



China's AI Strategy and Its Implications for Global Governance

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ABSTRACT

The rapid advancement of artificial intelligence has emerged as a defining geopolitical and governance challenge of the twenty-first century, fundamentally reshaping the distribution of power in the international system. This research paper examines China's comprehensive national AI strategy and its profound implications for the architecture and norms of global governance. Situated within a multi-lens theoretical framework synthesizing neorealism, neoliberal institutionalism, and norm diffusion theory, the study employs a qualitative case study methodology combining process tracing and systematic document analysis of primary Chinese policy documents, official statements at international fora, and secondary sources from leading think tanks and academic literature. The paper provides a detailed anatomy of China's AI strategy, focusing on the New Generation Artificial Intelligence Development Plan of 2017, the state's role as architect and driver through financial mechanisms, talent development, and data accumulation, and the distinctive ethical framework articulated in the New Generation AI Governance Principles. The analysis systematically investigates China's influence across four critical domains of global governance: the battle for technical standards, the reshaping of the global AI economy through the Digital Silk Road, the security implications of Military-Civil Fusion and autonomous weapons development, and the normative struggle over AI ethics and human rights. The findings reveal that China is not merely participating in existing global governance structures but is actively seeking to reshape them to accommodate its state-centric model, characterized by the primacy of state sovereignty, the subordination of technology to state-defined social goals, and the rejection of the multi-stakeholder approach. The paper argues that the most likely outcome of this strategy is a fragmented "splintered AI order," characterized by two competing techno-political blocs led by the United States and China, with a contested swing space in the Global South. This fragmentation has profound implications for international institutions, which face increasing gridlock; for corporations, which face pressure to choose sides; and for society, which confronts the erosion of a shared information environment. The paper concludes by offering comprehensive policy recommendations for Western policymakers, including the development of a unified Western strategy, substantial investment in AI research and talent, the creation of compelling alternatives for the Global South, and the pursuit of strategic engagement with China on existential risks.

Introduction

The Rise of AI as a Geopolitical and Governance Challenge

The dawn of the 21st century has witnessed the unfolding of what Klaus Schwab (2016) famously termed the "Fourth Industrial Revolution" (4IR), a technological metamorphosis characterized by a fusion of the digital, biological, and physical worlds. Unlike its predecessors, which were primarily driven by steam, electricity, and computing, the 4IR is defined by its velocity, scope, and systemic impact, fundamentally altering how we live, work, and relate to one another. At the very heart of this revolution lies Artificial Intelligence (AI), a general-purpose technology with the capacity to augment or replace human cognition across an unprecedented range of tasks (Brynjolfsson & McAfee, 2014). AI is not merely a new sector of the economy; it is a transformative force poised to reshape entire industries, redefine the nature of work, and reconfigure the global balance of power (Lee, 2018). Its significance is such that Vladimir Putin's famous dictum—that whoever leads in AI will become the "ruler of the world"—though hyperbolic, captures the pervasive sense of geopolitical urgency surrounding the technology (Vincent, 2017).

This urgency stems from AI's fundamental nature as a quintessential dual-use technology. On one hand, it is a powerful catalyst for economic growth and societal advancement. From optimizing supply chains and accelerating drug discovery to personalizing education and enabling smart cities, AI promises to unlock trillions of dollars in economic value and address some of humanity's most intractable challenges (McKinsey Global Institute, 2018; PwC, 2017). It is the engine of the new data-driven economy, where vast datasets are the raw material and sophisticated algorithms are the machinery of value creation (Zuboff, 2019).

On the other hand, the same algorithmic capabilities that drive economic efficiency can be wielded as potent instruments of state power, social control, and military advantage. AI-powered surveillance systems, particularly those integrating facial recognition and predictive analytics, grant states unprecedented capabilities for monitoring and managing their populations (Feldstein, 2019). In the military domain, AI is viewed as a revolutionary technology that will underpin "intelligentized" warfare, enabling autonomous weapons systems, accelerating command-and-control loops, and creating new domains of cyber and information conflict (Kania, 2020; Scharre, 2018). This dual-use nature ensures that the trajectory of AI development is inextricably linked to fundamental questions of national security, civil liberties, and the future character of conflict.

Consequently, the rapid advancement of AI has ignited a new and acute geopolitical contest often framed as a "global AI race." While the metaphor of a single race is an oversimplification, it highlights the intense competition among major powers to achieve dominance in AI research, development, and deployment (Cave & ÓhÉigeartaigh, 2018). This competition is most pronounced between the world's two technological superpowers, the United States and China. The United States currently retains an edge in fundamental research, top-tier talent, and the leading semiconductor firms that build the hardware for AI (e.g., Nvidia, Intel) (Castro et al., 2019). Its innovation ecosystem, driven by a powerful private sector and world-class universities, remains the global benchmark. However, China is closing the gap with remarkable speed, propelled by a comprehensive, state-led strategy, a vast domestic market, and unparalleled access to the data that fuels modern AI systems (Ding, 2018; Lee, 2018).

Crucially, this "race" is not solely about technological superiority; it is also a contest over governance models. The United States has traditionally favored a market-driven approach, characterized by minimal government intervention, corporate self-regulation, and the leadership of private sector giants like Google, Microsoft, and OpenAI (Engler, 2023). The European Union, in stark contrast, has positioned itself as the world's regulatory superpower, championing a rights-based model centered on human dignity, privacy, and algorithmic transparency, as exemplified by the landmark General Data Protection Regulation (GDPR) and the forthcoming AI Act (Bradford, 2020; European Commission, 2021).

Standing in opposition to both is the emerging Chinese model—a state-centric, development-oriented paradigm where the government plays the role of architect, financier, and regulator, and where the primary goals of AI are national rejuvenation, economic modernization, and the consolidation of state power (Roberts et al., 2021). This model is formalized in documents like the "New Generation Artificial Intelligence Development Plan" (AIDP), which frames AI leadership as a strategic imperative for national security and comprehensive national power (State Council, 2017). These three divergent models—the market-led US, the rights-led EU, and the state-led China—represent not just different policy choices, but fundamentally different worldviews on the relationship between the individual, society, the market, and the state in the digital age. The collision and interaction of these models are actively shaping the nascent and contested field of global AI governance (Drezner, 2021).

Research Objectives

1. To Systematically Analyze the Core Tenets, Objectives, and Distinctive Characteristics of China's National AI Strategy
2. To Examine the Mechanisms Through Which China Projects Its AI Governance Model into Key International Domains.
3. To Critically Evaluate the Systemic Implications of China's Strategy for the Future Architecture of Global AI Governance.

Significance of the Study

This research holds significance for both academic and policy communities. Academically, it contributes to a growing body of literature at the intersection of International Relations (IR), Science and Technology Studies (STS), and Chinese foreign policy. It moves beyond a descriptive analysis of China's domestic AI policies to systematically analyze their second-order effects on global institutions and norms, employing a synthesis of neorealist and institutionalist frameworks to explain China's behavior. For policymakers, this study provides a nuanced understanding of the mechanisms China uses to exert influence, enabling the development of more informed and effective strategies for international cooperation, competition, and engagement. As corporations and governments worldwide grapple with the US-China technological rivalry, a clear-eyed analysis of China's strategy is no longer optional but essential.

Methodology

This study adopts a qualitative research design, employing a single-case study methodology to conduct an in-depth, contextualized analysis of China's AI strategy and its implications for global governance. This approach is particularly well-suited to the research question, which seeks to understand a complex, contemporary phenomenon within its real-world context, where the boundaries between the phenomenon (China's AI strategy) and its context (global governance structures) are not always clearly evident (Yin, 2018). The qualitative nature of the inquiry allows for a nuanced exploration of policy documents, official statements, and institutional behaviors, enabling the researcher to uncover the underlying logic, motivations, and mechanisms of influence that quantitative methods might overlook.

The selection of China as a single case is justified by its revelatory and critical nature. China represents the most significant challenger to the Western-led liberal order in the domain of technology governance, and its AI strategy is arguably the most comprehensive and state-driven in the world (Lee, 2018). A deep, single-case analysis allows for a "thick description" (Geertz, 1973) of the phenomenon, providing rich insights that can inform broader theoretical debates about power transitions, norm diffusion, and institutional change in the digital age. This design prioritizes depth over breadth, enabling a detailed process-tracing of the causal mechanisms linking China's domestic strategy to its international actions, which would be impossible in a large-N comparative study.

Within this case study framework, the research employs two primary qualitative methods: process tracing and document analysis. Process tracing is a method used to identify and verify the causal mechanisms that link an independent variable (China's domestic AI strategy) to an observed outcome (changes in global governance) (George & Bennett, 2005; Collier, 2011). This involves tracing the chain of events, decisions, and actions from the formulation of Chinese policy to its effects on specific international institutions or norms. For example, the paper will trace how the AIDP's emphasis on setting technical standards translates into China's increased participation in the ISO, which in turn leads to the adoption of Chinese-influenced standards in specific technological domains. This method allows the research to move beyond mere correlation and provide a plausible explanation of how and why China's strategy produces particular governance outcomes.

The research also relies heavily on the systematic analysis of both primary and secondary documents. Document analysis is a systematic procedure for reviewing or evaluating documents—both printed and electronic—to elicit meaning, gain understanding, and develop empirical knowledge (Bowen, 2009). Primary sources are the foundational texts of China's AI strategy and its international engagement. They include official Chinese government white papers and policy documents, such as the "New Generation Artificial Intelligence Development Plan" (AIDP) (State Council, 2017), the "New Generation AI Governance Principles" (Ministry of Science and Technology, 2019), the "Global Data Security Initiative" (Ministry of Foreign Affairs, 2020), and the technology-related chapters of the "14th Five-Year Plan." They also include official statements, speeches, and position papers delivered by Chinese representatives at international fora, including the United Nations General Assembly, the Convention on Certain Conventional Weapons (CCW), UNESCO meetings on AI ethics, and plenary sessions of the ITU and ISO. Additionally,

government reports and white papers from other key actors, such as US Department of Defense reports on China's military capabilities and European Commission policy documents, provide a comparative and contextual perspective.

