China's AI Development Trajectory: From Fragmented Authoritarianism to Securitisation

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In 2017, the central government of the People's Republic of China (PRC) released "A New Generation Artificial Intelligence (AI) Development Plan," marking AI as a "major strategic opportunity" for the country (Webster et al., 2017). Among government ambitions are aims to achieve a "first-mover advantage" in technological leadership and becoming "the world's primary AI innovation center" (Larson, 2018). In the West, the PRC's declared ambitions for AI dominance were quickly juxtaposed with other high-level strategic initiatives—most notably 'Made in China 2025' and 'civil-military fusion'—intensifying concerns that AI would be leveraged to accelerate defence modernisation and enable military technology leapfrogging (Allen, 2019). In the 2017 Plan, the government was ordered to "form an all-element, multidomain, highly efficient new pattern of civil-military integration" on AI.

Nearly a decade later, the securitisation of the PRC's AI development strategy appears to validate earlier concerns. More notably, its initial success suggests that securitisation is proving effective, reflecting growing confidence in Xi Jinping's top-down development model—one accelerated by intensifying great power competition.

In the United States, responses to the PRC's AI ambitions have ranged from advocating for a "Manhattan Project-style program dedicated to racing to and acquiring an Artificial General Intelligence (AGI) capability" (US–China Economic and Security Review Commission, 2024) to an "all gas, no breaks" unrestrained development at home (Gangitano, 2025). Addressing China's emerging capabilities and its search for AI primacy, the 2021 National Security Commission on Artificial Intelligence recommended setting up "choke points" to curtail Chinese progress (Kharpal, 2021; Nellis, 2021). Subsequent legislation, such as in the 2021 *Innovation and Competition Act* – inclusive of *CHIPS for America Act*, *The Endless Frontier Act*, *The Strategic Competition Act*, *Meeting the China Challenge Act*, and *The Build America, Buy America Act* – acted upon these recommendations (Nikakhtar et al., 2021).

Debates persist about whether the PRC now operates as a unitary and strategically coordinated actor in AI development, with the Chinese Communist Party (CCP) directing industry, academia, and the military in concert (Hayes, 2025; Allen, 2019; Allison, 2019; Kempe, 2019). Rational-actor approaches, which assume a coherent central strategy, often oversimplify the complexity of China's system – particularly the roles played by provincial, municipal, and submunicipal governments, as well as private sector actors, in shaping AI outcomes (Zeng, 2021a).

By contrast, the fragmented authoritarian thesis explains these relationships as more decentralised, and the competition for economic performance as instrumental in shaping policy and, therefore, AI development outcomes (Lieberthal, 1992; Lieberthal & Lampton, 1992). More recent arguments showcase that changes under Xi Jinping since 2013 have eroded many of these distinctions (Taylor & Garlick, 2025). Observers point to the structural

merging of national unity and "comprehensive national security," where everything from political, cultural, and societal security to territorial, polar, deep sea, and tech security are codified into law. Some have referred to this as the "securitisation of everything," where aims have moved from seeking outcomes to modes of government (Drinhausen & Legarda, 2022).

The securitisation of strategic technology drivers like AI (Zeng, 2021b) complicates the fragmented authoritarianism thesis, showcasing that a hybrid model is more accurate. Decentralised dynamics persist in sectors where economic growth and market incentives dominate. However, when technologies are categorised as strategically vital – semiconductors, advanced computing, and AI – the CCP asserts vertical control and compels alignment across state, industry, and research institutions (Ping, 2025). Put differently, decentralisation worked as long as access to external inputs was readily available, with local governments contributing to and even leading AI development initiatives (Sheehan, 2018).

We can view this in ongoing national efforts to develop a complete AI stack (encompassing technologies, frameworks, and infrastructure), where access to external inputs has been closed (Chang et al., 2025). The Biden administration's *Innovation and Competition Act* and export bans on strategic technologies caused central planners in China to deepen the securitisation of AI infrastructure and resource development across the third layer of the stack – cutting-edge Graphic Processing Units, memory, and computation (Zeng, 2021b) – when it became clear industry and local-government subsidies alone couldn't provide a response.

The example of China's semiconductor development path here is illustrative. In 2014, the Chinese government published its *National Integrated Circuit Promotion Guidelines* to accelerate indigenous chip development, setting the goal under Made in China 2025 of 70% self-sufficiency in semiconductors by 2025 (Ravi, 2021). Xi publicly committed China to "mobilise all means … to wrest technological supremacy from the United States and other nations" (Ezell, 2024; Janjeva et al., 2024). By 2024, estimates put China's self-sufficiency drive at 30% and US$1 trillion short of investment needs (Schuman, 2024). As Khanal et al. highlight (2024), the local governments were caught prioritising the economic potential of AI at the expense of the central government's focus on national security, defence, and global competition.

In this context, the 2017 New Generation AI Development Plan goes some way to explaining the problem. Local governments were called on to "forcefully develop new AI industries," "construct national AI industrial parks," and "construct national AI mass innovation bases" (Webster et al., 2017). Coordination was lightly emphasised as part of the "systems layout" envisioned for targeted development, but this was buried beneath the urgency designated to "national competitiveness" and "national security," which dominated the strategy. Local-government actors took this focus as identifying competition within the "bounds of the permissible" (Taylor & Garlick, 2025) – as long as competition and policy observed the red lines of central policy, they could assert their interests on implementation (Ives & Holzmann, 2018).

Only since 2022 has the shift towards a more centrally controlled "coordination" occurred, as the realisation that a bottom-up approach to AI development wasn't meeting central government objectives. Subsequent documents – like the *Three-Year Action Plan for the Development of New Data Centers* (2021-2023) and the *Guiding Opinions on Accelerating Scenario Innovation to Promote High-Level Application of Artificial Intelligence and Support High-Quality Economic Development* – outlined that the central government would see "overall coordination, balanced and orderly development" (MIIT, 2021), and "systematically guide all localities and entities to accelerate the application of artificial intelligence scenarios" (Ministry of Science and Technology, 2022).

In further clamping down on the autonomy of local government, in July 2025 at the Central Urban Work Conference held in Beijing, Xi personally called out the "reckless investment" of local governments in strategic industries, criticising "the lack of coordination and oversight, which he said was leading to duplication, inefficiency, and waste of critical national resources" (Agarwal, 2025). He publicly denounced officials seen as chasing ambitious projects to secure promotion while avoiding responsibility when these ventures failed.

In sum, the deepening of strategic competition between China and the United States has reduced provincial space for "policy entrepreneurship" and increased pressure on private firms to align with CCP priorities. By stepping up its role in "coordinating" implementation, Beijing has further securitised sectors of AI development most susceptible to external influence. These changes challenge the fragmented authoritarian thesis, but neither does the rational-actor argument capture the friction between domestic actors in China as each tries to maximise their own interests.

Thus, the CCP's development response to heightened great power competition has dragged policy and implementation closer to the centre of these two theorised trajectories. Meanwhile, the Trump administration's "Winning the Race: America's AI Action Plan" (White House, 2025), announced July 23 2025 – extending the Biden administration's intention to weaken China's AI development agenda – has likely accelerated these frictions. Governments such as Australia's may therefore seek to moderate this trajectory and strategically prepare for a future increasingly defined by the securitisation and militarisation of AI (APTF, 2025).

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