces. These internal dynamics inevitably intensified societal contradictions and crises, which were exacerbated by the USSR’s unrelenting ambition and actions for external expansion. The growing internal societal conflicts and crises ultimately led to the disintegration of the Soviet Union. Therefore, the key to the continuous progress of China’s modernization lies in effectively



resolving internal contradictions. This internal cohesion and integration, along with ongoing economic development, are foundational and necessary conditions for China's modernization and will ensure its competitive edge in dealings with other countries. Conversely, persistent societal contradictions could lead to social unrest with no winners, only losers, and China's modernization process would come to a halt.

Undoubtedly, in terms of achieving a mutually beneficial interaction between China's modernization and global modernization, ensuring its own unity and addressing its internal affairs is of paramount importance.

Firstly, it is essential to resolve internal social conflicts and disputes based on the fundamental principle of social justice. The advancement of China's modernization process will inevitably lead to profound changes in the social class structure and the diversification and complexification of various group interests, thereby giving rise to numerous social conflicts and disputes. It is apparent that only a fraction of such social issues has surfaced thus far. As the modernization process progresses, more unexpected social conflicts and disputes will likely emerge. "Under new circumstances, our country faces increasing threats and challenges to national security and social stability, especially with the evident interconnected effects of various threats and challenges." If these social conflicts and disputes are not effectively mitigated, they will create a plethora of social centrifugal factors, decrease social cohesion, and consequently delay or even disrupt China's modernization process. In such a scenario, only a commitment to social justice and corresponding institutional arrangements can effectively address social conflicts and disputes. Social justice encompasses two complementary values: ensuring that everyone shares in the fruits of social development, thereby continuously improving living standards and providing ample space for the free development of individuals, enabling everyone to fully unleash their potential under market economy conditions. Hence, it is evident that by effectively upholding and promoting social justice, not only can one "eliminate the isolating factors between members of society to the greatest extent, making development a common cause for all people and strengthening the entire society's unity and cooperation," but also "mobilize the enthusiasm of each social member and inspire the creative vitality of the entire society."

Secondly, it is crucial to effectively shield against negative influences from abroad. As China opens up and integrates into the global economic process, it inevitably encounters influences from other countries, both positive and negative. Regarding the latter, these include

the detrimental effects of international economic fluctuations (such as international financial crises), deliberate suppression by certain foreign countries, geopolitical influences, and more. In response to these negative impacts, China should focus on the issue of security baselines and establish various necessary “firewalls.” When facing deliberate foreign suppression, China should regard it as an unavoidable and relatively normal occurrence. Most countries, including many of today’s developed nations, have experienced suppression by competitors during their modernization processes. It should be recognized that when certain countries deliberately suppress China, an unexpected and infuriating series of events may ensue. China must not be thrown into disarray by such acts; it cannot allow the negative impact of suppression to derail the implementation of its long-term development strategy. Otherwise, the loss for China would be even greater.

Thirdly, it is imperative to have a clear understanding of the significant gap that exists between China’s modernization level and that of developed countries. Indisputably, the modernization achievements of China since the reform and opening-up have been monumental. Whether looking at indicators like GDP total, total volume of import and export trade, total amount of foreign direct investment, total volume of outbound investment, total foreign exchange reserves, or the total quantity of major agricultural and industrial products, China ranks among the top in the world, often holding the first or second position. This represents a historic leap in China’s modernization. However, it is also crucial to soberly realize that China’s actual modernization efforts have a history of just over 40 years. In a certain sense, these significant achievements only demonstrate past successes and a potential positive trend for the future but cannot definitively indicate future actual accomplishments.

Marked by the completion of a moderately prosperous society, China has recently transitioned from the initial stage of modernization to the intermediate stage. At this current phase, there remains a significant disparity between China’s overall level of modernization and that of developed nations such as the United States. To achieve the objective of becoming a modernized power, China must traverse a considerable distance in its modernization efforts. When compared to the world’s modernized powerhouses, China still faces substantial gaps. In 2020, China’s per capita national income ranked 63rd among 186 countries and regions; its Human Development Index was 85th out of 189 countries and regions (2019); its Globalization Index was 82nd among 203

countries and regions (2019); its Global Competitiveness Index was relatively higher, ranking 28th out of 141 countries and regions (2019); and its Global Innovation Index was also relatively high, ranking 12th among 132 countries and regions (2021). In the face of these evident disparities, it is imperative that we maintain a lucid awareness and prepare ourselves mentally for a protracted struggle. A deficit in this clear-sightedness can lead to a state of blind arrogance, precipitating the formulation of rash domestic and foreign policies. Such an oversight can inevitably result in significant blunders, including those of a disruptive nature, the consequences of which could gravely undermine the progress of China's modernization efforts.

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## Social Justice and the Modernization of China

Social justice is a critical issue that bears significantly on the success of modernization efforts. Broadly speaking, the success of a country's modernization can be gauged by its performance in three key aspects: first, whether the modernization process is guided by a correct direction that effectively avoids significant deviations; second, whether it can garner a continuous driving force to prevent a decline in momentum; and third, whether it can proceed in a secure environment that effectively forestalls social upheaval, the forfeiture of past achievements, or exorbitant social costs. All these are directly related to social justice. In other words, actively maintaining and promoting social justice is an indispensable condition for the success of modernization.

If social justice is an important issue for every country engaged in modernization, it is even more so for China. From a historical standpoint, the remarkable achievements universally acknowledged in the 40 years since China's reform and opening-up indicate that modernization is not only an inevitable choice in keeping with the trends of the times and the world at large but also an essential pathway for the rejuvenation of the Chinese nation. China's modernization is now at a stage where it cannot be reversed. From the perspective of developmental stages, China has transitioned from an "externally driven" to a "consciously endogenous" model of modernization. However, it must be soberly understood that China's modernization is, after all, only 40 years old. Its market

economy is in a nascent stage, still far from being systematic and standardized. The modern consciousness of the populace is not yet widespread; a comprehensive system of institutions compatible with a modern society and market economy has yet to be systematically established and operationalized. As a vast social collective, China faces more variables and risk factors compared to other countries, with these factors often interweaving and compounding, exerting a broad and complex influence on Chinese society. In essence, China's modernization still possesses considerable potential for shaping, with the inherent possibility of evolving in positive or negative directions. Among the various issues faced during modernization, a prominent one is the prevalence of social injustices at this stage in China. These injustices exert a profoundly adverse impact on society at large. In such a context, actively safeguarding and promoting social justice is of paramount and irreplaceable importance to prevent disruptive errors in China's modernization process and to ensure the overall health and sustainable progress of China's modernization.

