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National Strategic Integration: How China is Building Its Strategic Power

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Summary

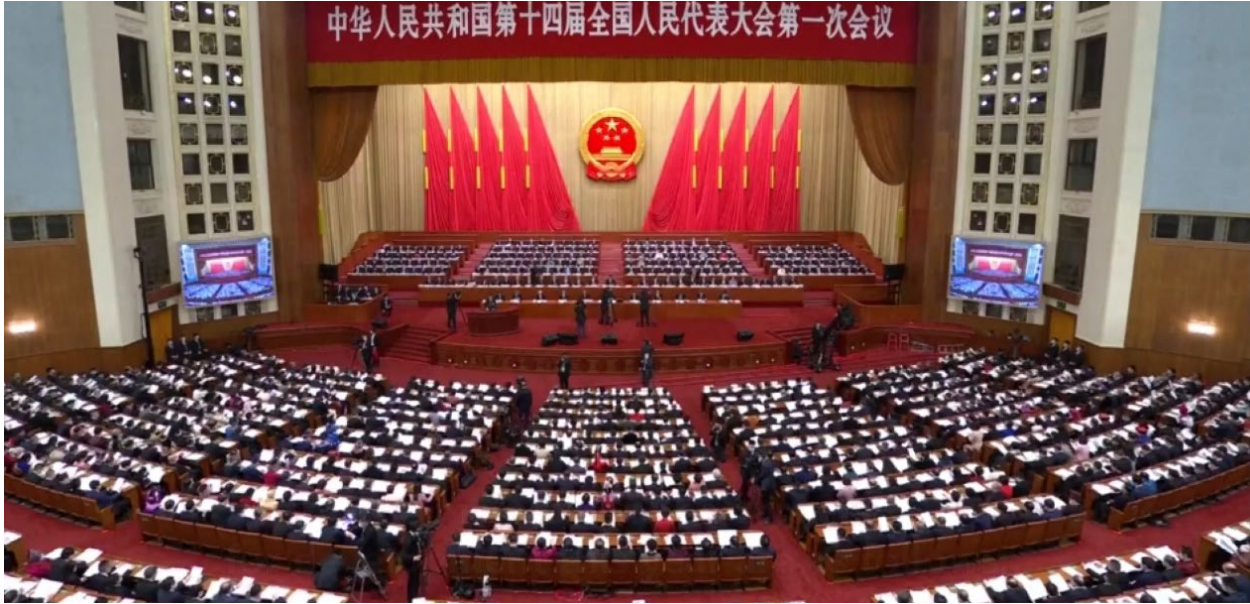
Xi Jinping has significantly elevated the importance of national security and technological innovation in China's overall priorities since coming to power in 2012. Under his leadership, China has sought to integrate the country's economy, political system, society, and defense apparatus behind the goal of national security. This brief explores the newest and most sweeping iteration of that policy: national strategic integration, which aims to remake China into the global leader in technology and security.



This brief is part of a special series organized jointly by the University of California Institute on Global Conflict and Cooperation (IGCC) and the Mercator Institute for China Studies (MERICS). This analysis was originally presented at the Conference on the Chinese National Innovation and Techno-Industrial Ecosystems in Berlin, September 5–6, 2023.

Key Findings

- National strategic integration is the successor to military-civil fusion, a policy launched in the mid-2010s but shelved by the end of the decade amid significant foreign criticism. Although the term first appeared in 2017, national strategic integration remained obscure until 2022, likely to evade foreign scrutiny.
- National strategic integration gained prominence after Xi Jinping's mention of it at the National People's Congress in March 2023. It represents an even bigger and bolder effort than military-civil fusion to unite the highest and most strategic parts of China's economic, technological, and national security systems towards singular national objectives. It also indicates the Chinese government's ongoing shift towards prioritizing national security over economic development.
- China's move towards an integrated national strategic system is a process that increasingly joins its civil, national security, and military sectors towards a single unified system. This process seeks to pool strategic resources, power, and means towards common strategic goals. It aims to unite these assets across jurisdictions to achieve an outcome that is greater than the sum of its component parts.
- Little is known about the ultimate objectives of national strategic integration. A speech by Xi to military delegates at the 2023 National People's Congress, however, revealed six key priorities, including support for innovation, enhancing technological self-reliance, strengthening China's defense industrial base, increasing China's strategic reserve capacity, improving coordination between national development and national security, and turning China's armed forces into a world-leading power.
- The structure of this integrated national strategic system is opaque, but the Central Military-Civil Fusion Development Commission oversees its design, coordination, and promotion, hinting at its close relationship to the previous military-civil fusion program. Ultimately, President Xi has expressed his desire that the process be led by the Chinese Communist Party's Central Committee.