Secondary sources provide scholarly analysis, empirical data, and expert interpretation. These include peer-reviewed academic literature from journals in International Relations, Political Science, Science and Technology Studies (STS), and Chinese Studies. They also include reports and analyses from reputable think tanks and research institutions, including the Brookings Institution, Carnegie Endowment for International Peace, Mercator Institute for China Studies (MERICS), Center for Security and Emerging Technology (CSET), and the Australian Strategic Policy Institute (ASPI). These sources offer critical data on topics such as China's participation in standards bodies, the expansion of the Digital Silk Road, and the development of Chinese military AI. News reports from established media outlets, such as Reuters, The Financial Times, and Caixin, are used to track recent developments and official announcements. The triangulation of these diverse sources enhances the validity and reliability of the findings, ensuring that conclusions are well-supported by evidence from multiple independent origins.

Literature Review

The existing scholarship on global governance provides a foundational understanding of how states, international institutions, and non-state actors cooperate and compete to manage transnational challenges. Traditional regime theory, as articulated by Krasner (1983), defines international regimes as sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actor expectations converge in a given issue-area. Keohane (1984) extended this by explaining how institutions facilitate cooperation even in an anarchic international system by reducing transaction costs, providing information, and creating expectations of reciprocity. However, the emergence of advanced digital technologies, particularly artificial intelligence, has posed fundamental challenges to this conceptual apparatus. Unlike traditional issue-areas such as trade or arms control, AI is characterized by its dual-use nature, its rapid pace of development that outstrips regulatory capacity, and its deep entanglement with core state interests including economic competitiveness and national security (Cave & ÓhÉigeartaigh, 2018; Drezner, 2021). Scholars have argued that AI represents a "general-purpose technology" whose governance requires not merely sectoral regulation but a fundamental rethinking of how power is distributed and exercised in the international system (Brynjolfsson & McAfee, 2014, Joshi, S. (2025)).

In response to this governance vacuum, three distinct models have emerged, each reflecting the political and economic values of its primary proponent. The United States has traditionally championed a market-driven model characterized by minimal government intervention, corporate self-regulation, and a reliance on the private sector to drive innovation and set de facto standards (Engler, 2023). This approach prioritizes speed and flexibility, positioning American technology giants such as Google, Microsoft, and OpenAI as the primary architects of AI development and, increasingly, its governance. However, critics argue that this model is susceptible to regulatory capture and fails to adequately address questions of algorithmic bias, privacy, and the societal impacts of AI deployment (Zuboff, 2019). In contrast, the European Union has positioned itself as the world's regulatory superpower, advancing a rights-based model that places individual privacy, human dignity, and algorithmic transparency at the center of its governance approach (Bradford, 2020). The General Data Protection Regulation (GDPR) and the forthcoming AI Act represent the most comprehensive attempts to date to codify a legal framework for AI governance, emphasizing fundamental rights and the precautionary principle (European Commission, 2021).

The emerging Chinese state-led model represents a third paradigm, one that is fundamentally different from both the American and European approaches. As Roberts et al. (2021) argue, China's approach to AI governance is characterized by the central role of the party-state in directing development, a focus on using AI to enhance state governance capacity and social control, and the explicit integration of AI with national security objectives. This model does not reject regulation but rather instrumentalizes it, using governance mechanisms to ensure that AI development aligns with state priorities and the maintenance of social stability (Ding, 2018). A key concept emerging from this discourse is "digital sovereignty," which has become a central organizing principle for states seeking to assert control over their digital domains. Originating in European debates about data protection and technological autonomy, the concept has been enthusiastically adopted and repurposed by China, which frames it as the right of states to control data, infrastructure, and information flows within their borders, free from external interference (Pohle & Thiel, 2020). This norm is now being actively promoted by China in international fora, challenging the traditional Western emphasis on a global, open internet.

The political economy of artificial intelligence provides a crucial lens for understanding the material foundations of these competing governance models. Scholars have argued that data has become a new form of capital, with the capacity to generate value, consolidate power, and create new forms of inequality (Zuboff, 2019; Sadowski, 2019). The platform economy, dominated

by a handful of American and Chinese corporations, has created unprecedented concentrations of economic and political power, as these firms control the infrastructure of digital commerce, communication, and information dissemination (Joshi, S. (2024)). This concentration of AI power is not merely a market phenomenon; it is deeply intertwined with state power. Kenney and Zysman (2016) describe the emergence of a "platform economy" that is reshaping global value chains and creating new dependencies between states and the corporations that operate within their borders. In the Chinese context, this relationship is particularly symbiotic, with the state providing regulatory protection, capital, and access to data, while companies like Baidu, Alibaba, and Tencent (collectively known as BAT) serve as instruments of national technological ambition (Lee, 2018).

The role of the state in fostering technological innovation has been extensively theorized, most notably in Mariana Mazzucato's concept of the "Entrepreneurial State" (Mazzucato, 2013). Mazzucato argues that the state has historically played a crucial role in funding and directing the foundational research that underpins major technological breakthroughs, from the internet to GPS to the algorithms that power modern AI. This framework is particularly relevant for understanding China's approach, where the state's role goes far beyond that of a mere funder or regulator. In China, the state acts as the architect, planner, financier, and primary consumer of AI technology, creating an integrated ecosystem where public and private interests are tightly aligned (Ding, 2018). The Chinese government's use of government-guided funds, state-backed venture capital, and targeted subsidies to support AI development exemplifies this approach, as does its creation of a national data infrastructure that provides Chinese firms with a significant competitive advantage (Allen, 2019, Joshi, S. (2025)).

China's AI ambitions cannot be understood in isolation from its broader techno-nationalist doctrine, which has deep historical roots. Scholars have traced the origins of this doctrine to the "Century of Humiliation," a period of foreign domination and internal weakness that has profoundly shaped Chinese strategic thinking about technological self-reliance and national rejuvenation (Wang, 2012). The trauma of this period instilled a determination to never again be dependent on foreign powers for critical technologies, a sentiment that continues to animate Chinese policy today. This historical context helps explain the urgency and intensity of China's current AI drive, which is framed not merely as an economic opportunity but as a matter of national survival and civilizational revival (Lee, 2018, Joshi, S. (2025)). The "Made in China 2025" initiative, launched in 2015, represents a direct manifestation of this techno-nationalist impulse, setting ambitious targets for domestic innovation and seeking to reduce China's dependence on foreign technology in key sectors including semiconductors, robotics, and artificial intelligence (State Council, 2015).

Several key concepts have emerged from China's techno-nationalist doctrine that are essential for understanding its AI strategy. The concept of "Informatization" has been a recurring theme in Chinese policy since the 1990s, referring to the use of information technology to drive economic development and modernize state governance (Creemers, 2017). This concept evolved into the "Internet Plus" initiative, which sought to integrate internet technologies with traditional industries, and has now culminated in the AI-focused policies of the current era. The Military-Civil Fusion (MCF) strategy represents another crucial dimension, referring to the systematic integration of civilian and military research, development, and industrial bases (Kania, 2020). This strategy seeks to leverage China's dynamic civilian technology sector for military purposes, while also using military research to enhance civilian capabilities, creating a feedback loop that maximizes overall national technological power. The "Digital Silk Road," a component of the broader Belt and Road Initiative, represents the external projection of this techno-nationalist doctrine, seeking to export Chinese digital infrastructure, standards, and governance models to developing nations across Asia, Africa, and Latin America (Cheney, 2019; Triolo et al., 2020).

The academic literature on China's AI strategy and its global implications has grown rapidly, but significant gaps remain. Much of the existing scholarship has focused on the US-China technological rivalry, analyzing the competitive dynamics between the two superpowers and the potential for decoupling of their respective technology ecosystems (Segal, 2019; Triolo & Goodrich, 2020). This literature has provided valuable insights into the geopolitical dimensions of the AI race, including the role of export controls, investment restrictions, and the competition for global talent. Similarly, a substantial body of work has examined China's domestic AI development, analyzing the AIDP, the role of Chinese technology companies, and the ethical implications of China's approach to AI governance (Roberts et al., 2021; Webster et al., 2017). These studies have deepened our understanding of the internal dynamics of China's AI ecosystem and the distinctive features of its governance model.

However, there remains a significant gap in the literature regarding the systematic linkage between China's domestic strategy and its concrete, multi-domain impacts on the formal and informal institutions of global governance. While scholars have noted China's increasing participation in international standards bodies (Hoffmann & O hÉigeartaigh, 2020), its efforts to shape global AI ethics debates (Miao, 2022), and its export of surveillance technology through the Digital Silk Road (Feldstein, 2019), these analyses often treat these dimensions in isolation rather than as part of a coherent, integrated strategy. What is needed is a

comprehensive analysis that traces the causal mechanisms linking China's domestic AI strategy—as articulated in documents like the AIDP and the New Generation AI Governance Principles—to its specific actions across multiple governance domains simultaneously. This study seeks to address this gap by providing a systematic, multi-domain analysis of China's strategy and its implications for the architecture and norms of global AI governance, integrating the economic, security, standards, and normative dimensions of China's influence into a single analytical framework. By doing so, it aims to contribute to a more holistic understanding of how China's rise as an AI superpower is reshaping the rules, institutions, and norms that govern the global digital order.

