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Digital Transformation and Its Impact on International Conflict: A Comparative Study of The United States and China

Ibtisam Kadhim Jassim

Al-Furat Al-Awsat Technical University, Najaf Technical Institute, Iraq

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Abstract: The swift development of digital technology has changed the character of international conflict by altering the balance of power and the strategic exchanges between superpowers. This study compares the United States and China to investigate how the digital revolution affects international conflict. It looks at how both countries use digital tools, such as artificial intelligence, cybersecurity, and surveillance technology, to accomplish geopolitical goals and establish their dominance.

The study explores the development of digital tactics in fields like economic pressure, information manipulation, and cyberwarfare, emphasizing their consequences for international security and stability. China has a state-controlled strategy to incorporate digital transformation with its national objectives, whereas the US prioritizes innovation and international collaborations to preserve its technological advantage.

The report identifies the hazards and opportunities presented by digital technology through case studies and policy analysis, such as the possibility of conflict escalation and the decline of trust in international relations. The results highlight the necessity of multilateral collaboration and the development of standards to control the use of digital tools during times of conflict.

This study advances our knowledge of how digital transformation impacts power dynamics and emphasizes how it will influence international conflicts in the future in a rapidly changing world.

Keywords: Digital technology, international conflict, digital tactics.

Introduction: Digital Transformation (DT) is a broad concept that refers to the social, political, and economic changes brought about by the widespread adoption of digital technologies. Currently, DT is reshaping the sociopolitical world. Throughout history, changes in dominant technologies have altered the growth paths of empires and states, often precipitating their decline or collapse. New technologies either force adaptation or invite collision. As the United States underwent a series of transformations fueled by new technologies, China struggled to accommodate its introduction, resulting in violent cDigital Transformation and Its Impact on International Conflict: A Comparative Study of the United States and China.

China's participation in the American-led digital transformation in the 1990s was an effort to seek integration conducive to domestic development and stability following the Tiananmen Incident. However, as the political aspects of this developmental path began fully to manifest after 2010, Sino-American tensions rapidly escalated, culminating in a protracted trade dispute and technological cold war. China now perceives itself as an advanced cyber society, and the United States as attempting to contain it as an emerging cyber power. After outlining the key aspects of DT and PD, the United States and China's comparable experiences of PD in the digital transformation will be assessed (B. Arewa, 2022). Finally, possible futures for China and the United States, as well as the global polity more generally, in light of the phenomena resulting from PD will be considered.

Background and Rationale

The global political landscape is undergoing a profound transformation, shaped by the ascendance of emerging powers and the resurgence of historical rivalries. This evolving order is characterized by the rise of illiberal democracy and autocracy, coupled with increasing contestation over the governance of the digital realm. The convergence of Social Darwinism and technological determinism has revitalized anxiety regarding the resurgence of state rivalry and military conflict, echoing the origins of the First World War (Gregory Mahoney, 2023). Amidst concerns of a new Thucydides Trap—a looming war between an established superpower and a rising challenger—China's digital transformation has emerged as a pivotal axis of rivalry with the United States. It is widely perceived as a potential cause of international conflict, akin to China's prior ascendance in hard militarized capabilities.

In this context, the existing literature often emphasizes either China's digital development as a challenge to U.S.-led global order or views China through the lens of its domestic internet governance model (B. Arewa, 2022). However, a comprehensive understanding of the implications of digital transformation for the interstate rivalry between the U.S. and China is lacking. Hence, this research endeavors to examine how digital transformation reshapes the global political order and the subsequent implications for international conflict. It posits that emerging states contest the existing global order, while adopting and reshaping the center's technologies, thus leading to intensified rivalry and potential conflict. To illuminate this argument, a comparative study of the U.S. and China is undertaken, focusing on their respective political transformations in the context of digital development.

