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**The U.S.-China Contention and the Global Order:
Technological Competition, Geopolitical Influence, and
Institutional Challenges**

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Abstract

The U.S.-China rivalry has become a defining feature of contemporary global politics, extending beyond trade and military competition to the technological, institutional, and normative foundations of the international order. This article examines how competition over artificial intelligence, 5G networks, and semiconductor supply chains is reshaping global power asymmetries, digital sovereignty, and the legitimacy of major governance institutions. Grounded in realism and power transition theory, the study argues that technological rivalry has become a organizational instrument of strategic competition between an established power seeking to preserve its leadership and a rising power seeking greater influence within the global system. Methodologically, the article employs qualitative document analysis of scholarly literature, policy documents, institutional reports, and trade-related materials. The findings show that U.S.-China contention is fragmenting digital governance, securitizing supply chains, weakening multilateral cooperation, and intensifying contestation within institutions such as the UN, WTO, and IMF. It further demonstrates that competing approaches to trade, human rights, and development finance are narrowing the policy space of smaller and developing states. The article concludes that managing this rivalry requires institutional reform, technological dialogue, and cooperative frameworks in non-zero-sum areas.

Keywords: U.S.-China rivalry; technological competition; digital sovereignty; global governance; semiconductor supply chains



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INTRODUCTION

The competition between the United States and China is one of the most important events that has come to pass in modern international relations. It is no longer just about trade disputes or diplomatic tensions, it is a structural battle over power, technology, institutions and future of the global order. It goes back to the post-Cold War years, when this cooperation was weakened and strategic distrust grew. In part, Washington and Beijing joined forces because of their mutual anxiety about the Soviet threat, but since that no-longer exists, there is room for competition — ideological, economic, and geopolitical (Scobell, 2020). In the process of the expansion of Chinese influence, the United States began seeing China's emergence as a threat to the USA's dominant position in the world, and China was pushing for more international recognition.

This contention has at its heart a struggle between two visions of political economic and global governance. The United States is a liberal capitalist state that is linked to open markets, private-sector innovation, alliance based security and rules-based institutions. China's development, on the other hand, is a state-capitalist one where the state takes the central role in industrial policy, technological development, finance and strategic planning. This contrast has made the competition to be not only economic but also expanded to look at the competition between ideologies and institutions and their authority (Xing & Bernal-Meza, 2021).

De facto, if a person looks at geopolitics, the U.S.-China competition can be seen in the military, economic, technological and institutional arena. The Indo-Pacific is a key region wherein both powers are trying to influence regional security, connectivity, strategic partnerships and strategic alignments. However, the competition is not confined to the level of infrastructure, digital technology, production, finance or supply chains, but is, in fact, global in scope, with both states vying for influence (Schindler et al., 2023). The Belt and Road Initiative has strengthened its infrastructural footprint, and the United States and allies have come to see increasingly in a strategic competitive way (Blanchard & Жан-Марк, 2021).

In particular, the technological aspect of the competition is significant, as new technologies have become an integral part of economic competitiveness, military power, surveillance power, and institutional power. Artificial Intelligence, 5G networks, quantum computing, and semiconductor supply chains are not just commercial applications, but strategic assets that are increasingly tied to national security and global influence. This process has evolved in the digital era, with the rise of Huawei and TikTok as emblems of data, infrastructure, sovereignty, and dependency issues. Both sides are thus trying to control technologies and set their own rules for digital power.



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This technological race has brought forth the debate on Digital sovereignty and on internet Governance. The United States has a more open, market-oriented and multi-stakeholder approach, whereas China has a sovereignty-based model of state control, national security and governance of cyber space. They shape the attitudes and policy orientations of the states of the Global South, a number of which face the challenge of having to reconcile Western expectations with Chinese infrastructure and finance. As a result, the international governance of the internet has emerged as a space for competition between states, with varying preferences for regimes, business interests, and security concerns (Jho & Kim, 2021).

This competition is also of considerable importance for the international scene and the world organization of the economy. Competition and conflict over these factors have become more intense as China has become pivotal to global trade and its status within the developing world: developing-country status, rules of trade, financial governance, state subsidies, supply-chain security and institutional legitimacy (Weinhardt & Petry, 2024). The two largest powers do not agree over norms, development priorities or institutional authority any longer, with institutions like the United Nations, World Trade Organization, and the International Monetary Fund now operating. The outcome is not the collapse of consensus on global governance, but a gradual erosion of it.