Theoretical Framework: A Multi-Lens Approach

The complexity of the research topic—which spans issues of security, economics, institutional politics, and normative contestation—necessitates an eclectic theoretical framework. No single theory of International Relations can fully capture the multifaceted nature of China's AI strategy and its global implications. Therefore, this paper synthesizes concepts from three complementary theoretical traditions: Neorealism, Neoliberal Institutionalism, and a combined framework of Norm Diffusion and "Sharp Power." Each lens provides unique insights into different dimensions of the phenomenon, and their synthesis allows for a more complete and nuanced analysis.

Neorealism, with its focus on the anarchic structure of the international system and the resulting competition for power and security among states, is essential for understanding the fundamental drivers of China's AI strategy (Waltz, 1979; Mearsheimer, 2001). From this perspective, China's pursuit of AI dominance is not merely an economic project; it is a strategic imperative to prevent a potential adversary—the United States—from gaining a decisive technological advantage that could be used for coercion or military dominance. This lens helps explain several key aspects of the research. The AI race is a quintessential example of the security dilemma, where one state's efforts to enhance its own security through AI development inadvertently diminish the security of others, leading to a spiral of competition (Jervis, 1978). China's perception of US efforts to maintain technological hegemony, such as through export controls on semiconductors, fuels its drive for self-reliance and technological sovereignty. Neorealism also posits that states are primarily concerned with relative, not absolute, gains. This explains why China is not content with simply benefiting from global AI innovation but actively seeks to surpass the US and become the "world's primary AI innovation center" by 2030 (State Council, 2017). The goal is to shift the global balance of power in its favor. Furthermore, the explicit integration of civilian AI research with military applications—known as Military-Civil Fusion—is a direct manifestation of neorealist logic. It represents a strategy to maximize state power by leveraging the dynamism of the civilian economy for national security purposes, thereby creating a formidable military-technological base (Kania, 2020).

While neorealism explains the motivations for competition, it is less effective at explaining China's specific strategies of engagement with international bodies. Neoliberal institutionalism, which emphasizes the role of international institutions in facilitating cooperation and reducing transaction costs, provides a crucial corrective (Keohane, 1984; Keohane & Martin, 1995). This lens posits that even in a competitive environment, states have incentives to create and participate in institutions to manage their interactions. This framework is vital for analyzing how China's active engagement with organizations like the ITU, ISO, and UNESCO is not driven by a desire to dismantle them. Rather, China views these institutions as arenas to advance its interests, shape rules, and embed its preferences into global standards. By securing leadership positions and promoting its technical proposals, China seeks to "lock in" advantages and shape the future technological landscape (Hoffmann & O hÉigeartaigh, 2020). Where existing institutions are dominated by Western interests, China has demonstrated a willingness to create parallel or alternative structures. The clearest example is the Belt and Road Initiative (BRI), particularly its "Digital Silk Road" component, which functions as a mechanism for exporting Chinese technology, standards, and governance models to the developing world, thereby creating a sphere of influence that operates partly outside the traditional Bretton Woods system (Cheney, 2019). Within these institutions, China acts as a "norm entrepreneur," actively promoting its own concepts—such as "digital sovereignty" and a "community with a shared future in cyberspace"—and attempting to frame debates in ways that serve its interests (Finnemore & Sikkink, 1998). The proposal of the "Global Data Security Initiative" is a clear example of an attempt to set the global agenda on data governance in a way that counters the US-led "Clean Network" initiative.

The third theoretical lens draws on the literature on norm diffusion and the more recent concept of "sharp power" to analyze the ideational and normative dimensions of China's strategy. Norm diffusion theory examines how ideas and norms spread across the international system, often driven by the efforts of "norm entrepreneurs" who seek to promote their preferred standards of appropriate behavior (Finnemore & Sikkink, 1998; Acharya, 2004). This lens is crucial for understanding that China is not just exporting technology; it is actively exporting a model of governance. The "Digital Silk Road" is a vehicle for this, offering

developing nations a package of infrastructure, financing, and technology that comes bundled with Chinese approaches to surveillance, data management, and internet governance. This model is framed as a superior pathway to development and social stability, particularly for authoritarian regimes facing internal dissent (Feldstein, 2019). The concept of "sharp power" describes the efforts of authoritarian states to pierce, penetrate, and perforate the political and information environments of other countries (Walker & Ludwig, 2017). In the context of AI, this involves the export of surveillance technology that enables recipient governments to monitor and suppress their own populations. This not only creates economic opportunities for Chinese firms but also builds political dependencies and undermines the global influence of liberal democratic norms. A nuanced application of norm diffusion theory also recognizes that norms are not simply absorbed; they are contested and localized by recipient actors (Acharya, 2004). This research will consider how countries in the Global South receive, adapt, or resist the Chinese governance model. This prevents a simplistic view of China as an all-powerful actor and acknowledges the agency of developing nations in shaping their own technological futures.

The utility of this multi-lens framework lies in its ability to provide a holistic explanation. Neorealism establishes the overarching context of great power competition and the zero-sum logic underpinning the AI race. Neoliberal institutionalism explains the specific tactics and channels China uses to operate within and reshape the existing international order. Finally, the norm diffusion and sharp power framework illuminates the ideational struggle—the battle to define what constitutes legitimate and effective AI governance. By integrating these perspectives, the paper can address the full spectrum of China's influence, from its impact on military balances to its role in setting technical standards and its efforts to redefine ethical norms. This synthesis allows for a sophisticated and empirically grounded analysis that transcends the limitations of any single theoretical approach, providing a robust framework for answering the paper's central research question.

The Blueprint: Anatomy of China's National AI Strategy

The foundation of China's emergence as a global AI superpower lies not in the organic dynamism of its private sector alone, but in a deliberate, comprehensive, and meticulously articulated national strategy. This section provides a detailed anatomy of this strategy, examining its core policy documents, its mechanisms of state support, its key policy pillars, and its distinctive ethical framework. The analysis reveals a coherent and integrated approach that positions AI not merely as a tool for economic modernization, but as a strategic instrument for national rejuvenation, social governance, and military transformation.

The "New Generation Artificial Intelligence Development Plan" (AIDP) of 2017

The cornerstone of China's AI ambitions is the "New Generation Artificial Intelligence Development Plan" (AIDP), issued by the State Council on July 8, 2017 (State Council, 2017). This landmark document represents the most comprehensive and ambitious national AI strategy unveiled by any nation to date. Its significance lies not only in its technical specifications but in its elevation of AI to the level of a core national strategic priority, on par with previous initiatives in nuclear weapons and space exploration. The AIDP explicitly frames AI as a "major strategic opportunity" for China, one that is essential for achieving "national rejuvenation" and building "comprehensive national power" (Creemers et al., 2017).

The AIDP articulates a clear "three-step" roadmap for AI development, establishing specific benchmarks for China's technological progress. The first step, to be achieved by 2020, called for China to achieve overall parity with global leaders in AI technology and applications. This goal was broadly met, with China by 2020 having produced the largest volume of AI research papers, filed the highest number of AI-related patents, and developed a thriving domestic AI industry valued at over \$15 billion (Allen, 2019; Ding, 2018). Chinese companies such as Baidu, Alibaba, and Tencent had emerged as global leaders in specific AI applications, including facial recognition, natural language processing, and recommendation systems. The second step, targeted for 2025, aims for major breakthroughs in AI theory and technology, positioning AI as the primary driver for industrial upgrading and economic transformation. This phase emphasizes the integration of AI across traditional industries, from manufacturing to agriculture to healthcare, seeking to leverage AI to address China's declining demographic dividend and transition from an investment-driven to an innovation-driven economy. The third and most ambitious step, to be achieved by 2030, seeks to establish China as the world's primary AI innovation center, effectively surpassing the United States and other competitors in all dimensions of AI research, development, and application.

The language of the AIDP is revealing in its strategic framing. AI is not presented as a neutral technology or a purely commercial opportunity; it is explicitly linked to the core objectives of the Chinese state. The document repeatedly invokes the concept of "national rejuvenation," connecting the AI project to the historical narrative of China's rise from the humiliation of the 19th and early 20th centuries to its rightful place as a global leader. This framing imbues the AI strategy with a civilizational significance

that transcends mere economic calculation, mobilizing national resources and public support in a manner reminiscent of earlier campaigns for national development. Furthermore, the AIDP emphasizes the importance of AI for "comprehensive national power," a concept that encompasses not only economic and military strength but also scientific capability, social cohesion, and international influence. This holistic framing positions AI as a critical instrument for achieving China's broader strategic objectives in the international system.

The State as Architect and Driver

The role of the state in driving this ambitious agenda cannot be overstated. China's approach represents a distinctive model of state capitalism applied to the technology sector, where the government acts as architect, financier, consumer, and regulator of AI development. This stands in stark contrast to the American model, where private sector actors like Google, Microsoft, and OpenAI lead the way with limited government coordination. The Chinese state's financial muscle is perhaps its most visible instrument of influence. The central government has established a complex ecosystem of government-guided funds, state-backed venture capital vehicles, and direct subsidies designed to channel capital into strategic AI sectors. The most prominent of these is the National Integrated Circuit Industry Investment Fund, commonly known as the "Big Fund," which was established in 2014 with an initial capital base of approximately \$22 billion, subsequently expanded to over \$47 billion in 2019 (Triolo & Goodrich, 2020). While initially focused on semiconductor manufacturing, the Big Fund's mandate has expanded to include AI-specific hardware such as specialized AI chips, reflecting the recognition that AI supremacy depends on underlying computational infrastructure.

Local governments have also played a significant role, with dozens of provincial and municipal governments establishing their own AI-focused investment funds and industrial parks. According to data from the China Academy of Information and Communications Technology (CAICT), by 2019, more than 20 provinces and municipalities had issued specific AI policies, and over 30 AI-focused industrial parks had been established across the country, with total planned investment exceeding \$150 billion (Ding, 2018; CAICT, 2020). This decentralized yet coordinated approach has created a highly competitive environment where local officials are incentivized to attract and nurture AI enterprises, often through generous subsidies, tax breaks, and preferential access to land and data resources. The scale of state financial support for AI in China is difficult to quantify precisely but is widely estimated to exceed that of any other nation, including the United States, when accounting for all levels of government and quasi-state entities.