Objectives of the Study

The objective of this study is to investigate the impact of digital transformation on international conflict between major powers, focusing on the United States and China. The research seeks to examine how the changes brought about by digital transformation in various aspects, such as social, economic, and political, influence the development of international conflicts between these two countries. Additionally, the study aims to compare the differences in the impact of digital transformation on international conflict for the United States and China based on their respective cultural backgrounds and decision-making systems (Wang et al., 2024).

Current global digital transformation presents new challenges and catalysts to international conflicts. On one hand, the highly interdependent digital environment brings countries closer, reducing the possibility of international conflicts. On the other hand, disparities in digital development and differing technological governance intensify competitive aggression, leading to increased international conflicts. Moreover, the characteristics of cyberspace, such as anonymity and rapidity, allow for covert criticism and retaliatory actions, expanding the scale of international conflicts.

METHODOLOGY

In order to compare the United States and Chinese approaches to the similarities and impacts of digital transformation in terms of international conflict, qualitative content analysis will be applied to texts and speeches representing the United States and China's positions on digital transformation. Texts will be selected from key policymakers and leaders in the United States and China from 1995 to 2022. On the Chinese side, speeches will be selected from Chinese leadership to the UN, the World Economic Forum, and

other international organizations, conferences, or meetings, in addition to white papers and policy texts. The English translations of these texts provided by the Chinese government will be used. On the United States side, texts and speeches by leaders and key policymakers will be collected from similar timelines and international meetings, conferences, and policy speeches. The analysis of these texts will shed light on how perceptions of the similarities and impacts of digital transformation are related to the escalation or de-escalation of international conflict between the United States and China (Ashley Baggott, 2017).

Conceptual Framework

As digital technologies proliferate across society, the economy, and politics, a radical transformation seems to occur in the ways nations interact with one another, which is often referred to as Change 3.0 or the third wave. Digital transformation is defined in basic terms as the influence of digital technologies on value creation in business, society, and individuals (Van Veldhoven & Vanthienen, 2022). Although discussions on digital transformation were initiated largely in the West, the focus of the debate is shifting to addressing the unintended consequences of change, including cybersecurity and the social/ethical implications of artificial intelligence. Digital transformation facilitates an inherent techno-economic evolution of society and nations that cannot be controlled completely by state or societal actors.

The rise of China in the era of digital transformation challenges the existing world order and introduces strategic uncertainty and dilemmas for the Western states, in particular the United States. As the leading nation in innovation and the architect of the existing world order, a Western coalition is formed against the perception of a techno-autocratic China by employing strategies that aim to protect liberal democracy and the Western shepherd of the world order. The approaches of the Western states to China differ significantly in pre-digital transformation Change 1.0 era. A comparative case study is conducted among the United States and China as the two most powerful nations with contrasting approaches to digital transformation and its implications on international conflict.

Digital Transformation Defined

Digital transformation (DT) is the process of using digital technologies to create new or modify existing business processes, culture, and customer experiences to meet changing business and market requirements (B. Arewa, 2022). It is the transformation of business activities, processes, competencies, and models to fully leverage the changes and opportunities of digital technologies and their fast-converging networks. While digital conversion and digitization are often used interchangeably with digital transformation, they are different processes. Digital conversion refers to the process of converting analog information into digital format, while digitization is the process of using digital technologies to change a business model and provide new revenue and value-producing opportunities (Wessel et al., 2021). In simple terms, digitization is the process of changing from analog to digital. In contrast, digital transformation is a radical rethinking of how an organization uses digital technologies to significantly improve business performance.