This competition also has normative repercussions. The United States and China have different concepts of what constitutes a successful trade, a successful development, human rights, and international order and sovereignty. In contrast to the Americans whose sense of global leadership is tied to liberal norms, market openness, and a language of human rights, the Chinese see development, stability, non-interference, and state sovereignty at the core of global leadership. The split in these views has led to divergent Models of Governance, which have impacted how smaller/emerging states shape themselves. The strategic competition is thus part of a wider struggle with international norms and institutions, and bloc formation and fragmentation can be a possibility (X. Wu, 2020). Environmental policy diffusion also reveals that great-power competition can give rise to learning, competition and pressure, and even emulation between policy fields (Cheung et al., 2024).

Taking this context into consideration, this article aims at discussing the U.S.-China contest and its impact on the global system in the form of technological rivalry, geopolitical power and institutional challenges. It asserts that competition now is a key way in which both powers can achieve strategic advantage and in which they can reshape the balance of powers worldwide in the quest for artificial intelligence, 5G, and semiconductor supply chains. It also suggests that, this technological competition is linked to institutional and normative change in the UN, WTO, IMF, the governance of trade, the



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human rights discourse, and development finance. The article adds to this, suggesting a synthesis between technological contestation, institutional legitimacy and norm contestation to understand the contestation's reshaping of global governance and international order.

Literature Review

The first, but by no means final, result is that the competition has expanded beyond the economic to include a broader competition for technology, institutions, ideology, and influence in the world. The literature on U.S.-China relations confirms that the rivalry has shifted from engagement to a broader dimension of U.S.-China competition. Previous investigations outline the initial nature of the relationship in the post-Cold War period as one of cooperation and interdependence that was undermined by increasing Chinese capability and growing American worries about its place as China grew stronger. According to Scobell (2020), the competition has been framed in the shifting strategic perceptions in the Indo-Pacific and beyond, where both countries are characterising one another with threat-based narratives. For Xing and Bernal-Meza (2021), the competition is a more complex one than simply a new Cold War; it is a struggle between different systems—between a liberal capitalist system epitomized by the United States and an alternative system characterized as “state capitalism,” represented by China.

The geopolitical spread of the competition in infrastructure, finance, production and digital networks is one key area of research. The rivalry is not just military, it is systemic as the United States and China struggle for the center in worldwide infrastructure, digital, production, and financial networks, argues Schindler et al. (2023). The ideational differences and perception gaps have magnified the Sino-S. rivalry being witnessed, with both sides increasingly seeing the other's actions as a threat to them, according to Wu (2020). Blanchard and Jean-Marc (2021) tie this competition into the Belt and Road Initiative, highlighting how Washington sees China's efforts on the world stage to expand its infrastructure footprint as a threat to U.S. prominence.

The technological aspect of the competition has been given a lot of attention, since the new technologies are dominant today in economic competitors, military updates, espionage and global regulation. Mirrlees (2024) casts light on the U.S.-China digital technology rivalry as a new competition inside and outside the U.S.-led global order and a new arena for economic and ideological competition by digital platforms, AI and tech companies. From the perspective of geoeconomics and industrial policy, Zhang (2024) illuminates the rivalry of the two states and how both governments have resorted to a combination of state support, export controls, and policy to enhance their technological position. This research literature shows that technology is not a blank slate for ideas of innovation, but



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instead is a strategic arena in which states seek power, security, and influence.

The research further illustrated the private technology companies' integration into great power politics using studies on 5G and digital infrastructure. Ryan and Burman (2024) explore the U.S.-China tech war and how discussions around decoupling, national security, and dependence on technology have transformed telecommunications politics. For Tang (2020), the Huawei affair is a clash in geopolitical terms of territory over the internet infrastructure and the intertwining of technology, sovereignty, and geopolitical control. Earlier, Brake (2018) had pointed out the issue of 5G competition as an economic and national-security concern. These studies help to answer why telecommunications is a pivotal battleground of U.S.-China competition.