National People's Congress (NPC) in March 2023. Photo: 中国新闻社, CC BY 2.0, via Wikimedia Commons

At a gathering of military officials at the National People's Congress (NPC) in March 2023, China's paramount leader Xi Jinping spoke about integrating the country's civilian and national security sectors, which currently operate on separate tracks.¹ Xi first put forward what he calls an integrated national strategic system (INSS 一体化国家战略体系) five years earlier, but little had been heard publicly about the concept thereafter. The notion of an integrated national strategic system—which can be more succinctly termed as National Strategic Integration (NSI)—has proceeded like a slow-lit fuse through the Chinese policy apparatus.

Xi's desire to forge a strategic economy that seamlessly links the civilian, military, and strategic domains is nothing new and his administration has been pursuing the related strategy of military-civil fusion (MCF) since the mid-2010s. But NSI is a bigger, bolder, and broader undertaking than MCF and involves integrating the highest and most strategic parts of the Chinese economic, technological, and national security systems. NSI will be a key instrument in Beijing's policy toolkit in its techno-security great power competition with the United States and its allies. NSI is the term of art employed in this brief, but it can be used interchangeably with INSS.

¹ "Unify Thinking and Understanding, Strengthen Mission Responsibility, Pay Close Attention to Work Implementation, and Strive to Create a New Situation of Integrated National Strategic System and Capacity Building" (统一思想认识 强化使命担当 狠抓工作落实努力开创一体化国家战略体系和能力建设新局面), *People's Daily* (人民日报), March 9, 2023. <http://cpc.people.com.cn/n1/2023/0309/c64094-32640039.html>