## 1 THE FUNDAMENTAL DIRECTION OF CHINA'S MODERNIZATION IS CONTINGENT ON SOCIAL JUSTICE

### *1.1 Social Justice as the Fundamental Tenet of Modernization*

The core challenge modernization faces revolves around its "fundamental tenet," "basic purpose," or "core objective." These crucial inquiries delve into the fundamental direction of modernization, essentially probing the purpose it serves. Failure to adequately address these directional questions can lead modernization astray, resulting in disruptive errors.

In the context of modern society and a market economy, with the advancement of modern productive forces and the widespread cultivation of independence and equality consciousness among individuals, social justice has emerged as a universally acknowledged fundamental value and guiding principle for all societal groups and community members. Consequently, it has become a critical issue concerning the "control" over the fundamental direction, or the "basic purpose," "fundamental tenet," and "essential orientation" of the entire modernization effort.

Modernization can only be considered positively meaningful, or "properly purposed," if it adheres to the fundamental tenet of social justice. Only on the foundation of this cardinal principle can modernization

formulate scientifically viable specific objectives. Only then can a harmonious and symbiotic situation among the various groups within modernization be achieved, allowing for healthy, sustainable, and secure advancement. Conversely, should modernization deviate from the fundamental tenet of social justice, it will lead to significant directional discrepancies, lose its rightful meaning, and may result in severe negative effects or even catastrophic errors, jeopardizing the safe operation and healthy development of the entire society.

### 1.2 *The Orientational Significance of Social Justice in Modernization Construction*

The concept of social justice encompasses two fundamental and mutually reinforcing values that are indispensable for addressing the directional challenges inherent in modernization efforts. It is evident that adherence to these values is crucial for the effective resolution of the fundamental orientation issues associated with modernization.

The first fundamental value orientation of social justice is predicated on the principle of equality, emphasizing the need for all societal members to “share” in the fruits of modernization. This means that the basic standard of living and fundamental dignity of all societal members should progressively improve in tandem with the ongoing development of the socioeconomic landscape. Friedrich Engels highlighted the necessity for “all individuals to collectively enjoy the benefits created by the community,” advocating for “the comprehensive development of the abilities of all members of society.”

The second fundamental value orientation is rooted in the concept of liberty, aiming to provide ample opportunities for the free development of each individual. Karl Marx posited that “the human essence is no abstractum inherent in each single individual. In its reality, it is the ensemble of the social relations.” However, in societies with underdeveloped productive forces and the hierarchical structures that arose from natural economies, this essence of freedom was severely suppressed, resulting in a pronounced dependency and lack of personal autonomy among the majority of societal members. As productive forces modernized, the liberation of individuals became a discernible trend. A critical aspect of this liberation is the elimination of past dependencies, enabling every individual to attain an independent and free existence, characterized by self-directed choices and the space for unfettered development.

Marx and Engels asserted that “the free development of each is the condition for the free development of all.” Given the importance of freedom, a significant task for modern societies is the continual expansion of the space for individual freedom. Engels contended that a socialist system seeks to “provide healthy and meaningful work for all, ample material goods and leisure, and true, comprehensive freedom.” Furthermore, some scholars argue that “the distinction between civilized and barbaric societies is not measured by the amount of order established, but by the degree to which varied development is permitted.” The free development of each societal member becomes a pivotal force in advancing modern civilization.

It is imperative to recognize that these two fundamental values of social justice are complementary and inseparable. The primary function of the first value is to “ensure equality” by guaranteeing and continually elevating the basic threshold for survival and development for all societal members, offering a safety net that minimizes isolation factors among individuals, reinforces a sense of community, and fosters unity and cooperation throughout society. This unity and cooperation are essential for transforming modernization into a collective endeavor. The second value’s main function is to “ensure freedom” by closely linking each individual’s unique aspirations and personal interests, thereby encouraging the free and full development of each member of society, which in turn stimulates the dynamism and creativity necessary for modernization. These two values of social justice form an integral whole; the absence of either one renders social justice incomplete and leads to injustice, with potentially severe deviations in the process of modernization.

If modernization neglects the value of “sharing” and focuses solely on the “freedom of development,” this approach will invariably generate various negative social consequences. Initially, it may benefit a minority of society’s members with greater abilities and opportunities, allowing them to amass wealth and social economic advantages through capital accumulation and increase in value, thereby contributing to the creation of a larger social wealth. However, over time, this approach can result in deleterious social dynamics akin to the “law of the jungle,” where a minority accumulates a disproportionate share of wealth at the expense of the majority’s interests. As modernization progresses and awareness of equality becomes more widespread, the majority of society is increasingly unlikely to accept such a scenario. This results in escalating contradictions and disputes between the majority and the minority, incurring

substantial societal costs and undermining the stable conditions necessary for the smooth advancement of modernization. Indeed, the intense societal confrontations that emerged in nineteenth-century Britain and France were primarily due to such dynamics. The fundamental objectives of modernization become unattainable, and its positive significance is significantly diminished or even nullified.

Moreover, this approach can severely hinder the effective development of the society's human resources, which are essential for the sustained progress of modernization. Human resources must continually evolve to meet the advancing needs of modernization, with the primary pathway for this evolution being the education of the vast majority of societal members. If the condition of shared access to resources is not secured, increasing numbers of individuals and their descendants will be unable to afford the basic education necessary for competency in modern professions, let alone higher education or specialized vocational skills. Without the effective and comprehensive development of human resources, modernization will lack the robust support it requires, leading to a potential state of protracted weakness. In the long term, such a scenario is detrimental to all societal groups.