The semiconductor supply chain is also a high priority since it is one of the most technologically interdependent and vulnerable areas. Bu (2024) suggests that geopolitical tensions between Washington and Beijing have made supply chains more insecure overall, particularly regarding sanctions, semiconductors, and national security. Although China has tried to lessen its reliance on foreign technology, there are still significant weaknesses in the global semiconductor value chain, according to Grimes and Du (2020). As reported in Krige (2024), export controls and restrictions are used as instruments of technological containment in the U.S. regulatory response in the chip war. Aoyama, Song, and Wang (2024) point to the geospatial significance of Japan, South Korea and Taiwan in semiconductor production networks. The findings in this literature demonstrate that semiconductors are strategic resources influencing military capabilities, digital infrastructure, and power imbalances.

Digital sovereignty and internet governance is another debate in the works. Gao (2022) examines the cyber governance model of China and suggests that Beijing is advocating its internet governance approach based on the concept of sovereignty as an alternative to the Western model. Similarly, Yankova (2023) demonstrates that China's cyber sovereignty is based on state power, territorial sovereignty and national sovereignty over the internet. Ding (2021) maintains that there has been a rise in China's influence over the "digital road", in part due to China's efforts in standard-setting and digital infrastructure projects, and Seoane (2019) associates it with the Digital Silk Road and the talk of inclusive globalization by Alibaba. These research provide evidence of the emergence of digital governance as a space of "normative conflict" between open and market-driven orientations and sovereignty-focused regulations.

The contribution of Chinese tech companies in the Global South is also on the radar. According to Hussain et al. (2023), the Digital Silk Road, which falls under the Belt and Road Initiative, has a great economic impact on the countries participating in it. In the book



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Digital expansionism in Africa and U.S. counterstrategies (2024), Kumar analyzes China's digital expansionism in developing nations and U.S. counterstrategies, explaining how digital infrastructure has emerged as a means of influence in developing countries. By means of internet infrastructure, companies like Google and Huawei internationalise state power, as is shown by Cartwright (2020) who connects corporate expansion with geopolitical struggle. The literature demonstrates that this competition plays a significant role on smaller and developing states whose role is to have to choose between their competing ecosystems, infrastructures and governance models.

A body of literature that looks at US-China competition and its impact on global governance institutions. In China's rising influence at the United Nations, Haug, Foot, and Baumann (2024) contend, the dynamics of international institutions are changing. In Oud (2024), the researcher examines the struggle for exerting 'power' over the human rights discourse at the UN under China's lens, in order to demonstrate how Beijing tries to shape discussions on sovereignty, development and rights. Gowan (2024) looks at structural power in the UN Security Council, and illustrates how China and Western powers often accommodate each other with consequences for the effectiveness of the UN institutions. The research findings indicate that the UN's relevance remains but its ability for consensus-building is being limited by great-power rivalry.

China and the U.S. have also been competing with each other regarding the World Trade Organization. Who was in charge of the WTO is also changing, with Brazil, India and China emerging to dispute the West's traditional powers in trade governance, as described by Hopewell (2015). Later, in Hopewell (2022), he presents this view: Emerging-power coalitions have become fractured in the China's case. He, Paul and Wivel (2020) link institutional change with peaceful adjustment, noting that institutions need to change their ways when power is changing to remain effective. The literature indicates that the WTO is facing difficulties as a result of the growing politicization of its trade rules, dispute settlement, subsidies, and national security exceptions, driven by the U.S.-China trade tensions.

The rise of China has given rise to alternatives to Western-led financial development as seen in the literature on financial institutions in the international arena. Other scholars have explored the Asian Infrastructure Investment Bank (AIIB) and its effect on the World Bank (WB) (Qian, Vreeland, and Zhao, 2023), as well as the New Development Bank (NDB) and AIIB as cases of China's "fuzzy logic" in global financial governance (Wang, 2019). Luo and Yang (2021) can explain about equality and equity in emerging multi-lateral financial institutions in particular, the BRICS institutions. Other authors, such as Kentikelenis, Stubbs and King (2016) explore IMF conditionality and development policy space and Lipsky and Lee (2019) demonstrate



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that the IMF can serve as a biased global insurance mechanism. Such studies reveal that in China, the Bretton Woods system is not being abandoned, but instead new channels are being developed that attack the monopoly of the Bretton Woods institutions.

