

Rules as Power: The Contest for Rule-Making Authority in Digital Public Diplomacy among the US, China, and the EU

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Abstract

The core of international competition in the digital age has shifted to the struggle for rule-making power. As the principal actors, the United States, China, and the European Union are reshaping the global digital order through digital public diplomacy. From a political economy perspective, this paper constructs a three-dimensional analytical framework—"Strategic Positioning-Rule Tools-Efficacy Analysis"—to examine the divergent strategies of these three actors in the realms of technical standards, data governance, and digital trade. The study finds that the United States leverages value-based alliances to promote exclusive rule hegemony, China achieves breakthroughs through development-oriented alternative rules, and the EU constructs standard barriers by capitalizing on its normative power. The contest for rule-making authority is, in essence, a process of reconstructing power structures in the digital age, the outcomes of which will profoundly shape the landscape of global digital governance. Developing countries must seek strategic autonomy amid great power rule competition, enhancing their rule-making influence through technological localization and multilateral cooperation.

Keywords

Digital Public Diplomacy; Technical Standards; Normative Power; Global Digital Governance

1. Introduction

When the United States banned TikTok on "national security" grounds, China promoted smart city standards in Southeast Asia, and the EU regulated major platforms through the Digital Markets Act, rule competition in the digital domain emerged as a new arena for great power rivalry. According to UNCTAD data, developed countries dominate 62% of global digital trade rules, while developing countries participate in less than 20% of standard-setting in critical fields such as 5G and artificial intelligence. This rule imbalance became more pronounced during

the COVID-19 pandemic: the United States strengthened its technological alliances through the "Clean Network" program, China exported infrastructure standards via the "Digital Silk Road," and the EU constructed a "digital sovereignty" framework with the General Data Protection Regulation (GDPR). The three actors' competition for rule-making authority has taken on multidimensional and institutionalized characteristics. Digital rules have transcended technical domains to become core vehicles for international power distribution, with their formulation processes reflecting strategic games and interest reconfigurations among major powers.

This study addresses the following core questions: How do the United States, China, and the EU compete for rule-making power through digital public diplomacy? Specifically: Why does the United States adopt a "values + technology blockade" model for rule export? What is the logic and what are the implementation bottlenecks of China's "developmental rules"? What are the uniqueness and limitations of the EU's "normative power" in digital rule competition? How will these rule competitions structurally impact the global digital governance order? Understanding these issues not only helps elucidate the micro-mechanisms of international power shifts in the digital age but also provides a theoretical reference for developing countries seeking autonomous pathways in rule competition.

Theoretically, this study challenges the realist tradition of "power determines rules," revealing the reverse mechanism of "rules shaping power" in the digital age. For instance, the EU's GDPR, by elevating data privacy to a "fundamental right," compelled global giants like Google and Meta to adjust their operational models. The €1.2 billion fine imposed on Meta in 2023 for violations exemplifies how rules can counterbalance technological power. Practically, this research offers strategic references for emerging economies like India and ASEAN. The African Union's *Digital Transformation Strategy* (2023) explicitly states "refusal to be a testing ground for great power rules," highlighting developing countries' urgent need for rule autonomy. The comparative analysis of U.S., Chinese, and EU strategies in this study can provide practical pathways for constructing "asymmetric advantages."

2. Theoretical Framework: A Political Economy Analysis of Rule-Making Power

2.1. The Multidimensional Connotation of Rule-Making Power

Rule-making power in the digital age encompasses three interrelated dimensions: technical standard-setting power, data governance power, and digital trade rule-making power. Technical standard-setting power involves the formulation of specifications for technologies such as 5G, AI algorithms, and IoT protocols—exemplified by the U.S.-led Open RAN (Open Radio Access Network) standard aimed at restructuring the telecommunications equipment industry chain. Data governance power covers rule design for cross-border data flows, privacy protection, and sovereignty definition, typified by the global data protection

framework established under the EU's GDPR. Digital trade rule-making power regulates trade in e-commerce, digital services, intellectual property, and related areas, as seen in the digital clauses of the USMCA (United States-Mexico-Canada Agreement). According to a 2024 WIPO report, these three types of rules form an interconnected network within the global digital governance system, with technical standards accounting for 41%, data governance 35%, and digital trade 24%, collectively constituting the core arena for great power rule competition.