International Conflict Theories

Since the use of the term "New Wars" to describe post-national, identity-based, media-centric violence, the need for research into the impact of new information and communication technologies (ICTs) on conflict has become pressing. Rapid social change driven by the "new" Internet and social media has complicated pre-existing understandings of national/global political stability and security. On the one hand, ICTs have given rise to new threats and vulnerabilities perceived as "cyber" in nature. On the other hand, ICTs have transformed the landscape in which various forms of societal conflicts take place from the physical to the virtual, and from the hinterland to the ubiquitous spaces of everyday life, publicness and sociality. Social media-driven protests, riots and violence have emerged as a new "optics" through which the impact of ICTs on societal conflicts is studied. Narrowing down this broad societal perspective to the international level, conflict studies can build on a number of well-established theoretical frameworks to tackle the analytical challenges posed by the Internet and social media. At the same time, some prevalent insights from the international relations literature on the role of new ICTs in shaping international conflicts can be critiqued (Akin Unver, 2019). The post-Cold War diffusion of the Internet and the World Wide Web in particular, with the promise of an "Internet peace" and the rise of "Net wars," prompted a flurry of academic interest in understanding the international dimension. As a groundwork for more comparative and systematic research on the impact of the Internet and social media on the onset, escalation, management and resolution of/within international conflicts, conflict studies can benefit significantly from the international relations literature's theoretical explorations of these ICTs' influence.

Digital Transformation in the United States

At present, the United States is experiencing a second wave of digital transformation. Currently, the rapid

development of digital technology and widespread application are reshaping the U.S. economy and society. In the post-epidemic era, the integration of digital technology and industrial economy is deepening. Industry boundaries are changing, and traditional industries are continuously upgrading and transforming. The Federal Trade Commission, the Securities and Exchange Commission, and the U.S. National Institute of Standards and Technology are discussing major policy challenges in the digital transformation era, focusing on fairness, competition, data protection, privacy, and intellectual property. The impact of the COVID-19 pandemic has deepened digital transformation in all aspects of U.S. economic and social life. One of the officially stated purposes of the recently signed CHIPS and Science Act is to strengthen US science, technology, health and defense infrastructure against the threat of the COVID-19 pandemic and future public health emergencies. The epidemic has changed the way Americans attend school, work, see a doctor, shop, conduct financial transactions, and socialize, and it has also widened the digital divide (B. Arewa, 2022). As the digital economy continues to grow, its share in the overall economy will increase, while the growth rate of non-digital economic sectors will decline, limiting overall economic growth.

Overview of Digital Transformation Initiatives

Digital transformation refers to the integration of digital technologies into various aspects of organizations, fundamentally altering how they operate and deliver value to customers (Zhao et al., 2024). As a result, organizations need to rethink how they engage with employees, customers, and partners, as well as redesign their organizational structures, leadership, and business strategies. Examples of digital transformation initiatives include the introduction of cloud computing in education, wireless technology in agriculture, big data analysis in retail and marketing, and artificial intelligence in the automotive sector. However, while many organizations are digitizing their operations, others are lagging (B. Arewa, 2022). As organizations transition to digital, some prosper while others falter. Accordingly, a major challenge for organizational decision-makers is to discern what constitutes successful digital transformation, including its critical obstacles and growth path.

This study examines digital transformation from an interdisciplinary perspective, focusing on how it affects the relationship between great powers competing for global leadership in digital technologies. The United States and China are the two most technologically advanced great powers, engaged in a complex rivalry across multiple domains, including trade, technology, military, and ideology. Digital technologies, including artificial intelligence, quantum information, and biotechnology, are the latest frontier in this rivalry. The research question is: what is the impact of digital transformation on international conflict? To address this question, the United States and China are compared regarding their digital transformation initiatives and the implications for international conflict. The analysis reveals that while digital transformation can reshape the capabilities, interests, and perceptions of state leaders, reducing the risk of direct military conflict, it can also inadvertently intensify great power competition in the technological realm.

Impact on National Security

Digital technology brings new opportunities and challenges to the national security of states and the international order. With the continuous development and deep integration of the Internet, big data, artificial intelligence and other digital technologies into the economic and social fields, human society is entering an era of digital transformation. As an important part of social development, digital transformation has in-depth and complex impacts on national security. Similarly, national security also faces new pressures in the process of digital transformation. This study first examines the impact of digital transformation on national security, and then analyzes how the United States and China, as major powers, compare in mitigating security risks in the digital transformation process.