The normative component of competition can be observed in the contestations over human rights, development, and political legitimacy. With respect to reporting on human rights, Glanz (2024) demonstrates a way for the United States and China to reinforce the legitimacy of their self-image and to undermine each other's regimes. In a published discussion, Eichensehr (2022) covers U.S. pressure against China with sanctions and legal actions regarding human rights abuse. In this article Alpermann and Malzer (2023) examine China's international media campaign against its treatment of Xinjiang, revealing ways that China's state media frames it in terms of development, stability, and counter-terrorism. Boyd and Shore (2023) describe how tensions between normative commitments and strategic and/or economic interests have historically influenced the U.S. human rights policy towards China. This literature shows that human rights have entered the arena of moral controversy as well as that of geopolitical contest.

However, as the literature reveals, there is a complex position of the Global South in the rivalry. In his new book, "Global South: Asia's Cold War Path to China's Belt Road Initiative," Barany (2024) makes this point. Hameiri and Jones (2018) analyse Chinese development finance and the AIIB, revealing that China isn't seeking to overthrow the status quo in international governance, but rather develop alternatives and practices. Chhetri (2023) outlines worries over China's growing presence globally, and Wang/ Pearson/Kastner (2023) question whether China's foreign economic relations can lead to political influence overseas. Such studies indicate that smaller, developing states tend to hedge, diversify their partnerships and maintain policy autonomy.

While this scholarship may be important, there are still significant unmet needs. Previous research has explored technological competition, digital sovereignty, institutional competition, human rights narratives, and development finance, and a small number investigate the intersections between these. There is no existing research that simultaneously examines all five dimensions and that ultimately integrates them into one framework that accounts for how technology, institutions and norms affect the global order. There is a lot of literature on strategic competition, yet it does not adequately address the impacts of the technologies on institutional legitimacy. Likewise, research on the UN, WTO, IMF, AIIB, and NDB tends to be institutional competition with less focus on the digital infrastructure and technological dependency. To fill these gaps, this article contends that, in addition to being areas of economic competition, AI, 5G and semiconductors are vehicles by which both the United States



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and China seek to construct global governance, institutional legitimacy and norms.

Theoretical Framework

This study is based on realism and power transition theory, and will focus on U.S.-China contention in the fields of technology, geopolitics, and institutions and its impact on the global order. Realism is quite pertinent to the understanding of great-power rivalry as it sees the international system as anarchic, competitive, and of power-seeking and security-seeking actors. In this kind of framework, the states aim to ensure national interests, boost the strategic flanks of the country and avoid giving an advantage to the competing power on the critical aspects. The U.S.-China competition is more than just about trade issues and relations; it is fundamentally about the clash between a roaring challenger who wants to be the leader and a leader who looks to maintain control and supremacy.

Classical realism rationalizes this competition in terms of the drive towards supremacy of nations and their tendency to become dominant in strategic situations. It means the assumption that competition is based on self-interest and the quest of the political actors to gain the upper hand in an uncertain international environment. Rising relevance for U.S.-China dynamics because both powers are increasingly seeing economic power, technological capability, military modernization, and institutional influence as key determinants of national power. According to Bhattarai and Lamichhane (2024) classical realism teaches that power is the key determinant of state action and is especially helpful to explain this recurring sense of advantage of large powers over their rivals.

The rivalry can also be explained through structural realism (neorealism), in that the structure of the international system is the primary determinant, not human nature. This is a perspective that suggests that anarchy forces states to attend to survival, security, and relative gains. Thus, states are worried not only about how fast they are progressing but also about how fast other states are. The digital strategy of the United States in the face of China's advances in AI, 5G networks, semiconductor supply chains and global infrastructure projects is a clear example of that logic. According to Kanellopoulos (2023), structural realism accounts for great power competition by looking at the distribution of power and how this influences strategic understandings. The United States thus regards China's technological and economic advancement as a threat to the current power balance, and China sees U.S. export bans and restrictions as measures to halt China's progress.

The difference between defensive and offensive realism also elucidates the strategic action of both states. Defensive realism holds that states always try to gain enough power to keep themselves safe and secure, and offensive realism contends that great powers in



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power try to grow as much power as they can when they can. As noted with reference to Zhang (2021), U.S. policy has shifted to bend more towards strategic competition than towards defensive balancing in its relationship with China. It can be seen in the U.S. policies on Indo Pacific, technology and capacity limitations, semiconductor controls, and supply-chain restructuring. Meanwhile, China's military modernization, Belt and Road Initiative, Digital Silk Road and developing technological self-reliance are all an attempt to bolster national might and its footprint on the international stage.