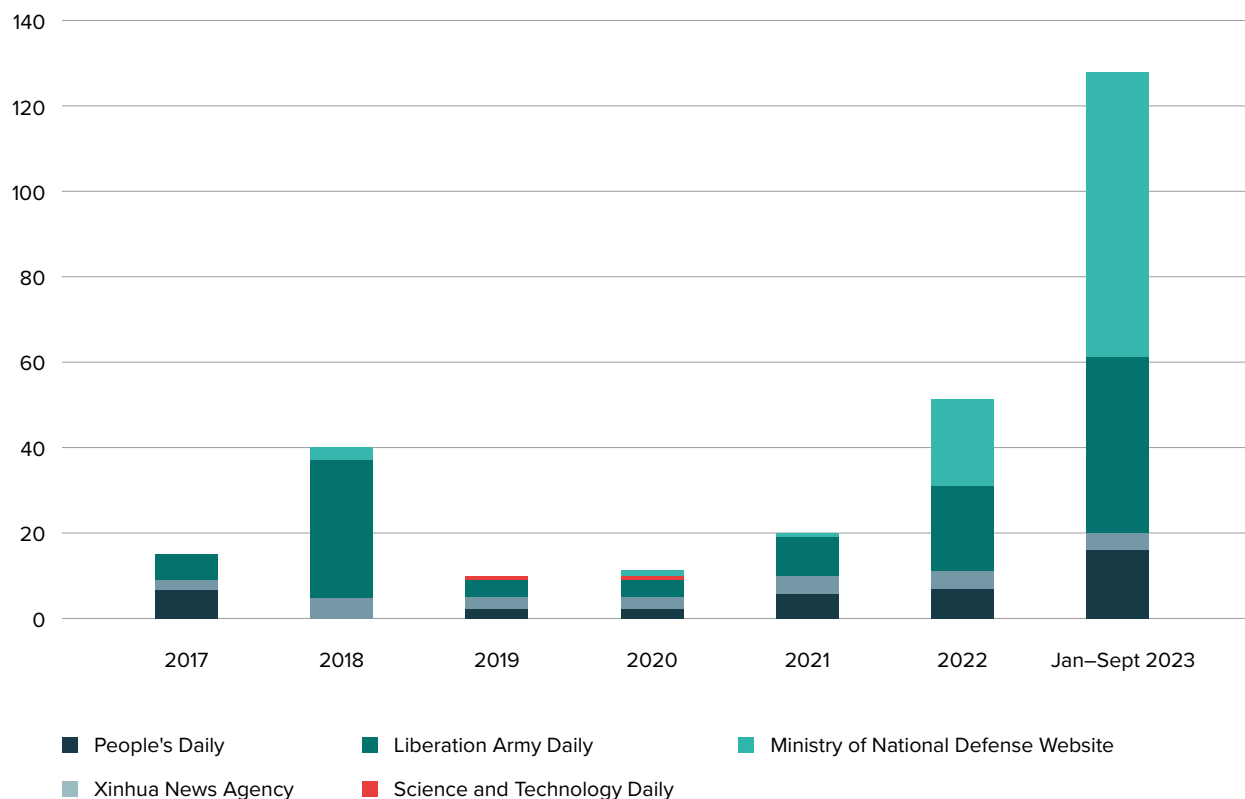
The Slow Birth of the NSI Concept

The concept of National Strategic Integration received little attention when it was initially floated. Xi first mentioned the need to build the INSS with strategic capabilities in 2017 at a meeting of the Central Military-Civil Fusion Development Commission (CMCFDC 中央军民融合发展委员会), a party organization of high-level leaders in charge of the country's most powerful party, state, and military entities with the goal of fostering MCF. Xi referred to the INSS concept again to a much bigger national audience a few months later at the 19th Party Congress, but his remarks attracted only passing policy attention, at least publicly. A review of major Chinese media outlets (*People's Daily*, *Liberation Army Daily*, *Science and Technology Daily*, and *Xinhua News Agency*) and

the Ministry of National Defense website between 2017 and September 2023 shows that INSS drew little attention before 2022, averaging less than 20 mentions annually between 2017 and 2021 (Figure 1). Coverage increased modestly in 2022 after Xi referred to it in his 20th Party Congress speech, and then picked up significantly between January and September 2023 with 127 mentions. The raising of NSI in Xi's 20th Party Congress speech and more importantly his discussion of the concept at the 14th NPC in March 2023 is the main reason for this sharp pick-up in attention to the term, signaling that NSI was ready for policy implementation.

FIGURE 1

Frequency of Articles Containing “Integrated National Strategic System (一体化国家战略体系)” Published in Major Chinese Media and Defense Outlets



What Is National Strategic Integration?

The NSI concept has so far received only a modest amount of policy and analytical attention, largely from People's Liberation Army (PLA) and civilian scholars working on MCF-related issues. No major official policy documents have so far been issued concerning NSI and neither Xi nor other senior leaders have publicly discussed it in detail. This policy silence can be interpreted either as an indication that the NSI concept has not gained policy traction or as a sign that the authorities are not keen to attract public—especially foreign—attention. The evidence leans heavily to the latter explanation.

“Integrated national strategic system with capabilities” is the literal translation of 一体化国家战略体系和能力, which in practice is a complex and multi-layered concept. Despite the word ‘system,’ the NSI concept is less about structure and more about process—specifically the process of integration across the civilian, national security, and military sectors, with the ultimate goal of converging into a unified system of systems.²

‘National strategic’ (国家战略) refers to the overarching relationship and balance between national development and national security. When Xi came to power in 2012, economic development was the country's foremost priority, but the balance has steadily shifted in favor of national security. This was made clear at the 20th Party Congress in October 2022 where Xi made national security a central theme of his keynote speech, saying that “national security is the bedrock of national rejuvenation.” While NSI is primarily focused on national strategic priorities, the concept covers the entire spectrum

of civilian-security integration activities, including pursuits—such as MCF and development-security integration—at the provincial and lower levels.

The dangling reference to ‘capabilities’ (能力) means the “ability to organize, coordinate, and use strategic resources (战略资源), strategic power (战略力量), and strategic means (战略手段) to achieve national strategic goals (国家战略目的),” according to an analysis by several leading military analysts from the Academy of Military Sciences (AMS), the PLA's premier strategic think tank.³ A similar concept employed by Chinese strategic analysts and leaders is ‘comprehensive national power,’ which refers to the sum of a country's economic, technological, political, diplomatic, demographic, and other sources of measureable power.