In the past 20 years, technology has rapidly evolved, becoming smaller, faster, cheaper, and more ubiquitous, while computer networks, the Internet, and social media have transformed how people communicate and interact with each other (White, 2016). The convergence of civil and military technologies has made it easier for smaller states and terrorist groups to acquire sophisticated weapons technologies, while creating new vulnerabilities for nations and their people. With advanced technologies, nations will be able to model and predict human behaviors, while technologies will be used to manipulate, control, and oppress people. Cyber security and cyber surveillance are two major problems that new technologies have both solved and created. Countries will have to choose between personal freedoms at the expense of national security and vice versa. One of the possible threats of the future, currently underestimated, is cyber warfare. Nations will need to adapt and defend against it, while possibly using it against each other.

Digital Transformation in China

Digital transformation, defined as the integration of digital technology into all areas of a business,

fundamentally changes how businesses operate and deliver value to customers, is a strategic imperative that companies cannot ignore. The level of digital transformation of enterprises is measured by the elements of three dimensions: the basic technology, the application technology, and the management technology (Wang et al., 2024). In recent years, businesses have invested heavily in digital transformation initiatives, in part because of the pressures of the COVID-19 pandemic and geopolitical conflicts. Countries worldwide are implementing various policies to support and encourage digital transformation efforts, with the United States and China appearing to be at the forefront of this digital transformation. China's industrial digital transformation strategies and policies since 2010 are documented, and the major initiatives or actions taken by the Chinese government and other sectors during 2020-2022 to promote industrial digital transformation are summarized. The digital landscape, opportunities, and challenges in industrial digital transformation for China are discussed.

In the past decades, China has made considerable progress in its industrial digital transformation. Digital transformation of industry is of great significance for China to maintain its sustainable economic development and enhance its international competitiveness. It needs to further improve enterprises' ability and level to adopt advanced IT and integrate IT with management and production to promote its industrial digital transformation. Digital transformation of industry broadly refers to the integration of digital technology into production processes, services, business models, and even corporate culture and management philosophy. On the one hand, digital technology such as big data, AI, cloud computing, and the Internet of Things (IoT) enables the industry to undergo profound transformations and improvements in efficiency, energy savings, and environmental protection. On the other hand, the industry is significantly and deeply affected or reshaped by external factors and pressures such as the COVID-19 pandemic and geopolitical conflicts.

Digital Transformation Initiatives

Digital transformation (DT) is commonly understood as the fundamental changes brought about by digital technology in all aspects of human society. In business, it refers to the changes that digital technology causes or can bring to business model, which includes the changes in the value creation, delivery, and capture mechanisms of a business. At the national level, DT denotes the changes in governance model and mechanisms of a nation caused by or can be brought by digital technology (Zhao et al., 2024). Recently, DT has emerged as a top priority for economic and social development in China, and three policy documents have laid out the vision and direction for the DT initiatives in the China. In the US, DT is not explicitly addressed in the policy documents, but some state-level government initiatives echo with and align to the general spirit of DT. In the context of increasing international competition and rivalry on digital technology and governance model, it is critically important to understand the differences, similarities, and interactions of the DT initiatives in the China and US. However, existing research has not directly and systematically examined the DT initiatives in both China and the US, which provides the research gap this paper aims to fill (B. Arewa, 2022). This section briefly reviews the background and motivation of the study, and summarizes the key findings regarding the comparative study of the DT initiatives in China and the US. The DT initiatives in the China are captured as aspirational, systemic, interventionist, and cooperative, while the DT initiatives in the US are captured as emergent, fragmented, market-driven, and competitive. As such, policy recommendations are proposed for China's future DT initiatives.