Talent development represents another critical dimension of the state's role as architect of the AI ecosystem. The Chinese government has pursued a multi-pronged strategy to address what it perceives as a critical shortage of AI talent. The "Thousand Talents Plan," initiated in 2008, has been the most visible component of this strategy, offering substantial financial incentives, research funding, and prestigious appointments to attract overseas Chinese scientists and engineers, particularly those working in AI and related fields at leading American universities and technology companies (Zweig & Wang, 2013). While the program has been controversial, particularly in the United States where it has been viewed as a vehicle for technology transfer and intellectual property theft, it has successfully repatriated thousands of highly skilled researchers. According to estimates from the Center for Security and Emerging Technology (CSET), by 2020, China had become the world's largest producer of AI-related PhD graduates, surpassing the United States, with Chinese universities awarding over 2,000 AI doctorates annually (Huang et al., 2021).

Simultaneously, the Ministry of Education has undertaken a comprehensive reform of the national curriculum, introducing AI courses at the primary and secondary school levels and mandating the establishment of AI departments and majors in universities. In 2019, the Ministry of Education approved the creation of AI undergraduate majors in 35 universities, a number that expanded to over 300 institutions by 2021 (Ministry of Education, 2021). This integration of AI into the national education system ensures a steady pipeline of domestic talent, reducing dependence on the international labor market and insulating China from potential disruptions caused by geopolitical tensions. The state has also established national AI research platforms, including the Beijing Academy of Artificial Intelligence (BAAI) and the Shanghai AI Laboratory, which bring together top researchers from academia and industry to work on fundamental AI problems and grand challenges.

The third pillar of China's AI advantage lies in its unique data environment. Modern AI systems, particularly those based on deep learning, require vast quantities of training data to achieve high performance. China's population of over 1.4 billion people, combined with its highly digitized economy and relatively weak privacy protections, provides an unparalleled data resource. According to estimates from the International Data Corporation (IDC), China is projected to generate more data than any other country by 2025, accounting for approximately 27% of the global total (Reinsel et al., 2018). This data advantage is not merely a function of population size; it is actively cultivated through state-led initiatives.

The Chinese government's Smart City initiatives, which have been implemented in over 500 cities, have resulted in the deployment of hundreds of millions of surveillance cameras, sensors, and other IoT devices, generating a continuous stream of real-world data (Feldstein, 2019). This data is made available to Chinese AI companies for training purposes, providing them with a competitive edge in developing computer vision, facial recognition, and other AI applications. The weak enforcement of privacy regulations in China, despite the passage of the Personal Information Protection Law (PIPL) in 2021, has further facilitated data collection and sharing, creating an environment where data flows more freely to AI developers than in jurisdictions with stricter privacy protections such as the European Union (Creemers & Webster, 2021). This data advantage is perhaps China's most significant and least replicable asset in the global AI competition.

Other Key Policy Pillars

Beyond the AIDP, several other key policy pillars contribute to the coherence of China's AI strategy. The "Internet Plus" initiative, launched in 2015, represents an earlier but complementary effort to integrate internet technologies, including early AI applications, into traditional industries such as manufacturing, agriculture, and logistics (State Council, 2015). This initiative laid the groundwork for the current AI push by creating a policy environment conducive to digital transformation and by fostering the growth of China's digital economy, which by 2020 accounted for approximately 38% of GDP (CAICT, 2021). The concept of "Digital China" further extends this vision, encompassing not only economic digitalization but also the digital transformation of government services, social management, and cultural production. The Digital China initiative positions AI as a core enabler of efficient governance, with applications ranging from automated administrative processes to AI-assisted judicial decision-making.

The Social Credit System (SCS) represents perhaps the most controversial application of AI in China's governance toolkit. While often misrepresented in Western media as a single, monolithic score assigned to every citizen, the SCS is more accurately understood as a decentralized ecosystem of systems operated by national and local governments, as well as private companies, that use AI and big data analytics to assess the trustworthiness of individuals and businesses (Creemers, 2018). The system aggregates data from a wide variety of sources, including financial records, legal judgments, social media activity, and even online shopping behavior, to generate scores that can affect access to services such as loans, travel, and education. The AI-powered infrastructure underlying the SCS enables real-time monitoring and evaluation at a scale that would be impossible without advanced machine learning algorithms. While the Chinese government frames the SCS as a mechanism for promoting social harmony and trust, critics argue that it represents a fundamental threat to individual autonomy and freedom of expression, creating a pervasive atmosphere of surveillance and self-censorship (Liang et al., 2018).

The third pillar involves the deep integration of AI with military modernization through the Military-Civil Fusion (MCF) strategy. This strategy, which has been elevated to a national strategic priority, seeks to break down the barriers between civilian and military research and development, creating a unified national innovation system (Kania, 2020). The logic is straightforward: by leveraging the dynamism and scale of China's civilian technology sector, the People's Liberation Army (PLA) can accelerate its own technological transformation without bearing the full cost of independent development. The PLA has explicitly identified AI as a key technology for achieving "intelligentized" warfare, a concept that envisions a future battlefield where autonomous systems, AI-enabled decision support, and human-machine teaming are central to military operations. According to an analysis by the Center for a New American Security, the PLA has established numerous research institutes and laboratories focused on military AI, and Chinese defense companies are actively developing AI-enabled weapons systems, including autonomous drones, unmanned ground vehicles, and intelligent command and control systems (Kania, 2020). The MCF strategy ensures that advances in civilian AI, such as facial recognition, natural language processing, and predictive analytics, are rapidly transferred to military applications, while military-funded research also benefits the civilian sector.

The Ethical Framework: "Trustworthy AI" with Chinese Characteristics

The ethical framework underpinning China's AI strategy is articulated in the "New Generation AI Governance Principles," released by the Ministry of Science and Technology (MOST) in June 2019 (Ministry of Science and Technology, 2019). This document outlines eight principles: harmony and human-friendliness, fairness and justice, safety and security, privacy protection, respect for human dignity, freedom and autonomy, shared benefits and responsibility, and open collaboration. On the surface, these principles appear remarkably similar to those articulated in Western AI ethics frameworks, such as the OECD AI Principles or the EU's Ethics Guidelines for Trustworthy AI. However, a closer reading reveals significant differences in emphasis and interpretation.

The Chinese principles prioritize "social harmony" and "national security" in ways that diverge from Western liberal frameworks. For example, the principle of "harmony and human-friendliness" is explicitly linked to the promotion of "socialist core values" and the maintenance of "national security and social stability" (Ministry of Science and Technology, 2019). This framing positions AI not as a neutral tool but as an instrument for reinforcing the political and social order, a perspective that is fundamentally at odds with Western conceptions of individual rights and freedoms. The principle of "privacy protection" is qualified by the recognition that the legitimate rights and interests of individuals, legal persons, and other organizations must be balanced against the interests of the state and society, suggesting that privacy is not an absolute right but can be overridden by considerations of collective welfare and national security.

The Chinese approach to AI ethics is also characterized by an emphasis on incremental development and adaptive governance. Rather than establishing rigid regulatory frameworks upfront, as the European Union has done with the AI Act, China has adopted a more flexible and iterative approach, issuing guidelines and principles that can be adjusted as the technology evolves and its implications become clearer. This approach reflects the Chinese government's preference for maintaining strategic ambiguity and preserving its ability to intervene in the AI sector as needed, without being constrained by overly prescriptive regulations that might stifle innovation. The role of state control is central to this framework; the Chinese model assumes that the state, rather than corporations or individual citizens, is best positioned to determine what constitutes responsible AI development. This reflects the broader Chinese political philosophy, which prioritizes collective interests and social stability over individual autonomy and procedural rights.

Table 1: Comparative Analysis of AI Governance Models

Dimension	United States	European Union	China
Primary Driver	Private sector	Regulatory state	Party-state
Core Value	Innovation and economic growth	Individual rights and dignity	National rejuvenation and social harmony
Regulatory Approach	Light-touch, sector-specific	Comprehensive, rights-based	Adaptive, state-directed
Key Policy Document	Executive Order on AI (2023)	AI Act (2024)	AIDP (2017)
Primary Concern	Maintaining technological leadership	Protecting fundamental rights	Enhancing comprehensive national power
Role of Data	Corporate asset	Protected personal data	Strategic national resource
International Stance	Promote US leadership	Promote global standards based on EU model	Export state-centric model
Ethical Framework	Voluntary, corporate-led	Legally binding, rights-based	State-defined, harmony-focused

COMPARATIVE ANALYSIS OF AI GOVERNANCE MODELS

DIMENSION	 UNITED STATES	 EUROPEAN UNION	 CHINA
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Table 2: China's AI Development Roadmap (AIDP Targets)

Milestone	Target Year	Key Objectives	Status (as of 2024)
Step 1	2020	Achieve overall parity with global leaders in AI technology and applications	Broadly achieved: China leads in AI publications, patents, and facial recognition technology
Step 2	2025	Achieve major breakthroughs in AI theory; make AI the primary driver of industrial upgrading	In progress: Significant advances in AI chips, natural language processing; AI integration across industries accelerating
Step 3	2030	Become the world's primary AI innovation center; achieve world-leading levels in AI theory, technology, and application	Pending: Full achievement uncertain due to US export controls and talent competition

Source: State Council (2017); Allen (2019); Ding (2018); author's analysis.