The security predicament of U.S.-China relations is another example of the dynamics of realism. When one state makes state security efforts other states perceive them as threatening. Export controls, Huawei bans, and semiconductor policies are justified as measures to safeguard national security and ensure U.S. technological dominance. However, China sees all of this as a way of curbing their development and keeping U.S. dominance in place. Likewise, China talks of cyber sovereignty, industrial policy and technological self-reliance in a defensive sense, whereas the US assumes that these are tools of strategic expansion. This distrust fosters rivalry and diminishes trust. Ali and Ali state that China's ascendance has created increasing strategic rivalry with the U.S., particularly as both nations increasingly understand security through the prism of the other.

In this way, the theory of the power transition is linked with realism to explain the structural tension generated when a power ascendant is approaching the status of a dominant power. In particular, it is significant because China is now beginning to emerge as a rival to U.S. influence in various aspects of global governance, in the wake of its rapid economic growth, technological advances, and institutional activism. According to Obunun (2024), raising the tensions between the U.S. and China's economies signify the division of a geo-economic order that is under strain due to the emergence of China. But from this angle, the competition is no accident; it is linked to a reshaping of world power.

Also, from the power transition theory, it is easy to understand how technology has become a major flash point to contention. Along with being commercial sectors, AI, 5G, and semiconductors impact military readiness, digital infrastructure, economic resilience, and institutional influence. China approaches technological parity in some fields and the USA attempts to stay on top by presenting a policy of industrial policy, alliances, export limitation, and restructuring supply chains. This creates a competitive dynamics where both sides have to minimise their reliance on the other, in the process enriching its technological ecosystems. According to Cadri (2024), competition between great powers can have massive consequences for the security architecture of the world and the region, especially from a competition dimension that involves economic, technological and institutional spheres.



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Hence, realism and power transition theory have been chosen to give a complete picture for this study. Technologies, institutions, trade, and development finance are tools of power and security in the eyes of the United States and China because of realism. A theory that has emerged about the rise of China, called power transition theory, is that the rise creates anxiety at a systemic level, and the U.S. is concerned about preserving its position. In the context of this article, these theories demonstrate that the U.S.-China competition is more than just a bilateral one; it is an international contest for power distribution, rules of international governance, and the shape of international governance in the future.

Research Methodology

This study adopts a qualitative research design based on document analysis and thematic interpretation. The purpose is to examine how U.S.-China contention is reshaping the global order through technological competition, geopolitical influence, and institutional challenges. Since the article focuses on strategic behavior, institutional contestation, and normative transformation, a qualitative approach is suitable because it allows the study to interpret policy trends, scholarly debates, institutional developments, and geopolitical patterns within a coherent analytical framework.

The study relies on secondary sources of data, including scholarly journal articles, academic books, policy documents, institutional reports, trade-related materials, and relevant analyses of U.S.-China competition. These sources focus on artificial intelligence, 5G networks, semiconductor supply chains, digital sovereignty, the United Nations, the World Trade Organization, the International Monetary Fund, human rights discourse, development finance, and the position of the Global South. The use of secondary sources is appropriate because the article does not seek to measure public opinion or conduct field interviews; rather, it analyzes available academic and policy material to understand the wider implications of U.S.-China rivalry.

The method of analysis is thematic. The study organizes the literature around four major themes: technological rivalry, digital sovereignty, institutional contestation, and normative competition. First, it examines how artificial intelligence, 5G, and semiconductor supply chains have become strategic instruments in the rivalry. Second, it analyzes how competing digital governance models produce tensions between open, market-oriented approaches and sovereignty-centered approaches. Third, it evaluates how the rivalry affects the legitimacy and effectiveness of global governance institutions, particularly the UN, WTO, and IMF. Fourth, it explores how competing approaches to trade, human rights, development finance, and sovereignty influence smaller and developing states.