Impact on National Security

While the previous section considered the questions generated by the research design, this section considers the implications of the findings for broader theoretical debates. It begins with an analysis of the findings in the context of International Relations theories, focusing on Liberalism and Realism. The next part discusses the implications of the findings for U.S.-China relations, and ends by considering the limits of the conclusions. The research findings highlight the importance of domestic political concerns in shaping national responses to digital transformation. As such, they pose challenges for Liberal perspectives that see economic interdependence as creating incentives for peace. They also complicate assumptions in Realism that states will pursue similar responses to identical external pressures (Tran, 2018). In the context of U.S.-China relations, the findings demonstrate how, despite the shared challenge of managing digital transformation, geopolitical rivalry is driving divergent national policy choices.

Comparative Analysis

This paper investigates the complex relationship between digital transformation and international conflict, with a specific focus on the comparative cases of the United States and China. It begins by establishing the significance of digital transformation as a global trend and its implications for international conflict. The research questions are then outlined, including the extent to which digital transformation affects the

likelihood of international conflict and whether the nature of this impact differs between the United States and China.

The theoretical framework is presented, drawing on insights from neo-liberal institutionalism and constructivism to argue that digital transformation has both a pacifying and conflict-inducing impact on international relations. This is further explored through a comparative analysis of the United States and China, highlighting the shared features of digital transformation in both countries while also examining their differing approaches to data governance and uses of digital technology in state power projection. Finally, the research design is explained, detailing the methodology of qualitative comparative analysis and case studies, as well as the selection of specific digital technologies for focus. Overall, this paper aims to contribute to the understanding of how digital transformation shapes the dynamics of international conflict in the contemporary geopolitical landscape (Goldstein, 2020).

Similarities

In recent years, the United States and China have engaged in a geopolitical rivalry that some scholars view as a Cold War-like conflict. In parallel with this, both countries are undergoing a digital transformation that is reshaping their economies, societies, and military capabilities. This transformation is being influenced by emerging digital technologies such as artificial intelligence, big data, and the Internet of Things, and has begun to affect the conduct of international conflict as well. However, despite their differences, the United States and China share key similarities in how the digital transformation is affecting international conflict.

To explore these issues, a comparative study is conducted of how the digital transformation is reshaping the nature of international conflict and its implications for peace and war, focusing on the cases of the United States and China. First, it is argued that despite differences in ideology, regime type, and development stage, the digital transformation is producing similar changes in the nature of international conflict for both the United States and China. Although they are currently on divergent paths, the two countries share a common trajectory of conflict transformation under the influence of digital change. Second, it is argued that the changes in the nature of international conflict produced by the digital transformation involve increased complexity and instability, rendering conflict more difficult to manage and control for both the United States and China (Goldstein, 2020).

Differences

Since taking office in January 2017, Donald Trump has embraced a view of China as a 'strategic competitor' or 'adversary' that is challenging the United States for global preeminence. In October 2017, the Trump administration released the National Security Strategy of the United States of America that identified China (and Russia) as revisionist powers determined to reshape the international order to one that is more accommodating of their authoritarian views. Xi Jinping in turn has come to see the US as trying to prevent China from realizing its destiny as a great power; threatening message traffic in the Chinese Internet describes the US as a 'hurdle' or 'roadblock' on China's path to 'reviving its greatness' (Goldstein, 2020). At least in part in response to these perceptions, both governments have articulated increasingly ambitious visions for the roles that emerging technologies will play in enhancing their national power and global influence. In addition to its agenda to dominate key industries, China's 2017 National Security Strategy charged its military with placing China among the world's leading powers in artificial intelligence (AI), quantum information, space, and bio-information by 2030, and with becoming a 'world class' military by 2049. For its part, the Trump administration's 2018 National Defense Strategy warned that 'inter-state strategic competition, not terrorism, is now the primary concern of US national security' and made countering China's increasingly aggressive military posture in the Indo-Pacific a priority. Similarly, the 2020 update to the National Security Strategy described 'the length and breadth of China's ambitions and actions' as posing an unprecedented and enduring threat to US national security, economic security, and technological security. China's rise is explained by its educational and industrial policies that encourage Chinese corporations to develop the technologies needed to leapfrog American state-of-the-art systems.