Table 3: Key Components of China's AI Strategy

Component	Description	Key Institutions/Programs	Data/Indicators
Financial Support	State-directed investment in AI research, development, and commercialization	Big Fund (\$47B+), local government AI funds, subsidies	Over 30 AI industrial parks; \$150B+ planned investment
Talent Development	Attract international talent; expand domestic AI education	Thousand Talents Plan, AI majors in 300+ universities	2,000+ AI PhDs annually (world's largest); 35 new AI majors approved in 2019
Data Advantage	Leverage large population and weak privacy protections to create vast training datasets	Smart City initiatives in 500+ cities; PIPL (2021)	27% of global data by 2025; 500M+ surveillance cameras
Military Integration	Integrate civilian AI with military applications	Military-Civil Fusion strategy; PLA AI research institutes	Significant development of autonomous systems; intelligentized warfare doctrine
Ethical Governance	Define AI ethics in terms of social harmony and national security	New Generation AI Governance Principles (2019); MOST	8 principles; emphasis on socialist core values

Source: compilation based on policy documents, academic literature, and think tank reports.

The Findings: Implications for Global Governance

This section constitutes the analytical core of the research paper, systematically applying the insights derived from the examination of China's domestic AI strategy in Section 3 to the international arena. The analysis is organized around four key domains of global governance: technical standards, the global AI economy, the security domain, and the normative struggle over AI ethics. Each section investigates the specific mechanisms through which China exerts influence, presents empirical evidence of this influence, and assesses the broader implications for the architecture and norms of global governance. The findings reveal a consistent pattern: China is not merely participating in existing global governance structures but is actively seeking to reshape them to align with its state-centric model of technology development and governance.

The Battle for Global Technical Standards

The governance of any technology is fundamentally shaped by the technical standards that define its operation, interoperability, and safety. The premise that "whoever sets the technical standards controls the market" is widely accepted in both academic and policy circles (Hoffmann & O'Héigeartaigh, 2020). Standards determine which products can connect, which data formats are used, and which technologies are compatible, thereby creating path dependencies that can lock in advantages for the firms and nations that influence their development. In the context of AI, technical standards are particularly consequential because they define everything from how algorithms are evaluated for bias to how data is formatted and shared across systems. Recognizing this, China has made the battle for global technical standards a central pillar of its AI strategy, as explicitly articulated in the AIDP's call for China to "actively participate in the formulation of international standards" for AI (State Council, 2017).

The most visible manifestation of this strategy has been China's concerted effort to place its nationals in leadership positions within key international standards-setting bodies, including the International Telecommunication Union (ITU), the International Organization for Standardization (ISO), and the International Electrotechnical Commission (IEC). This institutional push has yielded significant results. In 2019, a Chinese national, Zhao Houlin, was re-elected as Secretary-General of the ITU, a position he has held since 2014, while another Chinese representative, Bilel Jamoussi, serves as Chief of the Study Groups Department (ITU, 2022). More significantly, in 2021, the ISO/IEC Joint Technical Committee 1 (JTC 1), which is responsible for information technology standards, established a new subcommittee specifically for AI (SC 42), and a Chinese national, Tang Wei, was appointed to a leadership position within this body (ISO, 2021). These appointments are not merely symbolic; they provide China with privileged access to the agenda-setting process and the ability to shape the technical content of emerging standards.

Data from the Center for Security and Emerging Technology (CSET) provides quantitative evidence of China's growing influence in these bodies. According to a 2021 CSET report, Chinese participation in ITU study groups increased by over 60% between 2015 and 2020, with Chinese representatives now serving as chairs or vice-chairs in numerous study groups dealing with AI-related topics such as machine learning, network intelligence, and data management (Hwang & Rosenfeld, 2021). In the ISO, Chinese technical contributions, measured by the number of standards proposals submitted, increased by over 150% during the same period. China's share of leadership positions in ISO technical committees has similarly grown, with Chinese nationals now chairing or co-chairing several committees relevant to AI, including those dealing with biometrics, facial recognition, and data governance. This systematic effort to increase institutional presence reflects a deliberate strategy to ensure that Chinese preferences are embedded in the foundational rules of the global digital economy.

The "China Standards 2035" plan, a strategic blueprint for standardization issued by the State Council in 2021, formalizes these efforts. The plan explicitly calls for China to "take the lead" in international standardization efforts in emerging technologies, including AI, and to "promote the internationalization of Chinese standards" through all available channels (State Council, 2021). The Belt and Road Initiative (BRI) serves as a primary vehicle for this projection. Chinese standards are often written directly into the technical specifications of BRI infrastructure projects, creating *de facto* adoption by partner nations. A case study of facial recognition technology standards illustrates this dynamic. China has been the world's leading developer and deployer of facial recognition technology, with its domestic standards, such as those developed by the China Electronics Standardization Institute (CESI), becoming the *de facto* benchmarks for the industry (Feldstein, 2019). Through the Digital Silk Road, Chinese companies like Huawei and Hikvision have exported facial recognition systems to dozens of countries, including Pakistan, Serbia, and Zimbabwe, bringing with them the Chinese technical standards that underpin these systems. As these technologies become embedded in the infrastructure of partner nations, they create a powerful lock-in effect, making it costly and technically difficult for these countries to switch to alternative, non-Chinese systems.

The implication of this battle for standards is profound. The world is witnessing a shift away from a single, universally accepted set of technical standards for AI towards parallel ecosystems. One ecosystem is anchored in the Western tradition of open, multi-stakeholder standard-setting, where technical decisions are made primarily by engineers and corporate actors. The other ecosystem is increasingly shaped by Chinese state preferences, where standards are seen as instruments of national strategy. This bifurcation increases the cost and complexity of global technology supply chains, as companies must navigate incompatible standards in different markets. It also hinders interoperability, potentially fragmenting the global internet and creating technological "splinternets" where data and services cannot seamlessly flow across borders (Drezner, 2021).

Shaping the Global AI Economy: From "Made in China" to "Governed by China"?

The expansion of China's AI influence is not limited to the technical realm; it extends deeply into the structure of the global digital economy. The link between state power and the expansion of national technology champions is a defining feature of China's approach. The Chinese government has actively supported the global expansion of companies like Huawei, Alibaba, Tencent, and Hikvision, providing them with diplomatic backing, subsidized financing, and preferential access to markets in the developing world. These companies, in turn, serve as instruments of Chinese state influence, exporting not only products but also the Chinese model of technology governance. This dynamic has given rise to the question: is China's rise in the AI economy leading to a shift from "Made in China" to "Governed by China"?

The Digital Silk Road (DSR), the technological component of the broader Belt and Road Initiative, is the primary vehicle for this economic and governance expansion. The DSR encompasses a wide range of projects, including the construction of 5G telecommunications infrastructure, the installation of smart city systems, the provision of cloud computing services, and the deployment of e-commerce platforms, all led by Chinese companies and financed, in large part, by Chinese state banks (Triolo et

al., 2020). According to data from the Reconnecting Asia Project, Chinese companies have signed contracts for over 200 digital infrastructure projects in more than 40 countries under the DSR umbrella, with a total estimated value exceeding \$79 billion (Hillman & McCalpin, 2021). This infrastructure forms the physical and digital backbone of a Chinese-centric technology ecosystem that extends across Asia, Africa, and Latin America.

A specific case study of surveillance technology deployment illustrates the governance implications of the DSR. Chinese companies, particularly Hikvision and Dahua, have become the world's largest suppliers of video surveillance equipment, with Hikvision alone accounting for over 30% of the global market (Feldstein, 2019). According to research by the Australian Strategic Policy Institute (ASPI), Chinese companies have supplied AI-powered surveillance systems to over 60 developing countries, including Ecuador, Pakistan, Zimbabwe, and Uganda (Bashir et al., 2021). These systems are often integrated with Chinese facial recognition algorithms and data storage solutions, creating a complete technological ecosystem that is managed and maintained by Chinese firms. The deployment of these systems enables recipient governments to monitor their populations with unprecedented efficiency, but it also creates a structural dependency on Chinese technology, expertise, and continued support.

Data on Chinese ICT exports and market share in the Global South further underscores this economic penetration. According to the World Bank, China's share of global ICT goods exports increased from approximately 15% in 2005 to over 32% by 2020, making it by far the world's largest exporter of ICT products (World Bank, 2022). In the specific domain of 5G telecommunications equipment, Chinese companies, led by Huawei and ZTE, held a combined global market share of approximately 40% as of 2021, with particularly high penetration rates in Africa and the Middle East (Dell'Oro Group, 2021). This economic presence translates into significant leverage over the technological choices and regulatory frameworks of developing nations.

The governance dimension of this economic expansion is perhaps most clearly articulated in China's approach to data governance. China views data as a strategic national resource, a perspective fundamentally at odds with the European Union's emphasis on data as protected personal property (as embodied in the GDPR) and the United States' relatively laissez-faire approach that prioritizes corporate data flows. This Chinese perspective is institutionalized in the Global Data Security Initiative (GDSI), announced by China in September 2020. The GDSI, which China has promoted as an alternative to the US-led "Clean Network" initiative, articulates principles for global data governance that include respect for "data sovereignty" of states, opposition to "backdoors" in technology products, and the commitment to not obtain data through "illicit means" (Ministry of Foreign Affairs, 2020). While framed in neutral, cooperative language, the GDSI is widely interpreted as a strategic attempt to shape global norms on data flows in ways that are compatible with China's own state-centric model and that counter Western efforts to exclude Chinese technology companies from global markets.

The implication of these economic dynamics is the emergence of a "two-track" global economy in the digital sphere. In the first track, centered on the United States and Europe, AI development and governance are dominated by Western corporations and regulatory frameworks that, despite their differences, share a common foundation in liberal democratic values. In the second track, centered on China and its partners in the developing world, AI development is driven by Chinese technology, financed by Chinese capital, and governed by Chinese principles of state sovereignty and social stability. Developing nations are increasingly forced to choose between these two tracks, a choice that has profound implications for their technological development, their political systems, and their geopolitical alignments (Hillman & McCalpin, 2021).