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The scope of the study is limited to the geopolitical and institutional implications of U.S.-China rivalry. It does not provide a technical assessment of artificial intelligence, 5G, or semiconductor engineering, nor does it rely on interviews, surveys, or quantitative modelling. Its contribution lies in connecting technological competition with institutional and normative transformation. By synthesizing existing literature and policy debates, the study offers an integrated explanation of how U.S.-China contention is influencing global governance, digital sovereignty, and the future direction of international order.

Analysis and Discussion

Technological Rivalry and Digital Sovereignty

The U.S.-China techno-competition is integral to today's international politics. Technology is no longer seen exclusively as a commercial or scientific issue but is now considered as a key issue in the national security, economic competitiveness, military force and international influence of a country. Now both powers have been utilizing AI, 5G, platforms, quantum technologies, and semiconductor supply chains as strategic tools in the pursuit of a new global order (Petri, 2019). The U.S. has a commercial approach to innovation, research universities, high-tech companies, partnerships and regulatory power -- China has a commercial approach and a state plan for technological development based on industrial policy, domestic champions and long-term planning.

China's technological progress is the result of its attempt to transition from the position of relying on manufacturing to becoming the leader in innovation. Beijing's policies have been geared towards minimizing reliance on foreign technology and bolstering its own technological capabilities in key industries, including strategic emerging industries and Made in China 2025 (Li, Wang, & Wang, 2024). In turn, the U.S. has increasingly viewed the growth of its Chinese competitors as a security threat. Washington's policy moves on Huawei, export controls, investment screening, and semiconductor regulations demonstrate Washington's focus on technology as a strategic battleground. Washington has indicated that technology is a central element of strategic competition through policy moves involving Huawei, export controls, investment screening, and semiconductor policy (Brake, 2018). This has led to a rise in techno-nationalism, which has been manifested through the enactment of state policies to safeguard and enhance the technological sector in both countries (Diegues & Roselino, 2023).

Digital sovereignty is one of the most crucial aspects of this competition. China adopts a sovereignty-based approach to Internet governance, emphasizing state authority, home rule, data control and security. This is the model that can be found in China's approach to cyber governance and in China's overall trend of promoting cyber



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sovereignty in international forums (Yankova, 2023). In the USA, on the other hand, a multi-stakeholder, market-oriented and open digital governance model is supported. Such competing visions have resulted in the fragmentation of digital order, particularly in the developing states that are required to select between two approaches from both sides - between a Chinese digital order and Western governance norms (Gao, 2022).

By enhancing Beijing's capacity to export digital infrastructure, e-commerce platforms, telecommunications systems and technology standards, China's Digital Silk Road has bolstered Beijing's capacity to sell technology. The Digital Silk Road has bolstered Beijing's capacity to sell technology, particularly by enhancing its capacity to export digital infrastructure, e-commerce platforms, telecommunications systems and technology standards. It links the Chinese companies like Huawei, Alibaba, Tencent, and ZTE to broader strategic and geopolitical goals (Seoane, 2019). Standard-setting and infrastructure building are also why China has a growing influence over digital rules, says Ding (2021). Meanwhile, the United States has responded with digital treaties, limitations on Chinese companies and measures to guarantee data security. This is causing digital governance to turn into a strategic competition space where states, companies, platforms and institutions compete to influence the future of digital governance (Liu & Miao, 2024).

AI, 5G and Semiconductor Supply Chains

Artificial intelligence, 5G, and semiconductors mark the areas where American technological capabilities are most fragile, as they are precious inputs in economic growth and military strength and institutional influence. The impact of AI on autonomous weapons, cyber operations, intelligence analysis, information warfare, surveillance, and industrial automation. According to Schmidt (2022), the competition for great power status is defined by the ability to lead in artificial intelligence, and the advantages derived through leading in this field are spread out across a number of areas. Industries such as defense, already a major contributor of innovative AI solutions, have been supported by the U.S. private sector, and China has made significant efforts to support AI advancement via state initiatives. The potential for escalation and instability is also a risk associated with military applications of AI (Grochmalski, 2020).

5G is also playing a vital role in terms of infrastructure, smart cities, digital economies, autonomous systems and future military communications. One of the most telling examples of the securitization of telecommunications infrastructure is the Huawei dispute. The Huawei case exemplifies the securitization of telecommunications infrastructure. The US considers Chinese 5G infrastructure as a potential threat to data security and national sovereignty, and China is asserting that the 5G network can be used



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to supply competitive and cost-effective technology providers (Tang, 2020). As per Ryan and Burman (2024), the Huawei case is a recent example of technological decoupling between China and the United States. Chinese 5G systems provide swift connectivity solutions for many developing countries, but they also raise the concerns of dependency, surveillance, and alignment of strategy.