2.2. Reconstructing the Dialectical Relationship Between Rules and Power

Traditional realist theory posits that "power structures determine rule forms," as seen in the U.S. establishment of the Bretton Woods system post-World War II based on its economic hegemony. However, the technological characteristics of the digital age have reshaped this relationship. On one hand, rules exert a significant counter-effect on power—the EU's GDPR, by elevating data privacy to a fundamental value, forced global enterprises to adjust their data strategies. The €746 million fine against Amazon in 2023 demonstrates rules' power to check technological giants. On the other hand, technological innovation is empowering rule-making—blockchain technology enables "code as law," with decentralized platforms like Ethereumizing financial rules and weakening state monetary sovereignty. This "rules-technology-power" interaction disrupts the linear logic of "might makes right" in traditional international politics, forming a more complex mechanism of power reproduction.

2.3. Power Reproduction in the Digital Age

This study constructs a three-dimensional analytical framework: At the *strategic positioning* level, it examines the rule competition strategies of the U.S., China, and the EU based on their respective capabilities and values—such as the U.S.'s "values-first," China's "development-oriented," and the EU's "norm-based" approaches. At the *rule tools* level, it analyzes the specific pathways through which the three actors employ technology exports, institutional construction, and narrative discourse to compete for rule-making power—for instance, the U.S. exporting technical standards via the "Clean Network" program, China leveraging infrastructure binding through the "Digital Silk Road," and the EU exercising legal jurisdiction via the GDPR. At the *efficacy assessment* level, it evaluates the actual influence and potential risks of each party's rule strategies, including short-term effectiveness, long-term challenges, and their structural impact on the global digital order. This framework maintains theoretical rigor while revealing the dynamic processes of rule competition through case studies.

3. U.S. Rule Competition Strategy: Constructing Technological Hegemony Through Value-Based Alliances

3.1. Strategic Positioning: The Dual Logic of the "Small Yard, High Fence" and Value Bundling

The U.S. Department of Defense's *Digital Modernization Strategy* (2023) explicitly identifies "establishing exclusive rule systems in key technology areas" as a core objective. Its strategic positioning exhibits a distinct duality: On one hand, the "small yard, high fence" strategy erects technological barriers in 37 "critical domains" like chips and quantum computing. In 2024, it expanded chip export controls to China covering equipment below 14nm, attempting to curb the technological progress of competitors. On the other hand, it deeply bundles digital rules with "democratic values." The 2023 "Indo-Pacific Digital Democracy Summit" required member states to commit to "prohibiting Chinese capital from participating in critical infrastructure," attempting to build rule alliances based on value homogeneity. This strategy essentially perpetuates a unipolar hegemonic mindset in the digital age, maintaining U.S. dominance in the global digital order by ideologizing technological rules.

3.2. Practice of the U.S. "Technology Alliance-Led" Strategy

The core tools for the U.S. in competing for rule-making power include the exclusive export of technical standards and the alliance-binding of digital trade rules. In the technical standards domain, the "Clean Network" program is typical, comprising five pillars: excluding Chinese telecommunications equipment, restricting Chinese cloud services, and blocking cross-border data flows, among others. In 2023, the U.S. forced the sale of TikTok's U.S. operations citing "data security threats," while simultaneously promoting the RESTRICT Act, granting the government broad powers to ban foreign applications. In the semiconductor sector, the U.S. allied with Japan and South Korea to establish the "Chip 4 Alliance" (Chip4), requiring TSMC and Samsung to set up plants in the U.S. and share technical data, attempting to monopolize advanced process rules through technological alliances. Regarding digital trade rules, the "digital clauses" in USMCA exhibit clear exclusivity, prohibiting data localization requirements and limiting government regulation of digital platforms, granting privileges to U.S. companies like Google and Meta in the North American market and strengthening allies' dependence on U.S. rules.

3.3. Efficacy Analysis: Coexistence of Short-Term Advantages and Long-Term Risks

The U.S. rule competition strategy has achieved significant short-term results: According to a 2024 CSIS report, 62% of OECD countries have adopted cloud service standards dominated by U.S. companies. The chip alliance reduced China's self-sufficiency rate for 28nm chips from 19% in 2022 to 12% in 2024. Its value-based alliance strategy also garnered some response in the Indo-Pacific region. However, this "rule hegemony" model harbors deep-seated risks: Coercive tactics

provoke backlash from allies—in 2024, South Korea refused full participation in Chip4 restrictions against China, and the EU opposed digital subsidy clauses in the U.S. *Inflation Reduction Act*. The politicization of technological rules also undermines the legitimacy of U.S. rules. Developing countries widely express concerns about the exclusivity of the "Clean Network," viewing it as contrary to the open nature of the digital economy. This legitimacy crisis may lead to a long-term decline in the influence of U.S. rules, particularly making it difficult to foster sustainable rule recognition among Global South nations.