In sum, NSI is a top-level systems of systems construct intended to coordinate and pool together strategic capabilities and resources from across jurisdictions (civil and military, central and provincial, state and private sector) to create a more capable and integrated system able to perform better than the sum of its constituent parts in the execution of strategic and national security tasks. Xi Jinping has referred to the construction and improvement of NSI as a complex systems engineering undertaking. The AMS study of NSI said that the coming together of “the national strategic system is the process of integrating various interrelated national strategies at the national level to form an organic whole.” This meant coordinating national strategies across a wide array of fields such as the economy, political system, society, and national defense.⁴

² The U.S. Defense Department translates Tixi (体系) as systems. See *U.S. Defense Department, Military and Security Developments Involving the People's Republic of China 2023*, October 2023, pp-29-33.

³ Lian Zhenyu, Gu Tongfei, Xue Qi, and You Guangrong, “Research of the Integrated National Strategic System and Capabilities: Concept, Framework and Construction” (一体化国家战略体系和能力研究: 概念、框架与构建途径), *Studies in the Science of Science* (科学学研究), Vol. 41 No. 4, April. 2023.

⁴ Ibid.

Priorities and Structure of NSI

The tight veil of secrecy surrounding NSI was pulled back slightly when Xi talked about the NSI concept publicly for the first time to military delegates at the NPC this past March. At the meeting, Xi identified several key priorities for NSI.⁵

Key NSI Priorities

Priority 1: Support “collaborative innovation” on strategic projects, especially focused on making scientific breakthroughs, promoting original innovation, and ensuring high-end technological self-reliance. Xi also referred to the employment of national laboratories, which are important actors for engaging in big science and big engineering projects. The 14th Five-Year Plan said that national laboratories would be established focusing on quantum information, photonics and micro and nano electronics, network communications, artificial intelligence (AI), biotechnology and pharmaceuticals, and modern energy systems.⁶

Priority 2: Accelerate the upgrading of the country’s strategic capabilities in the development of emerging technologies. Critical technologies in science and technology include semi-conductors, medical and bio-tech (the response to the Covid pandemic was an early key test case for NSI), and emerging technologies such as AI, quantum information, neuroscience, advanced clinical medicine, deep-space, and deep-sea that were highlighted in the 14th Five-Year Plan.

Priority 3: Strengthen the defense industrial base to enhance resilience of its industrial infrastructure and supply chains and improve its structural layout.

Priority 4: Increase the country’s strategic reserve capacity and intensify efforts to build strategic infrastructure and integrate strategic resources.

Priority 5: Improve coordination of national development and national security, especially between economic construction and national defense construction. This priority suggests that national security and military considerations need to receive greater attention in economic development planning.