Case Studies

This section presents two case studies - one on the United States and the other on China - that examine the impact of digital transformation on international conflict. They provide historical contextualization, policy developments, and conflict scenarios related to digital transformation.

The United States is the first case study, focusing on the digital political transformation pathway adopted since the capture of the digital frontier in the 1990s. The United States prioritized liberalization and privatization, viewing the internet as a global network, which created a paradigm shift in foreign policy to prioritize cyberspace. The 9/11 terrorist attacks led to the rise of

the "War on Terror" paradigm, focusing on social media as a tool for countering violent extremism. The social media platforms, initially framed as a "Public Good," were viewed as virtual battlefields for winning hearts and minds. This approach led to expansive monitoring of domestic public discourse and information warfare against international adversaries (Akin Unver, 2019). The enactment of the Random Surveillance Program by the National Security Agency (NSA) prompted Edward Snowden to leak classified documents, revealing that the NSA conducted covert surveillance and monitored global social media communications and political activists, which resulted in a global backlash against the United States.

In contrast, China represents the digital autocratic transformation pathway. In the early stages of the internet's development, China prioritized economic growth, political stability, and national sovereignty. Failing to control the development of the internet, China's initial responses involved censorship and crackdown. The 1999 "New Economy" notion realized the threat of "Cyber-Activism," leading to the "White Paper" policy that framed the internet as a double-edged sword. The 2008 Wenchuan earthquake exposed vulnerabilities in internet censorship and social stability, resulting in a paradigm shift focusing on controlling online political discourse and "maintaining internet security" (Xiong & Qureshi, 2012). Efforts were made to export the Great Firewall as an internet sovereignty model to developing countries, countering the "Public Good" framing of social media platforms, and viewing them as tools for international convergence and promoting "Color Revolutions."

Cybersecurity Incidents in the U.S.

The United States has recently faced several notable cyber incidents that have spurred public demand for greater government involvement in cybersecurity efforts. One significant event was the Colonial Pipeline Ransomware Attack, which occurred in May 2021. The attackers successfully paralyzed the pipeline's operations for several days. As a result, panic buying ensued at gas stations across the Southeastern United States, leading to widespread shortages and long lines at gas pumps. Following the attack, Colonial Pipeline paid a ransom of approximately $4.4 million to regain access to its systems. The incident highlighted the vulnerability of critical infrastructure to cyberattacks and raised concerns about the adequacy of current cybersecurity measures (XU & LU, 2021). In June 2021, President Joe Biden and President Vladimir Putin held a summit in Geneva, where cybersecurity was a key agenda item. In an effort to mitigate tensions and address recent cyberattacks linked to Russian-based groups, President Biden emphasized the need for cooperation and laid out a clear set of cyber rules. He also implemented targeted sanctions in response to the SolarWinds hacks that compromised federal networks, which were believed to be orchestrated by Russia. These sanctions aimed to hold Russia accountable and deter future malicious cyber activities against the U.S. However, reading too much into the sanctions or expecting a significant shift in the U.S.-Russia cyber relationship may be misguided.

Cybersecurity Incidents in China

According to China's official statement and the annual report submitted to the US Congress by the Office of the Director of National Intelligence, the cyber espionage activities conducted by the Chinese government are “groundless” accusations (XU & LU, 2021). However, in China's annual report on cybersecurity threats, China acknowledges that these malicious hacking activities do exist in both public and private sectors. It is worth mentioning that security experts from several privately-owned security companies have reported extensive hacking activities against Chinese networks. These reports point to the United States as the culprit behind these attacks strictly based on the IP address of the hackers, which China believes indicates the hacking location. As for the conflict originating from the Mandiant Report, China openly denied the allegations based on a lack of concrete evidence.