The semiconductors are the most important weak link in this competition. The production of advanced chips is essential for AI, defense systems, the telecommunications industry, vehicles and industrial production. The US has imposed export controls and restrictions to restrict China's ability to access advanced semiconductor technologies (Krige, 2024). China has done its best to become technologically self-reliant and bolster companies like SMIC, but it hasn't overcome structural limitations in the production of high-end semiconductors (Grimes & Du, 2020). The chip industry is a key battleground for the United States and China, as well as for Taiwan, South Korea and Japan, especially with TSMC leading the global marketplace (Aoyama, Song, & Wang, 2024).

Table 1: Strategic Technologies in the U.S.-China Rivalry

Domain	U.S. Strategy	Chinese Strategy	Global Governance Impact	Key References
Artificial Intelligence	Innovation leadership, defense integration, regulatory debate, alliance-based technology cooperation	State-led AI development, strategic emerging industries, military-civil integration	Ethical, military, regulatory, and information-security competition	Schmidt (2022); Grochmalski (2020); Jo (2023); Li, Wang, and Wang (2024)
5G Networks	Restrictions on Huawei, security review, Clean Network-style initiatives, allied coordination	Huawei expansion, affordable digital infrastructure, Digital Silk Road connectivity	Fragmented digital standards, infrastructure dependence, and data-security concerns	Brake (2018); Tang (2020); Cartwright (2020); Ryan and Burman (2024)
Semiconductors	Export controls,	Self-reliance strategy,	Supply-chain securitization	Krige (2024);



Domain	U.S. Strategy	Chinese Strategy	Global Governance Impact	Key References
	CHIPS-related industrial policy, coordination with Taiwan, Japan, South Korea, and allies	support for domestic firms, reduction of foreign dependence	, technological decoupling, and strategic vulnerability	Grimes and Du (2020); Klingler-Vidra and Kuo (2021); Aoyama, Song, and Wang (2024)

U.S.-China Competition and Global Governance Institutions

The U.S.-China competition is also influencing the global governance institutions. This competition is increasingly impacting the United Nations, World Trade Organization, International Monetary Fund, World Bank, Asian Infrastructure Investment Bank and New Development Bank. These institutions have been created to govern cooperation and to set rules for international order, but in a world full of great power competition, it is easier to agree than it is to implement.

China's influence at the United Nations has grown in terms of its participation in development, peacekeeping, human rights and debates of institutions. Haug, Foot, and Baumann (2024) state that China's influence at the UN is a sign of greater power redistribution within international organizations. Beijing's arguments for sovereignty, development rights and non-interference are contrasted with the calls by Beijing's opponents for liberal human rights, accountability and civil-political freedoms. According to Oud (2024), China has tried to influence the discussion of human rights at the UN. But the Western influence is not entirely gone, the contestation is more about the institutional language and priorities, which has grown in China. Gowan (2024) points out that compromise among China and Western powers can slow down institutional and confrontation but can also compromise effectiveness of UN mechanisms.

U.S.-China trade tensions have also dampened the WTO. Multilateral trade rules under pressure include tariffs, subsidies, national security barriers, and technology barriers. Hopewell's (2015) discussion of the changing balance of power in the WTO also highlights the 'rise' of China; and in a more recent publication, Hopewell (2022) elaborated on how China's emerging-power coalitions are also fractured. The WTO is still relevant, albeit incapable of dealing with state capitalism, industrial subsidies, digital trade, and technology limits. In the same way, the emergence of Chinese-backed institutions like AIIB and the



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NDB is challenging IMF and World Bank. According to Qian, Vreeland and Zhao (2023), the AIIB has impacted the World Bank by providing another source of development finance. China's model is not about eliminating Bretton Woods institutions, but ending their monopoly. It is not a model about getting rid of the Bretton Woods institutions, it is a model about reducing the dominance of the Bretton Woods institutions and providing other avenues.