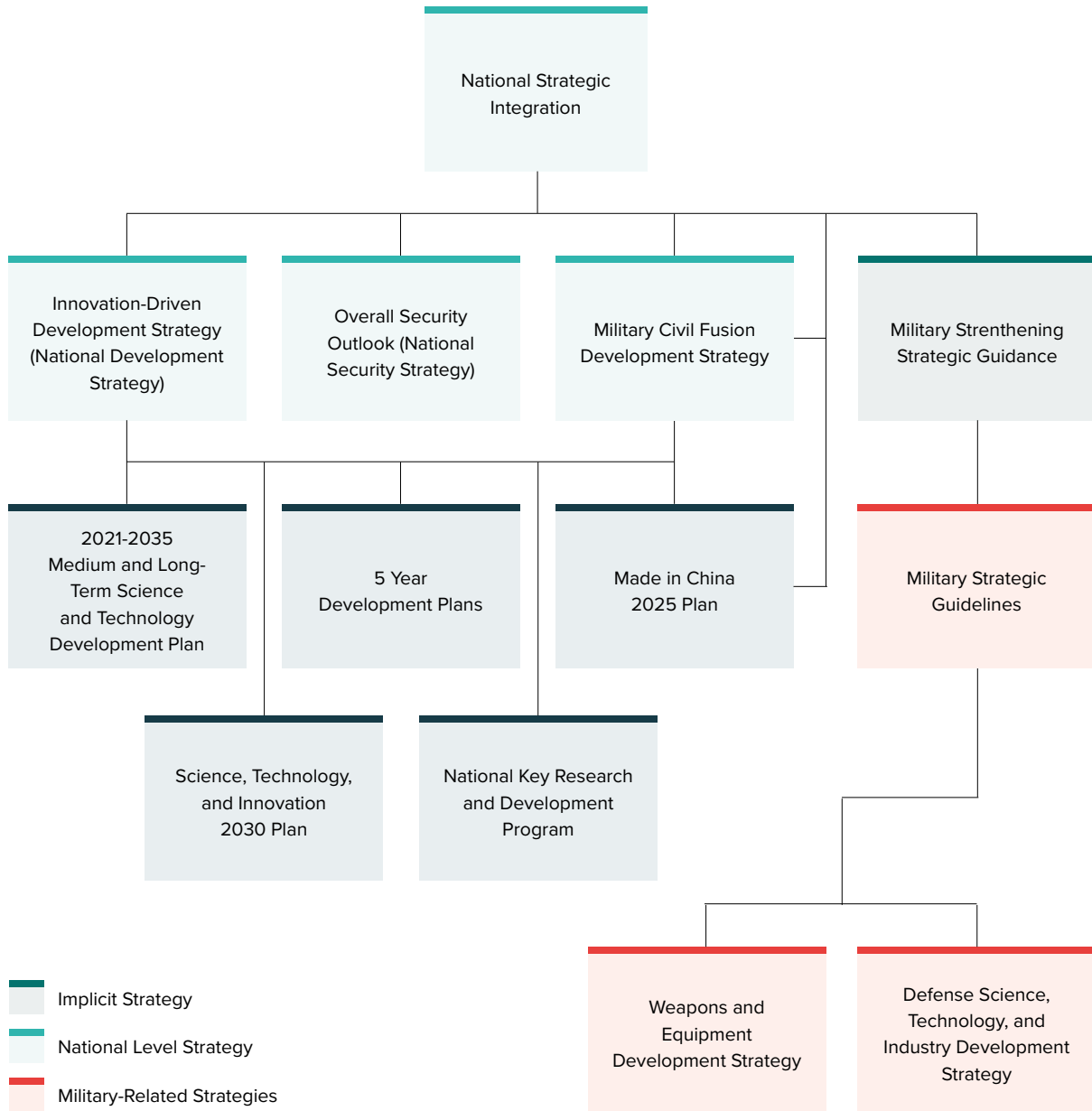
Priority 6: Support the PLA in its pursuit of its 2027 centenary goals and build the armed forces into a world-class leader over the longer term. The structure and organization of NSI remain opaque. A rare description of the organizational nature of the NSI system comes from He Kun, an MCF expert at the PLA’s National Defense University, who said that the CMCFDC has been “responsible for the top-level design, overall layout, coordination, promotion, and supervision of the implementation of the INSS” in close liaison with central and local-level agencies.⁷ He said that the involvement of the CMCFDC means that an “institutional system has been established whose specific duty is to provide a strong organizational guarantee for the continuous promotion of the INSS.” The role of the CMCFDC as the principal organizational vehicle for NSI indicates a very close relationship between MCF and NSI. Xi himself indicated, in his March 2023 remarks to the NPC that centralized and unified leadership by the CCP Central Committee would be imperative. The CMCFDC and the newly established Central Science and Technology Commission (CSTC) are most likely the principal agencies in charge of leading and coordinating the implementation of NSI.

⁵ “Unify Thinking and Understanding”, *People’s Daily*, March 9, 2023, Op Cit.

⁶ “14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China (2021–2025) and the Outline of Long-Term Goals for 2035” (中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要). *Xinhua News Agency*, March 12, 2021, http://www.gov.cn/xinwen/2021-03/13/content_5592681.htm, Chapter 2, Section 1.

⁷ He Kun, “Consolidate and Improve the Integrated National Strategic System and Capabilities”, (巩固提高一体化国家战略体系和能力), *China Social Sciences Network* (中国社会科学网), 30 May 2023, https://www.cssn.cn/jsx/jsx_xxqj/202305/t20230530_5641347.shtml

FIGURE 2
National Strategic Integration and its Constituent Components



Strategic Deterrence and Preparing for Wartime Contingencies are at the Heart of NSI

Xi's remarks offer a few indicators into the present focus and priorities of NSI. First, NSI is actively and deeply involved in supporting the PLA's efforts to achieve its strategic goals for 2027, although there is no explicit mention of what these goals are. Xi said at the 20th Party Congress that key defense priorities for his third term include:

1. Establishing a strong strategic deterrence system;
2. Enhancing strategic capabilities to defend China's sovereignty, security, and development interests; and
3. Implementing major projects to develop defense science and technology, weapons, and equipment and moving faster to translate technological advances for war-fighting.