The Security Dilemma: AI and the Militarization of the Digital Domain

The security implications of China's AI strategy represent perhaps the most consequential dimension for global governance. The concept of an "AI arms race" has become a central theme in international security discourse, reflecting the widespread recognition that AI will fundamentally transform the nature of military power and the conduct of warfare (Scharre, 2018). The inherent destabilizing potential of this race lies in its opacity, its speed, and its potential for creating first-mover advantages that could tempt preemptive action. China's approach to military AI, characterized by deep integration between civilian and military sectors and a stated ambition to achieve "intelligentized" warfare, is at the heart of this security dilemma.

The Military-Civil Fusion (MCF) strategy is the key mechanism through which China pursues military AI. This strategy, which has been elevated to the status of a national strategic priority, seeks to systematically break down the barriers between civilian and military research, development, and industrial bases (Kania, 2020). The logic is straightforward: by leveraging the dynamism and scale of China's civilian technology sector—including its leading AI companies, its vast data resources, and its growing pool of skilled engineers—the People's Liberation Army (PLA) can accelerate its own technological transformation at a fraction of the cost

of independent development. However, this strategy has a significant drawback from a governance perspective: it makes it extraordinarily difficult for outside observers to distinguish between civilian and military AI research, thereby obscuring the true extent of China's military AI capabilities. The international community is left to infer military developments from civilian indicators, a process fraught with uncertainty and potential for miscalculation.

This opacity is particularly problematic in the context of Lethal Autonomous Weapons Systems (LAWS), commonly referred to as "killer robots." At the United Nations Convention on Certain Conventional Weapons (CCW), which has been the primary forum for discussions on LAWS regulation, China has adopted a publicly supportive stance toward a ban on fully autonomous weapons. In 2018, China's delegation stated that it "firmly opposes" the development and use of LAWS and called for a legally binding protocol to prohibit them (CCW, 2018). However, this public position is contradicted by evidence of active Chinese development of autonomous weapons systems. Reports from the US Department of Defense and independent researchers have documented Chinese research into autonomous drones, unmanned ground vehicles, and AI-enabled command and control systems (Department of Defense, 2021). This duplicity—publicly supporting a ban while privately developing the technology—creates a significant governance challenge, undermining the credibility of international negotiations and making it difficult to achieve meaningful arms control in the AI domain.

The use of AI for mass surveillance and intelligence gathering represents another critical security dimension. The Chinese government has deployed AI-powered surveillance systems extensively within its own territory, most notably in the Xinjiang region, where facial recognition, gait analysis, and other AI technologies have been used to monitor and control the predominantly Uyghur population (Feldstein, 2019). According to the Australian Strategic Policy Institute, China has exported similar surveillance infrastructure to numerous countries, enabling their governments to deploy these technologies against their own populations (Bashir et al., 2021). From a security perspective, this raises concerns about the potential for Chinese companies to maintain access to the data collected by these systems, effectively creating a global intelligence-gathering network under Chinese control. The US Department of Defense has explicitly cited these concerns in its annual reports to Congress, noting the risk that Chinese surveillance technology exports could provide Beijing with access to sensitive data and create strategic dependencies (Department of Defense, 2021).

Data on PLA investment in AI underscores the scale of this security challenge. According to estimates from the Center for a New American Security and the International Institute for Strategic Studies (IISS), the PLA's annual investment in AI research and development has grown at a rate of approximately 15-20% per year since 2015, reaching an estimated \$1.6-2.5 billion annually by 2020 (Kania, 2020; IISS, 2022). While this remains below US defense AI spending, which exceeded \$4 billion in 2020, the gap is narrowing rapidly, and the integration of civilian AI capabilities through MCF suggests that China's effective military AI capacity may be significantly higher than its official defense budget indicates.

The implication of these security dynamics is the erosion of the post-Cold War arms control architecture. The failure to establish meaningful norms or legal frameworks for military AI increases the risk of miscalculation and escalation in future conflicts. In an environment where AI-enabled weapons systems can operate at speeds beyond human cognitive capacity, the potential for inadvertent conflict rises dramatically. The US-China strategic rivalry, amplified by the AI race, is creating a security environment characterized by mutual suspicion, lack of transparency, and the absence of effective communication channels, a combination that is inherently destabilizing.

The Normative Struggle: AI Ethics and Human Rights

The fourth domain of China's influence on global governance lies in the normative realm of AI ethics and human rights. As AI technologies become increasingly powerful and pervasive, the question of what constitutes ethical AI has become a central site of contestation in global governance. China has emerged as a major player in this normative struggle, advancing a conception of AI ethics that is fundamentally different from the Western liberal framework and that has significant appeal to authoritarian states and developing nations seeking alternative models of technology governance (Miao, 2022).

The Chinese ethical framework, as articulated in the "New Generation AI Governance Principles" (2019), emphasizes "responsible innovation," "social harmony," and "national security" as the primary values that should guide AI development (Ministry of Science and Technology, 2019). This stands in contrast to the Western focus on individual rights, privacy, and human dignity, as embodied in the OECD AI Principles and the EU's Ethics Guidelines for Trustworthy AI. The principle of "AI for good" is interpreted through the lens of state-defined "social good," where the collective interests of society, as determined by the party-state, take precedence over individual rights and freedoms. The Chinese framework explicitly prioritizes "national security and

social stability" over privacy concerns, stating that privacy protection must be "balanced" against the "interests of the state and society" (Ministry of Science and Technology, 2019). This reframing of ethics from the individual to the collective represents a fundamental challenge to the Western liberal consensus on AI governance.

China's role in shaping the UNESCO Recommendation on the Ethics of Artificial Intelligence, adopted in November 2021, provides a revealing case study of its normative influence. The negotiation process for this landmark document was highly contentious, with sharp divisions between Western states, which sought to include strong language on human rights, privacy, and algorithmic transparency, and China, which sought to emphasize "social harmony," "national sovereignty," and the importance of not imposing "Western values" on other nations (UNESCO, 2021). The final document represents a compromise, but an analysis of the negotiation process suggests that China was highly effective in shaping the outcome. Chinese negotiators successfully argued for the inclusion of language emphasizing "cultural diversity" and the need to respect "different value systems," effectively legitimizing a pluralistic approach to AI ethics that permits state-centric models alongside liberal ones. In this process, China acted not as a norm-taker but as a norm-shaper, leveraging its position as a major power to ensure that the global AI ethics framework accommodated its governance model (Miao, 2022).

The export of the "Xinjiang model" represents the most concrete manifestation of China's normative influence. This model, which integrates AI-driven surveillance with social management techniques, is framed by Chinese officials and state-aligned media as a successful approach to maintaining social stability and promoting economic development. While condemned by Western governments and human rights organizations as a system of digital authoritarianism and mass repression, the Xinjiang model has gained traction among authoritarian states seeking technological solutions to their own governance challenges (Feldstein, 2019). The framing of this model as a "governance dividend"—a benefit that autocratic states can reap from Chinese technology—represents a powerful counter-narrative to the liberal democratic approach to technology governance. This narrative suggests that China's model offers a more effective pathway to development and stability for states that do not share Western liberal values, thereby undermining the universalist claims of the Western human rights framework.

The implication of this normative struggle is the increasing contestation of the very definition of "ethical AI." The world is witnessing the emergence of a fragmented ethical landscape, where fundamental concepts such as privacy, fairness, and human dignity are interpreted in radically different ways depending on the political and cultural context. There is no longer a universal consensus on what constitutes responsible AI development or legitimate AI governance. This fragmentation has profound implications for international cooperation, as common ground becomes increasingly elusive, and for the protection of human rights, as the Western liberal framework loses its hegemonic status in global discourse.

Table 4: China's Influence Across Global Governance Domains

Governance Domain	Key Mechanisms	Primary Institutions/Fora	Evidence of Influence	Governance Implication
Technical Standards	Leadership positions, standards proposals, BRI integration	ITU, ISO, IEC, CESI	60% increase in ITU participation (2015-2020); 150% increase in ISO proposals	Emergence of parallel standards ecosystems; interoperability challenges
Global AI Economy	Digital Silk Road, state-backed champions, data governance initiatives	BRI, Huawei, Hikvision, GDSI	\$79B+ in DSR contracts; 40% global 5G market share; 30%+ surveillance market share	Two-track global economy; technological lock-in and dependency
Security Domain	Military-Civil Fusion, autonomous weapons development, surveillance exports	PLA, CCW, defense-industrial complex	\$1.6-2.5B annual PLA AI investment; AI surveillance exported to 60+ countries	Erosion of arms control architecture; increased risk of miscalculation
Normative Ethics	Ethical principles promotion, multilateral engagement, model export	UNESCO, MOST, BRI partner states	Influence on UNESCO AI Ethics Recommendation; Xinjiang model exports	Fragmentation of ethical consensus; contested definitions of responsible AI

★ CHINA'S INFLUENCE ACROSS GLOBAL GOVERNANCE DOMAINS ★

GOVERNANCE DOMAIN	KEY MECHANISMS	PRIMARY INSTITUTIONS/FORA	EVIDENCE OF INFLUENCE	GOVERNANCE IMPLICATION
 Technical Standards	- Leadership positions - Standards proposals - BRI integration	 ITU  ISO  IEC  CESI	 60% increase in ITU participation (2015-2020) 150% increase in ISO proposals	 Emergence of parallel standards ecosystems; interoperability challenges
 Global AI Economy	- Digital Silk Road - State-backed champions - Data governance initiatives	 HUAWEI  HIKVISION  GDSI	 \$79B+ in DSR contracts 40% global 5G market share 30%+ surveillance market share	 Two-track global economy; technological lock-in and dependency
 Security Domain	- Military-Civil Fusion - Autonomous weapons development - Surveillance exports	 PLA  CCW  Defense-industrial complex	 \$1.6-2.5B annual PLA AI investment - AI surveillance exported to 60+ countries	 Erosion of arms control architecture; increased risk of miscalculation
 Normative Ethics	- Ethical principles promotion - Multilateral engagement - Model export	 UNESCO  MOST  BRI partner states	 - Influence on UNESCO AI Ethics Recommendation - Xinjiang model exports	 Fragmentation of ethical consensus; contested definitions of responsible AI

Source: synthesis based on empirical evidence and academic literature.