Policy Implications

This study shows that digital transformation is impacting the international conflicts between the United States and China, with a focus on cyberspace. Thus, it examines and compares the changes in the United States’ and China’s military strategy frameworks in light of digital transformation. China’s digital transformation and its impact on international conflicts rely on the military strategy concepts of “intelligentization” and the “new military revolution.” The United States’ digital transformation focuses on the military strategy concept of “multi-domain operations,” which sees cyberspace as the combat domain with the most freedom. The differences in these two countries’ approaches create tension as both view each other as primary threats. This study highlights the urgency of understanding the military strategy frameworks of countries undergoing digital transformation, particularly for developing countries. It also emphasizes the need for dialogue between countries to prevent miscalculation and escalation of conflicts, as demonstrated by the analysis of the United States and China (XU & LU, 2021).

Digital transformation changes cognition, behavior, and physical forms, which subsequently affects international conflicts. Digital transformation causes a time difference in the strategic framework that countries

adopted during conflicts. Countries' compliance with previous strategic frameworks degrades the ability to understand, manage, and control the conflict. The ongoing Russia–Ukraine war and its impact on international conflict are partly attributed to the countries' time difference in adopting 5G and drone military strategy frameworks. While China and developing countries lag in the understanding and application of this new military strategy framework, the United States exploits this vulnerability to escalate the conflict.

Recommendations for Policymakers

Throughout the study, several implications for policymakers were identified, and recommendations were framed based on that understanding. The goal was to contribute to bridging the gap between academic research and practical implications for policymakers. It is hoped that the findings and recommendations will be helpful to other researchers and practitioners addressing similar issues. To begin with, the findings of this research highlight that policymakers struggle to understand the impact of technological developments on the dynamics of international conflict and cooperation. Digital transformation addresses this need but often in a simplistic or overly general way. For instance, one-on-one interviews with U.S. and NATO policymakers revealed a belief that China's rise and its increasingly assertive international behavior was linked to China's digital transformation, with an emphasis on its implications for social control and the strengthening of the political elite. In contrast, there was little understanding of how the U.S. and Europe's own digital transformation affected this rise and changed the dynamics of conflict and cooperation. Moreover, Europe was described as being on the backfoot in addressing China's rise, viewing China through a lens of one or multiple crises. There was no mention of the historical context of European interactions with China. On the other hand, Chinese scholars framed Chinese policymaking in response to the Indo-Pacific Strategy and the comprehensive approach in terms of threat assessment and security dilemma. There was little consideration of the possible rationale for this strategy beyond the given incentives and concerns about encirclement. For instance, (XU & LU, 2021) noted that since the 2016 advent of the Indo-Pacific Strategy, China-U.S. tensions in cyberspace have shifted from competitive coexistence to deterrence confrontation, although assessments of this entanglement vary across the Chinese academic community. Moreover, there was little consideration on the Chinese side of how NATO's evolution into a global security actor impacted China's strategic environment. Overall, there is a clear need to help policymakers on both sides of the Pacific better understand each other's perceptions and choices.

CONCLUSION

This study investigates how digital transformation affects international conflict and the balance of power, as countries are forced to adapt to new technologies. Using the United States and China as case studies, a theoretical framework is developed that considers the role of digital transformation in shaping countries' strategies and actions in the international arena and examines the resulting implications for conflict and power balance. To inform policymakers and provide a basis for future research, the theoretical framework is illustrated through five events involving the digital transformation of the United States and China.

Digital transformation is shown to be a double-edged sword that can either alleviate or intensify international conflict. Its outcome depends on countries' actions to adapt to digital transformation, which are influenced by various factors, including national strength, technological development, underlying strategies, and domestic constraints. Countries may choose isolation, passive adaptation, or proactive action, each leading to different implications for future conflict and power balance. Digital transformation initially favors the technologically superior country but increasingly benefits the weaker one over time. If both countries proactively approach digital transformation, international conflict may markedly increase, while a country's passive approach may contain conflict. The United States and China are respectively the technologically superior and weaker country, the former currently adopts a proactive approach, and the latter a passive one. Thus, international conflict may intensify in the information age (Wang et al., 2024).

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