Conversely, emphasizing solely the shared outcomes of socioeconomic development in the process of modernization, while neglecting the freedom to develop, can also lead to severe negative societal effects. The rationale for this is straightforward. As members of a societal collective, individuals are not only "born equal" but are also "born different," meaning that each member of society has distinct needs, abilities, and contributions, and therefore harbors differentiated interests and prospects for development. The fulfillment and realization of these differentiated interests and prospects are key to a society's vitality and creativity. Such conditions can only be actualized within a society that affords ample inclusive spaces for free development. Thus, when a society's members lack the room to develop freely, their differentiated interests and prospects cannot be met or realized, and accordingly, the society will likely fail to exhibit vitality and creativity. As a consequence, the initial intent to "share" the fruits of socioeconomic development becomes difficult to fulfill. This has been validated by the practical experiences of many developing nations, including China's modernization efforts. At the inception of the People's Republic of China, the millennia-old feudal hierarchy was dismantled, achieving a preliminary level of social equality—a monumental historical

progression. Regrettably, however, due to various historical and contemporary factors, China gradually established a planned economy rather than a market-based one. Under this planned system, China, guided by an ideology of absolute equality, implemented a stringent egalitarian distribution system, overly stressing similarities in living conditions and vigilantly opposing differences in interests and lifestyles. This was further enforced through systems like “hukou” (household registration) and “dangan” (personal file), which rigidly bound each individual to a rural “commune” or an urban “unit,” severely restricting their autonomy in job selection, entrepreneurship, and freedom of movement. This effectively negated the possibility of differentiated interests and living conditions among the populace. As a result, the dynamism and creativity of China’s modernization were significantly suppressed. The belief that “egalitarianism and the ‘big pot’ system would forever prevent improvements in people’s lives and fail to motivate them” was widely held. The lack of vitality and creativity in modernization efforts, in turn, led to a scarcity of wealth within society. “Over-emphasizing inclusive justice can extensively stifle societal dynamism and creativity, suppressing the enthusiasm and drive of its members to create wealth, which is essential for the accumulation of both material and spiritual wealth.” Over time, this inevitably resulted in widespread poverty, making the original intent of “sharing” economic development outcomes unachievable. During the planned economy era, despite the Chinese people’s substantial investment and sacrifice for modernization, the improvement in their basic living conditions was minimal and disproportionate to their efforts; the aspiration of “sharing” was far from realized. This issue is illustrated by the following figures: in 1952, the index of the average wage for all workers in China was 100, and 26 years later, in 1978, the index of the actual average wage had only risen to 110.3. In 1978, the per capita savings deposit balance in urban areas was a mere 89.8 yuan, and in rural areas, only 7 yuan; the national per capita savings deposit balance was just 22 yuan. In 1978, the Engel coefficient for urban household residents averaged 57.5%, and for rural households, it was even higher, at 67.7%.

From the foregoing discussion, it is clear that social justice plays a critical role in guiding the process of modernization, making it an integral aspect of developmental endeavors. However, it is also imperative to acknowledge that, as important as social justice is, the foundation for its realization lies in the development of robust material conditions. A closer examination of the works of Marx, Engels, or Deng Xiaoping reveals that

when they address the issue of social justice, they consistently underscore the necessity of highly developed material conditions as a fundamental prerequisite. Without the expansion of the “economic cake,” there can be no meaningful discourse on its distribution.

On the one hand, from a macro-historical perspective, the emergence of the fundamental values and principles of social justice is contingent upon the existence of a specific economic base. Authentic and modern conceptions of social justice can only be established upon a modern economic foundation. Furthermore, the actualization of social justice objectives is dependent on the presence of modern, large-scale production capabilities. Advanced productive forces provide the essential material substratum upon which social justice can be actualized. In the absence of developed productive forces, a universal sense of social justice is unattainable. The most profound cause of all genuine crises is invariably linked to the impoverishment of the masses and their limited capacity for consumption. Moreover, it is through the mechanism of social production that it becomes possible not only to ensure that all members of society enjoy an abundant and progressively improving material life, but also to guarantee the comprehensive and free development and utilization of their physical and intellectual capacities.

On the other hand, from a pragmatic standpoint, the establishment of interim social justice goals must also take into account the current economic development status and fiscal capacities. It is untenable to set overly idealized targets for social justice that are detached from the realities of the prevailing economic conditions.

## 2 SOCIAL JUSTICE'S RELEVANCE TO THE GENESIS OF PRIMARY MOTIVE FORCES IN CHINA'S MODERNIZATION

In the context of modernization efforts, the question of how to sustain and derive an “endogenous propelling force” stands as a matter of paramount importance. Modernization cannot be effectively and continually driven solely by external stimuli such as capital investment and foreign trade. A nation can advance its modernization sustainably and effectively only by securing a continuous stream of self-derived, endogenous motivating forces. The specific state of social justice is intricately linked to this aspect.

Where does the wellspring of vitality and creativity, the intrinsic forces of modernization, originate? If we shift our perspective from the economic to the social ontology, we observe that under contemporary societal and market economy conditions, the principal endogenous drivers of modernization primarily stem from three aspects: first, the individual desires and self-motivated efforts of the members of society, with their differentiated interests, must be recognized by society, which should also provide an egalitarian environment and freedom to realize these aspirations; second, there must exist a motivational mechanism within society that equitably rewards individuals for their efforts and achievements, ensuring a high degree of correlation between each member's personal interests, their specific contributions, and the compensation they receive; and third, different social groups should engage in mutually beneficial relationships, thereby fostering effective social cooperation. It is evident that social justice can facilitate the activation and creation of these internal drivers of modernization by contributing positively across these three dimensions. In other words, without adhering to the fundamental tenets of social justice, the endogenous forces crucial for modernization cannot be cultivated, nor can modernization possess the necessary vitality and creativity.