4. China's Rule Competition Strategy: Incremental Breakthroughs Through Developmental Rules

4.1. Strategic Positioning: Infrastructure-Led and Demand-Oriented Rule Supply

China's *Global Development Initiative on Digital Cooperation* proposes a strategic path of "promoting rule alignment through infrastructure construction." Distinct from the U.S. values-first approach, this forms a unique positioning of "developmental rules." This strategy focuses on livelihood areas such as digital infrastructure, technical training, and inclusive services. In 2023, China's investment in Southeast Asian digital infrastructure reached \$12.7 billion, 3.2 times that of the U.S., designing rule content oriented toward development needs. In terms of technological competition strategy, China adopts an "asymmetric breakthrough" approach, establishing new standards in "incremental fields" like 5G applications and smart cities, avoiding direct competition with the U.S. in "established fields" like chip design. This strategic positioning is based both on China's reality as a major developing country and reflects its assessment of the diversified rule demands in the digital age, attempting to gradually accumulate rule-making power by meeting the practical needs of developing countries.

4.2. Rule Tools: Synergistic Advancement of Technology Export and Multilateral Mechanisms

The core tools for China in competing for rule-making power include digital infrastructure binding and multilateral rule innovation. In technology export, Huawei's "smart city" project in Thailand is typical: When designing the traffic management system for Bangkok, it embedded Huawei's "FusionPlant Digital Platform" standards, resulting in 70% of Thailand's traffic data adopting Chinese formats. It jointly established "5G Application Academies" with local universities, training over 3,000 technical personnel, creating a talent dependency on Chinese standards. This trinity model of "infrastructure + standards + talent" achieves gradual rule penetration. At the multilateral level, the RCEP digital trade clauses reflect China's rule innovation: Compared to USMCA, RCEP allows exceptions for data localization, respecting the sovereignty needs of developing countries; it

includes a dedicated chapter on "Digital Economy Cooperation," containing practical content like technical assistance and capacity building; it prohibits the politicization of digital rules, emphasizing the "principle of non-discrimination." This inclusive rule design offers an alternative choice for developing countries in the great power rule competition.

4.3. Efficacy Analysis: Intertwining Comparative Advantages and Practical Challenges

The comparative advantage of China's "developmental rules" lies in their supply model without political conditionalities, gaining broad recognition from developing countries. In 2024, 83% of ASEAN countries expressed "welcome for Chinese participation in digital infrastructure" (ADB survey), with similar trends observed in Africa and Latin America. However, this rule strategy faces dual challenges: First, the stigmatizing narrative of "digital authoritarianism"—a 2023 U.S. Congressional Research Service report claimed that "Chinese rules aim to export a governance model," influencing the rule choices of some countries. Second, the lack of rules in core technological segments—China still relies on Western systems for underlying technical standards like chip architectures and operating systems, limiting the influence of "developmental rules" in high-end domains. Breaking through technological bottlenecks and dispelling discursive biases have become key challenges for China in enhancing its rule-making power.

5. The EU's Rule Competition Strategy: Constructing Standard Barriers Through Normative Power

5.1. Strategic Positioning: Constructing "Digital Sovereignty" Through Value-Centric Neutrality

The EU's *2030 Digital Compass* positions "safeguarding digital sovereignty through rule-making power" as its core strategy. Its uniqueness lies in seeking a differentiated position between the US and China through "human rights-oriented" rule design. The EU embeds values like data privacy and algorithmic transparency into technical standards, earning GDPR the title of "Digital Charter of Human Rights." Simultaneously, it plays the role of a "regulatory balancer," establishing the EU-US Trans-Atlantic Data Privacy Framework in 2023 while refusing to join the "Clean Network" program, attempting to maintain normative neutrality amid great power competition. This strategic positioning stems both from the EU's self-perception as a "normative power" and reflects its rule competition strategy amid relative technological competitiveness deficiencies—constructing irreplaceable rule barriers by transforming values into technical standards.

5.2. Rule Tools: Institutional Innovation in Standard Certification and Extraterritorial Jurisdiction

The EU's primary tool for competing in rule-making is the extraterritorial influence of its legal norms. GDPR achieves rule export through its "adequacy certification" mechanism: requiring all enterprises serving the EU market to comply with stringent data protection standards, exemplified by the €746 million fine imposed on Amazon in 2024 for violations. The EU has established mutual data flow recognition with 12 countries including Japan and Canada, forming a "GDPR rules sphere," which UNCTAD notes has "reshaped the global data governance ecosystem." The Digital Markets Act (DMA) imposes mandatory obligations on "gatekeeper" platforms like Google and Meta, requiring open user data interfaces and prohibiting self-preferencing practices, directly restructuring platform economy rules. This "law as rule" strategy leverages the scale effect of the EU's single market to transform regional regulations into global standards, demonstrating the unique pathway of normative power in digital rule competition.