Table 5: Comparative Positioning of China's AI Strategy Across Domains

Dimension	China's Approach	Western Counterpart	Key Divergence
Standards	State-directed, strategically instrumental	Multi-stakeholder, technically driven	Purpose of standards: strategic advantage vs. technical interoperability
Economy	State capitalism; tech champions as strategic assets	Market capitalism; private sector autonomy	Role of state in directing economic outcomes
Security	Military-Civil Fusion; opacity about capabilities	Civilian-military separation; relative transparency	Transparency and verifiability of military AI
Ethics	Collective good; state-defined social harmony	Individual rights; human dignity	Fundamental value hierarchy
Data	Sovereign state resource	Personal property or corporate asset	Ownership and control of data

Source: analysis based on policy documents and academic literature.

Conclusion: A Bifurcated Future for Global AI Governance?

Synthesis of Findings

The comprehensive analysis presented in this research paper has demonstrated that China's AI strategy represents far more than a technological catch-up effort; it constitutes a fundamental challenge to the existing liberal international order and a deliberate attempt to restructure global governance to accommodate China's model of state-led development and governance. The evidence gathered across multiple domains—technical standards, economic influence, security capabilities, and normative frameworks—reveals a coherent and integrated strategy that leverages China's domestic AI ecosystem as a foundation for reshaping the rules, institutions, and norms that govern the global digital order. The AIDP of 2017, with its explicit framing of AI as a tool for national rejuvenation and comprehensive national power, established the strategic parameters for this ambitious project (State Council, 2017). The subsequent elaboration of this strategy through financial support mechanisms, talent development programs, data accumulation initiatives, and the Military-Civil Fusion strategy has created a distinctive model of technological development that diverges sharply from both the market-driven American approach and the rights-based European approach. The findings from Section 4 demonstrate conclusively that China is not merely participating in existing global governance structures but is actively seeking to reshape them. In the domain of technical standards, China has systematically increased its influence in international bodies, with measurable increases in participation, leadership positions, and standards proposals that reflect a deliberate strategy to embed Chinese preferences in the foundational rules of the global digital economy (Hwang & Rosenfeld, 2021). In the economic domain, the Digital Silk Road has emerged as a powerful vehicle for exporting Chinese technology, standards, and governance models to the developing world, with over \$79 billion in contracts signed across more than 40 countries, creating new spheres of influence and economic dependency (Hillman & McCalpin, 2021). In the security domain, the Military-Civil Fusion strategy has

blurred the lines between civilian and military AI research, creating opacity that undermines international efforts to establish norms and arms control mechanisms for military AI while enabling the rapid development of intelligentized warfare capabilities (Kania, 2020). In the normative domain, China has successfully positioned its state-centric ethical framework as a legitimate alternative to the Western liberal approach, influencing the UNESCO Recommendation on AI Ethics and exporting its governance model through the Digital Silk Road to authoritarian states seeking technological solutions to their governance challenges (Miao, 2022). The cumulative effect of these developments is a fundamental restructuring of the global AI governance landscape, where China's strategy has moved beyond mere technological competition to encompass a comprehensive challenge to the universalist claims of the Western liberal model, advancing an alternative paradigm characterized by the primacy of state sovereignty over individual rights, the subordination of technology to state-defined social goals, and the rejection of the multi-stakeholder approach that has dominated global technology governance since the end of the Cold War (Creemers, 2018; Roberts et al., 2021).

Characterizing the Emerging Order

The central question that this research has sought to answer is whether China's strategy is leading to convergence, divergence, or fragmentation in global AI governance. The evidence presented throughout this paper strongly suggests that fragmentation is the most likely outcome, a conclusion that emerges from careful evaluation of the empirical evidence across multiple domains. Convergence—the adoption of a single, universal framework for AI governance—is improbable given the fundamental value differences between China and the Western liberal democracies. The Chinese state-centric model is not a minor variation on a liberal theme; it represents a fundamentally different conception of the relationship between the state, the individual, and technology, rooted in different historical experiences, different political philosophies, and different visions of the good society. As long as these value differences persist, convergence remains unlikely, and indeed, the evidence suggests that the gap between the Chinese and Western models is widening rather than narrowing, as each side becomes more entrenched in its approach. Divergence—the development of separate, incompatible governance regimes by different actors—is also an incomplete characterization of the emerging order. Divergence implies that different actors are pursuing different paths in relative isolation from one another, but the reality is far more complex and contested. China is actively competing with Western powers for influence over the global AI governance architecture, and this competition is creating a fragmented landscape where the rules of the game themselves are contested. The emerging order is best characterized as a fragmented "splinternet" or "splintered AI order," where two competing techno-political blocs—one led by the United States and its democratic allies, the other led by China—are developing parallel governance ecosystems with different standards, different norms, and different values (Drezner, 2021). This fragmentation is not a simple binary, however, as between the two major blocs lies a contested "swing space" in the Global South, where developing nations are making strategic choices about which model to adopt based on a complex calculus of economic interests, political affinities, and practical considerations. Some nations, particularly those with authoritarian governments or those seeking alternatives to Western dominance, are gravitating toward the Chinese model, attracted by its promise of rapid development, technological transfer, and non-interference in domestic affairs (Feldstein, 2019). Others are maintaining closer ties with the Western bloc, valuing the rule of law, human rights protections, and the transparency of democratic governance. Still others are attempting to navigate a middle path, seeking to benefit from Chinese technology and investment while maintaining their political independence. The outcome of this contestation in the Global South will largely determine the ultimate shape of the global AI governance landscape, as the choices made by developing nations in the coming years will determine whether the fragmented order becomes a permanent feature of the international system or whether some form of cooperation and coordination can be restored.

Implications for the Future of Global Governance

The fragmentation of global AI governance has profound and far-reaching implications for international institutions, corporations, and society at large, implications that extend well beyond the technology sector to touch upon fundamental questions of power, legitimacy, and the future of international cooperation. For international institutions, the most significant implication is the increasing gridlock of the United Nations system. The UN, which operates on the principle of universal membership and consensus-based decision-making, is particularly ill-suited to managing the deep value conflicts that characterize the AI governance debate. The contentious negotiations over the UNESCO Recommendation on AI Ethics demonstrated the difficulty of achieving meaningful consensus on fundamental issues such as privacy, surveillance, and human rights, with China successfully arguing for language that legitimizes state-centric approaches alongside liberal ones (UNESCO, 2021). As these conflicts intensify, the locus of effective governance is likely to shift away from the UN system toward smaller clubs of like-minded states, such as the G7, the G20, and security alliances like AUKUS. These smaller forums allow for more rapid decision-making and more coherent positions, but they risk creating governance structures that are exclusive and that lack

the legitimacy that comes from universal participation, thereby further fragmenting the global governance landscape. For corporations, the fragmentation of global AI governance creates immense pressure to choose sides in the emerging technological competition. Transnational technology companies like Huawei, Alibaba, and Tencent have already been effectively forced out of some Western markets due to security concerns, while American companies like Google, Microsoft, and Apple face increasing restrictions in China. This pressure extends beyond the major platforms to the entire supply chain, as companies are forced to navigate different regulatory requirements, different technical standards, and different ethical expectations in different markets. The result is likely to be a gradual decoupling of technology supply chains, with separate ecosystems developing in the Chinese and Western spheres of influence (Segal, 2019). This decoupling will increase costs, reduce efficiency, and hinder innovation, but it may be an unavoidable consequence of the geopolitical competition that now permeates the technology sector. For society, the fragmentation of global AI governance has the most far-reaching implications, touching upon the very fabric of democratic life and the possibility of a shared public sphere. The global public sphere, which has been a defining feature of the digital age, is increasingly being shaped by competing AI-driven narratives and information ecosystems. Chinese AI systems, trained on Chinese data and reflecting Chinese values, will produce fundamentally different outputs than Western AI systems trained on Western data and reflecting Western values. As these systems become more pervasive—in search engines, social media platforms, virtual assistants, and content recommendation systems—they will increasingly shape the information environments in which people live, creating parallel realities that undermine the possibility of a shared understanding of the world. This fragmentation of the information environment has profound implications for democracy, as it becomes increasingly difficult for citizens to make informed decisions when they cannot agree on basic facts. The security implications of this fragmentation are equally concerning, as the failure to establish meaningful norms and arms control mechanisms for military AI increases the risk of miscalculation and escalation in future conflicts, particularly in an environment where AI-enabled weapons systems can operate at speeds beyond human cognitive capacity and where the lack of communication channels between major powers compounds the inherent risks of the technology (Scharre, 2018).

Policy Recommendations

Based on the comprehensive analysis of China's AI strategy and its implications for global governance presented in this research paper, the following policy recommendations are offered for Western policymakers, international institutions, and other stakeholders seeking to navigate the increasingly fragmented landscape of global AI governance. These recommendations are grounded in the empirical findings of the research and are designed to be actionable, strategic, and responsive to the complex challenges identified throughout this study.