### *2.1 The Principle of Equal Opportunity as an Effective Stimulant for the Vitality and Creativity of Social Participants*

The principle of equal opportunity principally contends that all members of society who possess equivalent abilities and aspirations should have broadly similar prospects for development. "In all sectors of society there should be roughly equal prospects of culture and achievement for everyone similarly motivated and endowed. The expectations of those with the same abilities and aspirations should not be affected by their social class" Since the principle of equal opportunity operates prior to "distribution," it can be considered a form of "ex ante structuring." The significance of such anticipatory structuring should not be underestimated. As Buchanan has articulated, "I attribute much more normative significance to efforts to make the economic-political game fair in an ex ante than in any ex post sense." In the absence of this ex ante structuring, "post hoc" distribution may sometimes become mired in difficulties due to a lack of a rational historical basis.



Equal opportunity is a rule of social justice that is congruent with the economic environment based on a market economy and with the modern social environment that values substantial social mobility. It possesses both historical inevitability and widespread practical relevance. The economic foundation of modern society consists of highly developed productive forces and a market economic system. The essence of the market economy lies in the general principle that “the market determines the allocation of resources, and the market economy is fundamentally an economy where resource allocation is determined by the market.” Under market economic conditions, every production factor such as labor, capital, and technology must maintain a state of full mobility. Moreover, the market economy is a system that emphasizes the maximization of economic efficiency through comprehensive competition. From the perspective of producers, to ensure that their products are the chosen option amidst a plethora of alternatives, they must strive to enhance quality and reduce costs to increase competitiveness. From the perspective of workers, diligent labor is required to secure comparatively higher income. Evidently, only within the institutional arrangements of a market economy can the high efficiency and competitiveness of economic operation be sustained. Furthermore, based on such an economic foundation, social mobility must also remain sufficiently fluid. “The more open and diversified the channels of social mobility in a country, the higher the rate and the larger the scale of social mobility, the smoother the realization of people’s social mobility, the more just, rational, open, and dynamic the social stratification structure formed as a result.” In summary, under market economic conditions, the implementation of the social justice rule of equal opportunity is a practical necessity with historical inevitability.

The principle of equal opportunity holds significant importance in a just society. By adhering to this principle, every member of society is empowered to pursue their unique aspirations and goals, engaging in earnest and self-directed efforts, thereby maximizing the development of their potential. Moreover, “the rule of equal opportunity not only provides a relatively level playing field for all members of society but also instills a sense of hope for various prospects, thereby invigorating individual vitality.” One can imagine that if every member of society were to exert self-motivated efforts in accordance with the principle of equal opportunity, there is no doubt that the intrinsic driving forces of the entire society and its modernization efforts would be maximized, and both vitality and creativity would be fully stimulated.

Conversely, “if opportunities such as education, civil service examinations, entrepreneurship, project engagement, promotions, housing, employment, performances, and international travel depend on connections, backdoor dealings, and the advantages of having a ‘background,’ those without such benefits, regardless of their abilities, would find it difficult to succeed, severely impacting social fairness and justice.” In such a scenario, a large number of society’s members would lose hope for the future, be unlikely to engage in self-motivated efforts, and thus the endogenous driving force behind modernization efforts would be compromised.

In the era of planned economy, due to the strict implementation of household registration, archiving systems, and the centralized employment policies in urban areas, and the extremely limited space for social mobility, members of Chinese society exhibited a distinct dependence on their personal affiliations. Generally, the possibility of free movement and self-directed efforts according to individual wishes and choices did not exist. For instance, “people’s everyday needs such as clothing, food, housing, transportation, birth, old age, sickness, death, education, and employment, to some extent, were all determined by their household registration.” In the long run, without individual aspirations, space for social mobility, or self-motivated efforts, society’s members could not universally harbor hopes for a better life or exhibit enthusiasm for work. Consequently, China’s modernization efforts at the time inevitably showed signs of diminishing vitality, leading to a complete loss of endogenous impetus. This was a significant reason why China’s modernization initiatives struggled to succeed. Even in the current stage, the household registration system has not been entirely abolished, and there is a distinct “dual-track system” in social security that treats urban and rural citizens differently. Inequities also persist among enterprises of different ownership types, and members of society related to these phenomena face clear inequalities in opportunities. These issues undeniably suppress the generation of endogenous driving forces for China’s modernization, as well as the vitality and creativity needed for its construction.

Evidently, for China to effectively stimulate societal vitality and creativity and to generate endogenous forces for modernization, it must prioritize the critical social justice principle of equal opportunity, ensuring that it becomes an implicit rule of conduct universally followed by its people. To this end, society must ensure that “It was a demand that all man-made obstacles to the rise of some should be removed, that all privileges of individuals should be abolished, and that what the state

contributed to the chance of improving one's conditions should be the same for all."

## 2.2 *The Principle of Distribution According to Contribution Serves as a Powerful Catalyst for Invigorating the Dynamism and Creativity of Members Within a Society*

From the standpoint of probability, material interests are of paramount concern for the vast majority of societal members. Marx posited, "Everything people strive for is linked to their interests." Deng Xiaoping spoke to the extreme importance of material interests in more unpretentious terms, asserting that neglecting material interests may be tolerable for a minority of advanced individuals but is unsustainable for the masses over the long term. Therefore, to harness substantial endogenous forces, vitality, and creativity in modernization efforts, these must be intertwined with the immediate interests of the populace.

The societal justice rule that mandates distribution based on contribution effectively aligns the vested interests of community members with their respective endeavors, thereby fostering a significant endogenous driving force for modernization. In the process of societal wealth creation, individual contributions vary markedly. Some individuals exert a relatively larger amount of labor, while others contribute less; even with equal amounts of labor exerted, the nature of the work varies in complexity. Some may not contribute labor per se, but invest capital, technology, or other production elements, thereby making an indispensable and differential contribution to wealth creation. The rule of distribution according to contribution posits that in the domain of primary distribution, allocations should be made in proportion to the varied and unequal specific contributions to the creation of societal wealth. This principle advocates for a symmetrical relationship between the "contribution" made by an individual's labor and the "reward" received. "It is the purpose of this work to show that the distribution of the income of society is controlled by a natural law, and that this law, if it worked without friction, would give to every agent of production the amount of wealth which that agent creates." Using labor remuneration as an example, "After deductions, what producers receive from society equates precisely to what they have contributed. Their contribution is the measure of their labor."

