

Artificial Intelligence and the New Cold War: A Neo-Classical Realist Analysis of US-China Technological Competition

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ABSTRACT

Artificial Intelligence (AI) has become a game-changing technology that holds the potential for a wide range of implications for economic competitiveness, military modernization, and geopolitical influence. Many scholars have called the current great power competition a “New Cold War” due to the competition between the United States and China in the field of artificial intelligence. This analysis investigates the theoretical implications AI plays in the strategic rivalry between Washington and Beijing, using a Neo-Classical Realist lens. The study adopts a qualitative research approach using secondary sources and examines the international security implications of both country's AI strategies, as well as their implications for global governance. The results indicate that AI is becoming an integral part of the national power and a focal point of geopolitical rivalry. The two countries' domestic political and institutional landscape influences the different ways they approach the development of AI, while systemic pressures push both towards technological supremacy. The article concludes that the competition between the United States and China represents a key element in the development of a technologically competitive international order, marked by strategic competition, selective technological decoupling and heightened international security issues.

Keywords: Artificial Intelligence, United States, China, Neo-Classical Realism, Technological Competition, International Security, New Cold War

INTRODUCTION

The field of artificial intelligence has gone from being a niche technology to one of the most powerful factors in a nation's strength in the twenty-first century. The governments are increasingly interested in the potential of AI as a strategic asset that can shape economic performance, military capabilities, and geopolitical dynamics. This has led to the emergence of competition in AI development as a key aspect of modern international politics.

The United States and China have become the key rivals in the quest for AI supremacy among the major powers. While the U.S. has a massive research institution and innovation advantage, and an advanced semiconductor design, China has adopted a state-led approach with long-term planning, industrial policy and heavy investments in emerging technologies. The competition between these two countries has increasingly been termed as a new strategic competition, similar to the Cold War competition, but with certain differences because of economic globalization and technological interdependence.

This article explores the US-China competition for AI from the perspective of Neo-Classical Realism. It holds that artificial intelligence (AI) is an emerging tool of national power and the race for AI supremacy is driving the new international security landscape and an international order.

ARTIFICIAL INTELLIGENCE AS A SOURCE OF NATIONAL POWER

Historically, technological revolutions have transformed the distribution of power among states. Modern Britain's growth was aided by the Industrial Revolution and the Cold War by nuclear technology, which reshaped the nature of strategic rivalry. The Industrial Revolution further defined Britain's global role, and the Cold War by nuclear technology, which redefined strategic rivalry. AI is now seen as a potential equal to this groundbreaking technology that can impact military prowess, economic competitiveness, and geopolitical influence.

AI is different from much of the innovation that has come before it. Because it is a technology of general purpose. AI can be used in all areas of economics, military, science and politics at once. China's capacity to achieve national AI capability is shaped by data resources, talent, innovation ecosystems and the level of government support, according to scholars like Kai-Fu Lee. Nations that are able to integrate these components with greater success may be able to gain key strategic benefits.

The strategic importance of AI is also heightened due to its dual-use potential. New technologies that help boost productivity in the commercial world also can be applied to military intelligence, surveillance, cyber operations and autonomous weapons. As a result, AI has evolved into an economic asset and a national security asset.

NEO-CLASSICAL REALISM AND THE US-CHINA AI RIVALRY

Neo-Classical Realism offers a helpful model for analyzing the nature of technological rivalry among key actors. States are motivated to pursue relative gains and security through the systemic pressure, but respond to the systemic pressure in ways shaped by domestic politics/ institutions.

The United States (U.S.) and China are operating in the same competitive international environment. Both understand that AI can impact the distribution of power in the future. Their approaches are, however quite different.

America heavily depends on private sector innovation, venture capital, research universities and global technology companies. China has a more state-centric approach of industrial policy, state coordination, and civil-military integration. These differences reflect the Neo-Classical Realist premise that domestic structures do not necessarily create the same policy responses, but act as mediators of systemic pressures.

COMPETING STRATEGIES FOR TECHNOLOGICAL SUPREMACY

American AI strategy is one of innovation leadership and technological containment. Washington is trying to maintain its technological edge by investing in research, manufacturing of semiconductors, coordination of alliances, and export restrictions. There are growing links between technology policy and national security, as evidenced in this case by the CHIPS and Science Act and constraints on advanced semiconductor exports.

China's policy is based on the New Generation Artificial Intelligence Development Plan of 2017, which classifies AI as a national priority and sets the goal of making China a global leader in AI by 2030. Composed of state investment, industrial development, data use, and military modernization. China's solution is in line with its overall efforts to cut its reliance on technology and boost national power.

The winner of this race has become the semiconductor industry. National capacities in AI are becoming more influenced by control of advanced chips, manufacturing equipment and supply chains. Thus, semiconductors are no longer just a regular commercial product, but a strategic asset.

IMPLICATIONS FOR INTERNATIONAL SECURITY

The competition between the US and China in the field of artificial intelligence is not simply about economics, but also about security and the military. The two nations are increasingly adopting AI in their intelligence systems, cybersecurity, autonomous platforms, logistics, and decision-support. These advances can help to make military forces more effective, but can also foster the potential for escalation and strategic instability.

AI has already become a part of the future military planning in China and other parts of the world, as seen in the adoption of “intelligentized warfare” in Chinese military thinking and in other modernization strategies that are being employed in the United States. With the increasing deployment of autonomous systems, there is also a growing risk of ethical and strategic issues around human control, accountability and crisis management.

Moreover, there is an increased fragmentation of the international environment due to technological decoupling and competition over digital infrastructure. In addition, technological decoupling and competition over digital infrastructure are driving more fragmented international environment. States increasingly consider technological capability as a part of national security and an area where states have more influence than the market on technology.

CONCLUSION

One of the most salient areas of modern great power rivalry has been the use of artificial intelligence. Today, the United States and China are vying for technological leadership, as their economic, military, and geopolitical power has become indivisibly tied to the technological front. The study provides an insight into the different models that both states are adopting to develop AI, through the lens of Neo-Classical Realism, which suggests that domestic political and institutional processes influence their respective approaches.

The results indicate that the new AI competition has a number of features that are typical of a New Cold War, such as strategic rivalry, technological competition, and competing visions of international order. The competition of today is very different from the Cold War of the twentieth century, however, and is defined by deep economic interdependence. The AI race is not creating clear-cut division, but rather a more nuanced landscape of competition and collaboration happening simultaneously.

The future of the AI competition is still unclear. Despite this, the competition is already redefining global power dynamics and technological management, as well as international security. With the continued advancement of AI, its impact on global relations will most likely grow stronger.

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