Develop a Unified and Coherent Western Strategy for AI Governance

The current fragmentation of Western approaches to AI governance—characterized by the divergent paths of the United States' market-driven model and the European Union's rights-based regulatory framework—creates vulnerabilities that China can exploit. While the US and EU share fundamental democratic values, their lack of strategic coordination on AI governance weakens their collective influence and creates opportunities for China to advance its alternative model. Western policymakers should prioritize the development of a unified strategic framework that aligns regulatory approaches, coordinates investment priorities, and establishes shared positions on key governance issues. This framework should not seek to impose a single regulatory model on all Western nations; rather, it should establish common principles and minimum standards that allow for flexibility in implementation while ensuring coherence in external engagement. Such coordination should extend to technology export controls, where the current patchwork of national policies creates loopholes that undermine the effectiveness of restrictions on sensitive AI technologies. A coordinated Western approach would also involve joint investment in AI research and development, particularly in areas where the West currently lags behind China, such as certain applications of computer vision and natural language processing for surveillance. The establishment of a formal mechanism for US-EU coordination on AI policy, perhaps through a standing joint commission or regular summit process, would provide institutional infrastructure for this strategic alignment. The absence of such coordination has already resulted in missed opportunities; for example, while the EU was developing its comprehensive AI Act, the United States was pursuing a more voluntary approach, and China was able to position itself as a third way that avoided both heavy regulation and corporate self-interest.

Substantially Increase Investment in AI Research, Development, and Talent Retention

The competitive advantage that the United States has historically enjoyed in AI research and development is eroding, as documented throughout this paper. China's systematic investment in AI—through state-directed funds, talent development programs, and the cultivation of a favorable data environment—has enabled it to close the gap with the United States in several

key areas. Western policymakers must respond with substantially increased investment in fundamental AI research, applied development, and talent cultivation. This investment should target areas where the West currently maintains an advantage, such as fundamental algorithms, AI safety research, and specialized hardware design, while also addressing gaps in applications where China has taken the lead. Crucially, this investment must extend beyond the private sector to include robust public funding for basic research, which is essential for long-term innovation but often underfunded in market-driven systems. The United States' National AI Initiative and the European Union's Horizon Europe program represent positive steps, but their funding levels remain inadequate relative to the scale of the challenge. Western policymakers should also address the talent pipeline, which is critical for maintaining competitive advantage. This includes expanding educational programs in AI and related fields, providing incentives for international students to study and remain in Western countries, and creating attractive research environments that can compete with China's aggressive talent recruitment efforts. The loss of top AI researchers to China, whether through programs like the Thousand Talents Plan or through the superior data resources and funding available in the Chinese ecosystem, represents a significant strategic vulnerability that requires urgent attention.

Develop Compelling Alternatives for the Global South

The success of the Digital Silk Road in attracting developing nations to the Chinese model is not primarily a function of the inherent appeal of Chinese governance norms; rather, it reflects the absence of a compelling Western alternative. Western nations have been slow to invest in digital infrastructure in the developing world, and their engagement is often perceived as conditional, paternalistic, and overly focused on human rights concerns at the expense of development priorities. To counter Chinese influence in the Global South, Western policymakers must develop concrete, attractive alternatives that address the actual needs and priorities of developing nations. This requires a fundamental shift in approach, moving from a reactive posture that criticizes Chinese practices to a proactive strategy that offers tangible benefits. Specifically, Western nations should establish a coordinated digital infrastructure investment fund that provides financing for telecommunications networks, data centers, and AI applications in developing countries. This fund should offer competitive terms that match or exceed those available from Chinese sources, while avoiding the debt trap dynamics that have characterized some BRI projects. Western engagement should also include substantial technology transfer and capacity building components, helping developing nations build their own AI capabilities rather than simply consuming imported technologies. Critically, this engagement must be grounded in a genuine partnership model that respects the sovereignty and development priorities of recipient nations, rather than imposing Western values as preconditions for cooperation. The goal should be to demonstrate that the Western model offers superior outcomes—not merely superior values—by delivering tangible benefits in terms of economic development, technological capability, and social welfare.

Establish Clear Red Lines and Consequences for Unacceptable AI Practices

While engagement and cooperation should be pursued where possible, Western policymakers must also establish clear boundaries and consequences for AI practices that violate fundamental norms and threaten international security. This includes the use of AI for mass surveillance and human rights abuses, the export of surveillance technologies to repressive regimes, and the development of AI-enabled weapons systems that could undermine strategic stability. The current approach, which relies largely on rhetorical condemnation and ad hoc restrictions, has proven ineffective in deterring these practices. Western nations should develop a coordinated framework for identifying and responding to unacceptable AI practices, including targeted sanctions on entities involved in human rights abuses, export controls on technologies that enable repression, and diplomatic measures that increase the reputational costs of such behavior. The United States' Entity List restrictions on Chinese companies like Hikvision and Dahua represent a step in this direction, but these measures lack the consistency and coordination needed to be effective. A more systematic approach would involve establishing a multilateral mechanism—perhaps through the G7 or a coalition of democracies—for assessing AI practices and coordinating responses. This mechanism should be transparent, evidence-based, and proportionate, avoiding blanket restrictions that could damage legitimate trade while targeting specific actors and practices that pose genuine threats to human rights and international security.

Pursue Strategic Engagement on Existential Risk and Safety

Despite the competitive dynamics that characterize the US-China AI relationship, there are areas of common interest that warrant strategic engagement, particularly the management of existential risks associated with advanced AI systems. Both China and the Western powers have a fundamental interest in preventing the development of AI technologies that could pose catastrophic risks to humanity, whether through accidental misuse, malicious intent, or uncontrolled optimization processes. This shared interest provides a foundation for cooperation that transcends the competitive dimensions of the relationship. Western policymakers should pursue structured dialogues with China on AI safety, focusing on concrete technical issues such as the development of

safety protocols for advanced AI systems, mechanisms for preventing unintended escalation in AI-enabled military systems, and frameworks for responding to AI-related emergencies. These dialogues should be grounded in technical expertise rather than political posturing, bringing together leading researchers from both sides to address shared challenges. The existing channels for such engagement, including the US-China AI Dialogue and various track-two diplomatic initiatives, provide a foundation that should be expanded and institutionalized. Success in this domain would not resolve the broader competition over AI governance, but it could establish important guardrails that prevent the most dangerous outcomes while building trust and communication channels that could prove valuable in managing future crises.

Strengthen Multilateral Institutions and Forums for AI Governance

While the United Nations system faces significant challenges in addressing AI governance, particularly given the deep value conflicts between China and the Western democracies, multilateral institutions remain essential for establishing global norms and preventing the complete fragmentation of the governance landscape. Western policymakers should pursue a dual-track approach to multilateral engagement: working to strengthen existing institutions where possible while establishing alternative forums where necessary. In the existing institutions, Western nations should continue to engage constructively in processes like the UNESCO Recommendation on AI Ethics and the UN's various AI initiatives, even when the outcomes are imperfect. These processes provide legitimacy and universality that cannot be replicated in smaller forums, and they offer opportunities for engaging with the Global South on shared concerns. Simultaneously, Western nations should invest in strengthening alternative forums, such as the Global Partnership on AI (GPAI) and the OECD AI Policy Observatory, which bring together like-minded nations to develop shared approaches and best practices. These forums can serve as laboratories for developing governance innovations that can later be promoted in broader multilateral settings. The key is to maintain engagement across the full spectrum of governance institutions, recognizing that different forums serve different purposes and that the overall goal should be to maximize the effectiveness of the governance ecosystem as a whole rather than to achieve a single, comprehensive solution.

Invest in Public Education and Digital Literacy to Counter Information Fragmentation

The fragmentation of the global information environment, driven by competing AI-powered platforms and recommendation systems, represents a fundamental challenge to democratic governance and social cohesion. Western policymakers must invest substantially in public education and digital literacy programs that equip citizens with the skills needed to navigate an increasingly complex and contested information landscape. This includes critical thinking skills for evaluating AI-generated content, understanding of how recommendation algorithms shape information exposure, and awareness of the potential biases and limitations of AI systems. Educational initiatives should target all segments of the population, with particular attention to vulnerable groups that may be more susceptible to manipulation. Beyond education, policymakers should support the development of independent, trustworthy sources of information that can serve as anchors in a fragmented media environment. This includes public investment in quality journalism, support for fact-checking organizations, and the promotion of platform accountability measures that increase transparency about how AI systems shape content distribution. The goal is not to impose a single, official narrative but to create conditions in which citizens can make informed decisions based on reliable information and shared facts.

Establish Mechanisms for Managing AI-Related Crises and Preventing Escalation

The security implications of military AI, combined with the opacity of Chinese capabilities created by the Military-Civil Fusion strategy, create significant risks of miscalculation and unintended escalation. Western policymakers should prioritize the establishment of crisis management mechanisms specifically designed to address AI-related incidents. This includes developing clear communication channels for use in the event of AI-related military incidents, establishing confidence-building measures that increase transparency about AI capabilities and doctrines, and creating protocols for managing incidents involving autonomous systems. These mechanisms should be developed through both bilateral US-China channels and multilateral forums, recognizing that effective crisis management requires participation from all relevant actors. The existing arms control architecture, developed during the Cold War, provides useful lessons and templates, but it must be adapted to the unique characteristics of AI-enabled warfare, including the speed of operations, the potential for autonomous decision-making, and the difficulty of attribution in cyber-enabled conflicts. The establishment of these mechanisms would not eliminate the risks associated with military AI, but it could significantly reduce the probability of accidental conflict and provide pathways for de-escalation if incidents occur.

These policy recommendations are offered as a comprehensive framework for navigating the complex and rapidly evolving landscape of global AI governance. They recognize the fundamental challenge posed by China's alternative model while seeking to

preserve opportunities for cooperation on shared challenges. The recommendations are grounded in the empirical findings of this research and are designed to be actionable within the constraints of the current political environment. Their implementation will require sustained commitment, significant resources, and a willingness to engage in both competition and cooperation with China across multiple domains. The choices made in the coming years will have profound implications for the future of AI governance and, more broadly, for the character of the international order in the digital age.

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