The rule of distribution according to contribution is of critical importance in stimulating the inherent driving force behind modernization.

Since this rule underscores the symmetry between “contribution” and “reward,” it inherently binds the personal interests of society’s members with their contributions. Under such a paradigm, if an individual aspires to maximize their benefits, they must equally maximize their input and contribution. “Distribution based on contribution tightly weaves an individual’s specific contributions to society with their personal interests. In practical terms, this is conducive to mobilizing the enthusiasm of each member of society, thereby igniting the collective vitality.” It is evident that the rule of distribution according to contribution enables people to make necessary and maximal efforts based on their immediate needs and, in accordance with these efforts, receive their rightful specific benefits. Once distribution according to contribution becomes the predominant behavioral norm for most society members, the society’s latent potential can be fully unleashed, and consequently, its modernization endeavors can gain tremendous endogenous momentum. This is particularly pronounced when the populace’s standard of living rests at the level of basic needs.

Conversely, within a society where individuals’ specific contributions and personal interests are decoupled, sustainable endogenous momentum for modernization cannot be achieved. During the era of China’s planned economy, egalitarian distribution was prevalent. Within identical urban status groups, there was virtually no correlation between the amount of income and the extent of personal contribution or effort. Regardless of one’s actual contributions, income returns were almost uniformly distributed, with even modest bonuses for “exceeding” contributions gradually phased out. This essentially represented an inequity, where individuals with lesser abilities or contributions effectively expropriated the potential rewards of those with greater capacities or contributions. The disconnect between societal members’ actual contributions and their personal interests ensured that widespread sustained enthusiasm for work and for modernization could not be fostered, preventing the realization of genuine endogenous dynamism. This phenomenon of social injustice was not unique to China’s planned economy but is also present, to varying degrees, in some developed European nations.

Since the conclusion of World War II, in an effort to embody human-centric principles and to mitigate real social contradictions, many European countries have established relatively comprehensive social welfare systems spanning “from cradle to grave.” Though this represents a historical trend and is generally commendable, it cannot be denied that excess in

these welfare provisions has surfaced in some nations, leading to a number of adverse consequences. As some scholars have noted, “States with overly generous welfare policies foster societal laziness, cultivating a class of welfare-dependent individuals. Substantial unemployment benefits erode the motivation and desire to seek employment, as non-working income can nearly match that of employment, resulting in a significant portion of the unemployed preferring to remain at home rather than seeking new job opportunities.” France serves as an illustrative case. “In France, the unemployment benefits received during the first year can amount to 70% to 80% of the last month’s salary before job loss, often resulting in a negligible income disparity between the unemployed and employed, thus leading a considerable segment of the population to choose leisure over seeking new employment. Surveys suggest that approximately 30% of the unemployed would rather collect state assistance than pursue new job opportunities.” These conditions have become chronic impediments to the development of these countries, exerting a suppressive effect on their endogenous drive, vitality, and creative capacity.

### 2.3 *The Principle of Reciprocity Effectively Enhances Social Cooperation*

If the principles of equal opportunity and distribution according to contribution emphasize the activation of individual potential within society’s members, then the principle of reciprocity focuses on stimulating the efficacy, vitality, and creativity of cooperative interactions among social groups.

Wherever humans exist, social cooperation is inevitable. Despite this, there is a significant contrast in the degree and scope of social cooperation between traditional and modern societies. In traditional societies, which are based on a natural economy, the extent and space for social cooperation are limited. Often, in such societies, the common scenario is that each household is nearly self-sufficient, producing most of their own consumables and thus acquiring their means of subsistence mostly through exchange with nature rather than through social interaction. Modern society is markedly different. With the advancement of modernization and the market economy, the degree of social differentiation increases, and the society becomes more professionalized, specialized, and complex. “The subunits within the social organism, such as various industries and professions, are multiplying, and the different components of the

social body are also increasingly diverse,” while “the relative autonomy of the differentiated subunits gradually takes shape.” Corresponding to the increasing degree of social differentiation is the growing dependence among various social groups, leading to higher levels of social cooperation and integration, and an expanded space for social cooperation. Each social group, and even each member, becomes increasingly unable to “independently” survive and develop without the mutual cooperation with other groups and members. In other words, the demand for social cooperation from each group and each member is ever-increasing. “The intuitive idea is that since everyone’s well-being depends upon a scheme of cooperation without which no one could have a satisfactory life.” Importantly, “There is no alternative to social cooperation except unwilling and resentful compliance, or resistance and civil war.”

Given that social cooperation is increasingly important and has become a necessity for the daily life of every social group and member, it is imperative to effectively promote social cooperation and enhance its efficacy, thereby advancing and strengthening the endogenous drive, vitality, and creativity of modernization. In this regard, adhering to the principle of reciprocity, which is a tenet of social justice, is undoubtedly key to effectively promoting and enhancing the efficacy of social cooperation. As Rawls states, “That is, they understand the need for, and they are prepared to affirm, a characteristic set of principles for assigning basic rights and duties and for determining what they take to be the proper distribution of the benefits and burdens of social cooperation.”

In examining the specifics, the principle of mutual benefit in social justice dictates that the advancement of one social group’s interests cannot be predicated on the detriment of another’s. On the contrary, any increase in the welfare of a group should ideally contribute to—or at least not diminish—the welfare of related social groups. John Rawls has articulated this notion clearly, stating, “the difference principle requires that however great the inequalities in wealth and income may be, and however willing people are to work to earn their greater shares of output, existing inequalities must contribute effectively to the benefit of the least advantaged. Otherwise the inequalities are not permissible.” The rationale is straightforward: if one group’s gain comes at another’s loss, this breeds dissatisfaction and potentially resistance among those affected. If such incidents become frequent or widespread, this signals the emergence of a pattern of negative interactions among the majority of social groups, which can lead to reduced or even severed

social cooperation. Such a scenario would inevitably weaken the intrinsic driving force behind modernization. Reflecting on China's current situation, the outlook is sobering. In recent years, China's Gini coefficient has consistently exceeded the reasonable range, with figures from 2003 to 2016 indicating a persistent inequality. Furthermore, the concentration of wealth within affluent groups is particularly alarming. A joint survey by the Southwestern University of Finance and Economics and the People's Bank of China revealed that as of August 2011, the wealthiest 10% of households held 84.6% of the total household assets, including 61.01% of financial assets and an even higher 88.7% of non-financial assets. These indicators suggest that China has yet to establish a beneficial interaction among its various social groups, leaving substantial room for the development of effective social cooperation and the activation of the internal dynamism necessary for modernization.