5.3. Efficacy Analysis: The Contradiction Between Normative Influence and Competitiveness Deficits

The significant achievement of the EU's rule strategy is the global diffusion of normative influence—the GDPR model has been adopted by 54 countries, becoming a "de facto standard" in global data governance, establishing rule discourse power in areas like privacy protection and algorithmic accountability. However, overemphasis on normative values has also resulted in deficiencies in the EU's digital economic competitiveness: in 2024, the EU held merely 9% of the global cloud computing market share, compared to the combined 85% held by US and Chinese firms. The disjunction between rule-making power and technological capacity creates implementation bottlenecks for the EU in rule games with technological powers like the US and China. Balancing the maintenance of normative advantages with enhancing technological competitiveness has become the key challenge for the sustainability of the EU's rule strategy.

6. Comparative Analysis and Geopolitical Impact

6.1. Fundamental Differences in Trilateral Strategies

The digital rule competition strategies of the US, China, and the EU exhibit distinct differences: The US, based on "value-based alliances," maintains rule hegemony through technological blockade and institutional binding, essentially representing the digital continuation of a unipolar hegemonic mindset. China, oriented toward "development needs," provides alternative rules through infrastructure binding and multilateral innovation, reflecting the rule supply logic of a major developing country. The EU, relying on "normative power," constructs rule barriers through legal regulation and standard certification, mirroring the unique positioning of a regional integration organization. These differences fundamentally stem from the three parties' power status, development stages, and value orientations: the US

seeks to solidify existing advantages, China aims to break through the existing system, while the EU strives to preserve its distinct identity amid great power competition.

6.2. Global Order Effects of Rule Competition

Digital rule competition is reshaping the global governance landscape: Firstly, there is a risk of bloc formation—evidenced by the US-EU "Democratic Digital Sphere," China's "Development Digital Sphere," and Russia's "Sovereign Digital Sphere," creating a "tripartite division" in global digital rules by 2024. Secondly, middle and small powers face a "rule hedging" dilemma—Southeast Asian countries like Indonesia participate simultaneously in the US "Clean Network" and China's "Digital Silk Road," enacting a "Data Localization Law" in 2023 to balance great power influences. Finally, technological fragmentation risks emerge—divergent 5G standards and data rules among the US, China, and EU lead to the splitting of global digital markets, which the World Bank estimates could reduce the growth rate of the digital economy in developing countries by 1.8 percentage points. The superposition of these effects places global digital governance at a critical transitional period of order reconstruction, the trajectory of which will profoundly influence the international power structure of the 21st century.

7. Conclusion and Implications

7.1. Core Conclusions

Rule-making power in the digital age has become a core vehicle of national power. The rule competition among the US, China, and the EU is essentially a process of reconstructing the international power structure in the digital era. The US maintains rule hegemony through value-based alliances, China achieves breakthroughs via development-oriented rules, and the EU constructs standard barriers using normative power. Together, these trilateral strategies shape the fundamental landscape of global digital governance. The effectiveness of rule competition depends not only on national power but is also closely related to whether the rule content aligns with the diverse needs of the international community—the exclusivity of US rules, the development orientation of Chinese rules, and the normative characteristics of EU rules respond to the interests of different groups, simultaneously defining the boundaries of their influence.

7.2. Policy Implications

For developing countries, a "three-dimensional strategy" is necessary in the face of great power rule competition: First, promote technological autonomy, as seen in Vietnam's "Digital Technology Localization Law" requiring 30% technology localization in government projects. Second, strengthen multilateral cooperation;

for instance, the African Union could jointly launch a "Pan-African Data Charter" to seek autonomous space beyond US-China-EU rules. Third, shift the focus of discourse, pivoting digital rule priorities from "security" and "values" toward "development" and "inclusivity" to enhance rule discourse power. For the international community, vigilance against global digital fragmentation caused by rule competition is essential, advocating for the establishment of an inclusive and pluralistic digital governance order. In the coming decade, digital rule competition will intensify. Nations must exert simultaneous efforts across technological innovation, institutional design, and international cooperation to gain initiative in this "rules as power" game and collectively shape a just and equitable new global digital order.

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