Table 2: Institutional and Normative Effects of U.S.-China Competition

Institution / Arena	U.S. Position	Chinese Position	Main Tension	Impact on Global Order
United Nations / UNHRC	Liberal human rights framework, accountability, civil-political rights	Sovereignty, development rights, non-interference, stability	Universal rights versus state sovereignty	Normative fragmentation and weaker consensus
WTO	Rules-based trade order, but increasing use of tariffs, restrictions, and security exceptions	Trade expansion, state capitalism, RCEP, BRI-linked connectivity	Multilateral trade rules versus geo-economic bargaining	Reduced dispute-settlement authority and increased protectionism
IMF / World Bank	Conditional lending, Western-led governance, policy reforms	AIIB, NDB, infrastructure finance, fewer political conditions	Conditionality versus development autonomy	Reduced monopoly of Bretton Woods institutions
Global South	Democratic governance, rights-based aid, strategic partnerships	Infrastructure finance, digital connectivity, non-interference	Competing development models	Strategic hedging by smaller and developing states

Trade, Human Rights and Development Norms

The rivalry is also changing norms and definitions of trade, human rights, and development. Traditionally, the United States' policies have backed liberal trade, market opening and rights-based governing, but we have seen the introduction of tariffs, export controls and supply-chain security measures in recent times. China's modus operandi is to support state-led development, infrastructure finance, sovereignty, and non-interference. Suchodolski and Demeulemeester (2018) demonstrate the shift towards alternative governance models



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in the BRICS-related organizations, and Wang (2019) explains that China's perspective on financial governance worldwide is ambitious but remains linked with the current financial architecture.

Human rights are now a key area of normatively contested space. The United States condemns China for human rights abuses in Tibet, Hong Kong, Xinjiang, surveillance issues, and other political freedoms, sometimes with the help of various trade restrictions and sanctions (Eichensehr, 2022). China dismisses these attacks as interference and invades the myth of development, stability and anti-terrorism (Alpermann & Malzer, 2023). Glanz (2024) contends that both the states employ human rights narratives to increase their legitimacy and to undermine that of the other state. This indicates that there is a competition for human rights rather than just legal or moral thesis.

There are also issues over development financing. There are political strings attached by the Western countries to the supply of aid and loans, and China is willing to finance infrastructures without political demands. This is good news for many developing countries that are looking for fast-track development, however there are concerns of debt, transparency and reliance (Chhetri, 2023). But the Global South is not a spectator in this competition. Some states are playing it safe between the U.S. and China: They are leveraging competition to diversify partnerships and maintain policy autonomy (Barany, 2024). This is an interesting point that Wang, Pearson and Kastner (2023) make: economic relationships can exercise influence, but not necessarily direct political control over a state.

Conclusion and Policy Recommendations

In this article, It is suggested that U.S.-China competition is becoming-a dominant force in shaping the global order, not just via technology but also through institutions and norms. The construction of AI, 5G and semiconductors is no longer just an economic activity or business - it is a strategic domain related to national security, digital sovereignty and power of institutions. China aims for more autonomy and influence in its industrial policy, technological self-reliance, and expansion of digital infrastructure, whereas the U.S. aims for alliances, innovation, export controls and regulatory influence.

The competition also is undermining international governance bodies. The UN is challenged on sovereignty and human rights, the WTO is challenged by a lack of trade liberalization and state capitalism, while the IMF and the World Bank are encroached upon by the arrival of other players like the AIIB and the NDB. The changes are not indications of the fall of the existing system of global governance, but rather of its pluralization, fragmentation, and contestation.

A number of policy recommendations are made thereafter. First, major powers such as the United States, China, and others need to deepen their multilateral discussion on artificial intelligence,



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cybersecurity, digital governance, and semiconductors' supply chains. Secondly, institutional structures, such as those at the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank, should recognize and review the rules with respect to industrial policy, digital trade, representation and development policy space. Third, smaller, less developed states should not rely on one technology and/or financial ecosystem alone but build multiple partnerships and increase their own regulatory capabilities. Last but not least, cooperation in non-zero-sum fields like climate change, global health, food security, and financial stability should be maintained by both powers. The competition is clearly going to stay at the heart of international politics, but its potentially most harmful effects can be mitigated by conducting it in a manner that involves dialogue, institutional change, and some limited cooperation.

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