The rules of mutual benefit and justice are indispensable for fostering effective social cooperation, which is crucial for enhancing the endogenous forces driving modernization. The widespread implementation of these principles would bolster trust among social groups, reduce friction, disputes, and contradictions—thereby cultivating a positive dynamic and generating a synergistic, vibrant, and creative force. This, in turn, would strengthen the internal drivers of modernization. It is also worth noting a significant distinction between humans and animals. For animals, “every individual animal can and does do what for the most part it might do, or what any other of its kind might or can do that lives at the same time. The range of realized abilities of a single individual of the species is not in general materially less than the potentialities of others similar to it.” However, for humans, on the foundation of sustained effective social cooperation, there emerges a “re-creation” driven by the collective force of society—a manifestation of human “class abilities” that transcends the mere aggregation of individual members. In such a context, the internal forces propelling modernization are poised for even greater enhancement.

### 3 SOCIAL JUSTICE IS CRUCIAL FOR ENSURING THE SECURITY OF CHINA'S MODERNIZATION

#### 3.1 *The Vital Role of Social Justice in Societal Security*

The issue of societal security holds paramount importance in the modernization process. The success and smoothness of a country's modernization endeavors largely depend on the establishment of a secure societal framework. The experiences of many developing nations in their modernization journeys illustrate that without adequate assurance of societal security, effective control over significant social risks becomes challenging, and persistent contradictions and tensions arise. Consequently, the path of modernization becomes arduous and increasingly difficult to correct. At a certain point, once societal security breaches a critical threshold, the country faces immense costs, risking the destruction of past modernization achievements and distorting future modernization efforts. In this regard, Russia, along with countries in Latin America such as Brazil, Argentina, and Chile, serves as typical examples.

Although various factors contribute to the security landscape of modernization, such as economic fluctuations, unemployment, inflation, excessive taxation, environmental degradation, and international economic downturns, undoubtedly, the most significant influencing factor is the issue of social injustice among different groups within the societal community. In other words, the presence or absence of social justice affects the coordination of interests among various groups within the societal community, thus becoming the most crucial, direct, and paramount issue influencing overall societal security. This is because within a society, "in the absence of guidelines about what should constitute 'reciprocity' and 'fair exchange,' considerable strain and tension will persist."

Over the past 40 years since the initiation of reform and opening-up, China has experienced two "unexpected" phenomena. The first "unexpected" phenomenon pertains to the remarkable achievements, particularly in the economic sphere, which have garnered global recognition. The second "unexpected" phenomenon involves the proliferation of social contradictions in China, marking the most pronounced period of social discord since the founding of the People's Republic of China. At this stage in China, while there are numerous factors contributing to the escalating social contradictions, the primary cause lies in the increasing severity of social injustice. Therefore, if the issue of social



injustice is not effectively addressed, the social contradictions in China will inevitably worsen, severely impacting the overall endeavor of China's modernization.

### 3.2 *The Fundamental Basis of Social Justice Lies in the Effective Coordination of Interests Among Various Groups*

The fundamental basis of social justice should be objective and neutral, meaning it should treat everyone equally without bias or discrimination. As a public authority, when formulating basic institutions and policies, it should prioritize safeguarding the basic rights of every member of society. Whether an individual is wealthy or impoverished, male or female, part of the majority or minority group, etc., they should receive equitable protection for their fundamental rights, without favoritism. The rationale is straightforward: in modern society and a market economy, all members and groups are regarded as equals, and from the standpoint of social division of labor and cooperation, each member and group is deemed indispensable and irreplaceable.

Upon reflection on our practices, there are numerous lessons to be gleaned in this realm. In the pre-reform and opening-up era, during the planned economy, our approach to formulating certain institutions and policies often leaned excessively toward the interests of the impoverished. The notion prevailed that the poorer one was, the better, as prolonged poverty was seen as accruing substantial political capital. Conversely, affluence, capability, or disadvantaged backgrounds were viewed as exploitative and oppressive to the working class, warranting deprivation of the exploiters. Such practices not only disregarded the legitimacy of varied needs and a diversified society but also plunged the entire society into a state of egalitarianism, draining its vitality. However, in a certain post-reform and opening-up period, the situation at times presented a stark contrast. In select regions and sectors, an undue emphasis on rapid GDP and fiscal revenue growth led to policies heavily favoring the wealthy, major contributors to these indicators. This partiality was particularly evident in activities like "investment attraction" in certain locales. Consequently, preferential treatment toward the affluent at the expense of the impoverished artificially engendered social injustices, precipitating numerous social conflicts and disputes. It is evident that while formulating policies solely based on the demands of vulnerable groups may lack

equity, an exclusive focus on the perspective of the wealthy in policy-making also poses significant challenges. Such unjust practices, to varying extents, undermine the legitimate interests of other groups and foment social contradictions and disputes.

Clearly, adhering to the fundamental tenets of objective and impartial social justice is essential for ensuring the societal security framework required for modernization endeavors. The lessons learned from numerous countries engaged in modernization underscore that once the foundational principles of social justice are forsaken in institutional arrangements and policy formulations, blatant biases toward certain interests inevitably lead to widespread preferential treatment and consequent societal contradictions and conflicts. Broadly speaking, such approaches typically entail two potential scenarios. One possibility is an overemphasis on catering to the elite or affluent segments when devising systems and policies, resulting in alliances of elite interests, monopolization of societal discourse by a minority, winner-takes-all dynamics, and excessive wealth concentration. The outcome invariably undermines the legitimate interests of the populace, engendering tensions, conflicts, and varying degrees of threats to societal security. Alternatively, an excessive focus on the standpoint of disadvantaged groups or impoverished communities in institutional arrangements and policy formulations may lead to proposals and actions reminiscent of egalitarianism and populism, advocating for wealth redistribution at the expense of the interests of elite and middle-class groups. Such measures also sow discord and conflict, hindering the smooth operation of society. In contrast, formulating institutions and policies based on the objective and impartial principles of social justice ensures that each societal group receives its due, facilitating the synchronous advancement of the interests of affluent and marginalized groups. This approach not only harnesses societal vigor but also enhances societal trust and cohesion. Such a scenario significantly contributes to the establishment of a secure framework for modernization endeavors.