The focus on accelerating and upgrading the country's strategic capabilities would likely include nuclear, space, long-range precision strike, naval, autonomous, and information-intensive systems. Hou Changling, a PLA Rocket Force officer who attended Xi's NPC speech, said that NSI was highly relevant in helping his service improve its strategic containment capabilities and combat preparations and strengthen its strategic applications.⁸

Another key NSI priority appears to be preparing for wartime contingencies, stepping up defense mobilization, beefing up defense industrial power, and ensuring that the defense establishment can seamlessly tap into China's overall national infrastructure, such as transportation and communications, along with other strategic capabilities and assets. This focus on militarization has been sharpened by the lessons the Chinese defense and national security establishment are learning from the Russia-Ukraine war. The conflict has shown the PLA that modern war is in fact a "new form of 'hybrid warfare'" ("“混合战争”新形态”) in which "military warfare is intertwined with political warfare, financial warfare, technological warfare, cyber warfare, and cognitive warfare," according to Gen. Wang Haijiang, the commander of the Western Theater Command.⁹ This lesson amplifies the importance of NSI.

⁸ "Make Strenuous Efforts to Create a New Situation for an Integrated National Strategic System and Capacity Building" (努力开创一体化国家战略体系和能力建设新局面), *Liberation Army Daily* (解放军报), March 9, 2023 <http://www.mod.gov.cn/gfbw/qwfb/16207530.html>

⁹ Wang Haijiang, "Relying on the Integrated National Strategic System and Its Capabilities to Improve the Theater Command's War Preparedness and Fighting Levels," *Study Times* (学习时报), 1 May 15, 2023, https://m.thepaper.cn/newsDetail_forward_23085069

Next Steps for National Strategic Integration

NSI is finally emerging from the shadows, but this coming out is likely to be circumspect and limited. The Chinese authorities have learned that being transparent can lead to unintended negative consequences. This was the case with MCF, for example, which is viewed by the United States and other Western governments as a highly threatening means by which the Chinese authorities can leverage civilian knowhow and technologies to support its military modernization.

When MCF was launched in the mid-2010s, the Chinese government vigorously promoted the strategy: it issued numerous policy documents, hosted trade fairs, and encouraged scholarly and open policy research. As foreign concerns and criticism of MCF mounted in the late 2010s, the Chinese authorities censored the use of the term in 2019 and it has largely disappeared from public view. Nonetheless, the process of integrating the civilian and military sectors remains a pressing priority. But the world outside should expect few if any official policy documents on NSI—NSI is likely to remain a heavily guarded concept in official public discourse.

As China ramps up its efforts to strengthen and safeguard itself from an increasingly volatile and threatening global strategic landscape—especially in the techno-security domain where it is locked in an escalating struggle with the U.S.—NSI-centred policies and programs are likely to take a leading role in national priorities throughout the rest of this decade and beyond. The building of a powerful NSI leadership, management, and implementation system appears to have been largely accomplished with the establishment of the CSTC in March 2023, which will work alongside the CMCDFC. The NSI will be a key mechanism for spearheading China's efforts to establish a comprehensive and seamless techno-security state that is organizing and preparing for the possibility of major war.¹⁰

¹⁰ Tai Ming Cheung, *Innovate to Dominate: The Rise of the Chinese Techno-Security State* (Cornell University Press, 2022).

Author

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Dr. Cheung is the author of *Innovate to Dominate: The Rise of the Chinese Techno-Security State* (Cornell University Press, 2022), and *Fortifying China: The Struggle to Build a Modern Defense Economy* (Cornell University Press, 2009); editor of *Forging China's Military Might: A New Framework for Assessing Innovation* (Johns Hopkins University Press, 2014); and co-editor of *The Gathering Pacific Storm: Emerging U.S.-China Strategic Competition in Defense Technological and Industrial Development* (Cambria Press, 2018). He was based Hong Kong, China, and Japan from the mid-1980s to 2002 covering political, economic, and strategic developments in Greater China and East Asia, first as a journalist for the Far Eastern Economic Review from 1988–1993 and subsequently as a political and business risk consultant for a number of companies, including PricewaterhouseCoopers. Dr. Cheung has a Ph.D. in war studies from King's College, London.

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