### *3.3 The Role of Social Adjustment in Securing Modernization Efforts*

The rule of social adjustment stands as a cornerstone of social justice, emphasizing the preservation of essential standards of survival, development, and inherent dignity for all societal members from a collective perspective. Within society, diverse factors such as risks associated with

market economies, individual career trajectories, genetic qualities, and personal aptitudes may predispose certain individuals to varied forms of adversity under specific conditions. Failure to effectively address this issue over time, allowing it to accumulate, can lead to significant adverse outcomes. This challenge not only impedes the realization of the core objective of equitable “sharing” in modernization endeavors, thereby undermining the significance of such efforts to varying degrees, but also incites widespread dissatisfaction among society’s constituents. Consequently, it precipitates numerous social contradictions and disputes, posing obstacles to the establishment of the requisite societal security framework essential for modernization pursuits.

To effectively address this issue, a nation engaged in modernization endeavors must implement the social adjustment rule, a principle of social justice. “There are two specific objectives of social adjustment: first, to provide a ‘safety net’ that guarantees the people’s basic survival; second, to improve their quality of life and development ability. In concrete terms, social adjustment implies realizing full employment, adopting reasonable taxation, implementing effective social welfare policies, vigorously developing education, creating an equitable social environment, and so on.”

Through the effective implementation of the rule of social adjustment, a nation undertaking modernization efforts can harmonize the interests among different social groups from the perspective of “the greater well-being of the people,” thereby securing the fundamental aspects of societal safety.

In this respect, China’s current efforts have not been entirely successful. This is particularly evident during a period since the inception of reform and opening-up, characterized by an excessive emphasis on GDP growth, misaligned government self-positioning, lack of scientific, democratic, and transparent decision-making processes in public policy, insufficient oversight, and incomplete evaluations of cadre performance, among other factors. These have led to a certain degree of inversion in the priority order of China’s public investments. While there have been noticeable improvements in recent years, this situation has not been fully corrected. On one hand, there is a relatively small proportion of public investment in basic livelihoods. For example, China’s investment in social security is relatively insufficient, significantly lower than in other countries. Similarly, expenditures on public health fall behind those of other nations. On the other hand, there is an excessively high proportion of

irrational public investment. Administrative costs in China remain disproportionately high. More significantly, the country has invested excessively in “luxury” urban development, “luxury” public works projects, and specific “luxury” public buildings, ranking at the forefront globally in this aspect. Unless this situation changes, there will be no fundamental improvement in China’s basic livelihoods, and the long-term security of China’s modernization endeavors will remain uncertain.

### *3.4 Procedural Justice Rules Aid in Resolving or Mitigating Social Contradictions*

Social justice encompasses not only substantive justice but also procedural justice. In resolving or alleviating existing or emerging social contradictions, procedural justice holds irreplaceable significance. “The person who uses an unreliable procedure, acting upon its result, imposes risks upon others, whether or not his procedure misfires in a particular case.”

The principle of procedural justice, which involves the participation of multiple stakeholders, fundamentally eliminates the monopoly of discourse on policy-making by a few individuals. “Through means such as necessary public participation, professional consultation, division of labor, compartmentalization, and democratic decision making—all placed within the scope of procedural justice—the formulation and implementation of relevant social justice policies can be ensured and the fusion of special interest groups with governmental power can be prevented.” In situations where the rule of law is absent or deficient, discourse power over policies aimed at resolving or alleviating social contradictions and disputes is often monopolized by a privileged few possessing power or wealth. In such cases, policies tend to exhibit evident biases and lack legitimacy, thereby failing to adequately protect the interests of affected stakeholders, particularly the majority who bear the brunt of the consequences. The principle of procedural justice, which advocates for the involvement of multiple stakeholders, underscores the imperative of conducting policy-making processes based on the egalitarian principle of equality. This ensures that all stakeholders, including those adversely affected, participate in the formulation of pertinent policies. “No organization or individual shall have the privilege beyond the Constitution and laws. All violations of the Constitution and laws must be investigated.” Only through this approach can the relevant policies aimed at resolving or

mitigating social contradictions gain solid legitimacy and authority, thus garnering the recognition of the stakeholders involved.

The principle of fully expressing stakeholders' interests in procedural justice contributes to enhancing the effectiveness of policies aimed at resolving or alleviating social contradictions and conflicts. From a technical perspective, even if a society aims to address social contradictions, limited channels for stakeholders to express their interests may hinder their demands from being adequately voiced. Consequently, the lack of understanding of these interests makes it challenging to address the contradictions effectively. The principle emphasizes the need to establish various effective channels for stakeholders to express their interests. Only by providing diverse channels for expressing interests can various social conflicts be effectively addressed or mitigated within the institutional framework. "The discernible outcome of integrating social contradictions into institutional frameworks is the potential for widespread and sustained alleviation of 'minor grievances,' offsetting the elimination of 'major grievances' characterized by higher intensity from conflicting parties. This exchange aims to prevent the accumulation of significant social resentment and the buildup of potential for major social conflicts, thereby averting substantial and disruptive social upheavals." Undoubtedly, implementing this approach serves to enhance the effectiveness of policies aimed at resolving or alleviating social contradictions and conflicts.

The principle of transparency within procedural justice enhances trust among stakeholders involved in resolving social contradictions and disputes. When there is an imbalance in access to relevant information among stakeholders, the resolution or alleviation of social conflicts cannot be considered fair and reasonable. Consequently, stakeholders are unlikely to trust such resolution methods and their outcomes. The principle of transparency in procedural justice emphasizes the equal right of all stakeholders to access information. "Every individual does have the right that information sufficient to show that a procedure of justice about to be applied to him is reliable and fair (or no less so than other procedures in use) be made publicly available or made available to him.... When the information is made publicly available or made available to him, he is in a position to know about the reliability and fairness of the procedure." As a result, stakeholders, through the principle of transparency, facilitate a situation of mutual trust in resolving or alleviating contradictions and disputes. "Even if a person does quite badly in the final result, provided

that it is arrived at by methods that match her standards of fairness, she will accept the outcome as a legitimate one.”

It is evident that the procedural justice rules in social justice play an indispensable and crucial role in resolving or mitigating social contradictions and conflicts, thus becoming a necessary guarantee for the secure advancement of modernization endeavors.

## 4 EFFECTIVELY SAFEGUARDING AND PROMOTING SOCIAL JUSTICE

As evident from the preceding discussion, social justice holds paramount importance for China’s modernization efforts. While it may be premature to assert that safeguarding and promoting social justice constitute sufficient conditions for the healthy development and secure advancement of modernization, they undeniably represent its most crucial prerequisites. This consensus has already taken root among the Chinese populace.

The question then arises: how can social justice be effectively safeguarded and promoted, thereby facilitating the effective progression of China’s modernization endeavor? In this regard, a multitude of factors come into play. However, particular attention must be paid to excelling in the following two aspects.

### 4.1 *Institutionalization of Social Justice*

Social justice should not merely be treated as a value concept but rather needs to be institutionalized further. “Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction.” The normal functioning and healthy development of society depend on institutional support. Social justice, as a fundamental principle, must be institutionalized to yield practical effects in problem-solving. As Rawls pointed out, “For us the primary subject of justice is the basic structure of society, or more exactly, the way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social cooperation. By major institutions I understand the political constitution and the principal economic and social arrangements.” Only by institutionalizing social justice can existing achievements be consolidated in a stable and proactive manner, new advancements be pursued, and the associated institutions be transformed into “good laws” rather than “bad laws.”

Conversely, failure to institutionalize social justice and relying solely on the concept to address social injustices leads to two significant drawbacks. This approach, due to its failure to consider that the alignment of social justice with reality must be achieved through a form acceptable to all social groups, such as institutional forms, may yield short-term results in specific individual cases. However, in the long run, due to its excessive idealism, lack of feasibility, effectiveness, and stability, and high uncertainty, it cannot sustain the advancement of modernization. The second drawback arises when the idea of social justice is directly translated into specific policy measures without the backing of relevant institutions. If the former drawback errs on the side of being too “idealistic,” then this drawback errs on the side of being too “realistic.” This approach, lacking institutional integration, tends to result in overly pragmatic and disjointed policies, devoid of logical coherence and therefore uncertain, impractical, and unstable. Thus, institutionalizing social justice is essential to address these drawbacks and ensure the sustainable advancement of modernization efforts.

#### 4.2 *Gradual Progression of Social Justice*

Similar to the incremental nature of modernization, the attainment of social justice cannot occur instantaneously. To align with the evolving needs of different stages of modernization, the promotion of social justice should be delineated into several phased objectives, progressing from basic to more advanced targets. At each distinct stage, the objectives of social justice exhibit nuanced differences. These specific objectives of social justice are interconnected and consistent throughout the process. In this context, two noteworthy scenarios emerge. Firstly, when economic modernization advances to a new phase while progress in social justice lags behind, lingering at the previous stage, it inevitably leads to a surge in social contradictions and disputes. Secondly, attempting to propel the goals of social justice beyond the current stage of economic development is unrealistic. This often results in an inability of economic resources to sustain unilateral advancement in social justice, leading to dashed expectations among many people and subsequent social contradictions and disputes.

In the current stage of development in China, it is advisable to prioritize the maintenance and promotion of social justice at its foundational level. Despite the tremendous achievements in modernization since the

onset of reform and opening-up, it cannot be denied that there exists a certain lag in the preservation and promotion of social justice, leading to a deficiency and subsequently resulting in an imbalance between economic and social development, culminating in numerous social contradictions and disputes. Faced with this reality, it is imperative to effectively propel the promotion of social justice at its foundational level. In this regard, besides the establishment of a primary-level social security system as previously mentioned in this book, at least two additional points warrant attention. Firstly, fostering a fair competitive environment for the market economy. While China has established a market economy, it remains relatively nascent and lacks standardization. Therefore, it is imperative to adhere to fundamental principles of social justice such as equal opportunities and distribution based on contributions, and eliminate various hindrances to the free allocation of production factors, such as the unequal treatment of different ownerships, to create a fair environment for the development of private enterprises. Only then can a standardized and competitively meaningful market economy environment be established, significantly enhancing the endogenous driving force of China's modernization efforts. Secondly, rectifying deficiencies in the advancement of social justice. It must be acknowledged that, just as there are shortcomings in economic development experience, our country also lacks experience in maintaining and promoting social justice, inevitably leading to some artificial mistakes. For example, social security is a fundamental aspect of social justice and a necessary task in modern society. However, if different occupational groups receive significantly different treatment in social security, it becomes another form of social injustice. Currently in China, compared to groups such as civil servants and teachers, the social security standards for workers and farmers are significantly lower. This represents a typical "dual-track" policy, which does not align with the essence of social justice and should be rectified. As for the rectification approach, it should follow the principle of "addition" rather than "subtraction" in improving people's livelihoods. We can gradually increase the level of social security benefits for workers and farmers at a rate comparable to that of civil servants and teachers, rather than correcting the disparity by reducing the existing social security standards for civil servants and teachers. This approach can gradually transform the "dual-track" social security system into a "single-track" system, making the social security system more just over time.



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## TRANSLATORS' NOTE

Whenever possible, we have utilized English editions of texts as the primary source for quotations in this work. In cases where no English edition was accessible, we have provided our own translations from the Chinese edition. The English translations underwent meticulous copy-editing by Claudia Chen at UCLA and YANG Yan at China University of Petroleum-Beijing at Karamay. We extend our sincere appreciation for their thorough editing and proofreading efforts.

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