

A Study on Optimization of Legal Support System for Promoting the Development of China's Digital Economy

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Abstract: Legal frameworks play a foundational role in underpinning the growth of the digital economy. In turn, the digital economy presents new opportunities for legal development, driving it to evolve and adapt to the demands of a digital society. However, the current legal support for the digital economy faces emerging challenges in legislation, law enforcement, and judicial practice. Key issues include the lack of a well-structured legal framework, the absence of established, normalized administrative law enforcement mechanisms, and the limited responsiveness of judicial support. To advance the high-quality development of the Chinese digital economy, the legal support system must be optimized. This entails constructing a comprehensive and systematic legal framework, establishing effective, normalized administrative law enforcement mechanisms, and strengthening agile judicial support with strong responsiveness. Moreover, optimizing the legal framework for the digital economy requires not only improvements in legislation, enforcement, and judicial practice individually but also coordinated efforts among these three pillars to achieve a coordinated legal support system.

Keywords: China's Digital Economy Development; Legal Support; Legal Norm System; Normalized Administrative Law Enforcement Mechanism; Agile Judicial Mechanism



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1 Introduction

Rapid technological advancements are driving the unprecedented expansion of the digital economy, profoundly transforming the landscape and operational mechanisms of socio-economic systems. The digital economy encompasses cutting-edge fields such as artificial intelligence, information and communication technologies, big data, and biotechnology. It represents a convergence of advanced technologies, innovative models, and emerging industrial forces. The rise of artificial intelligence serves as a critical pillar for the development of the digital economy. From the widespread application of intelligent robotics in industrial production to the gradual adoption of AI-assisted diagnostic systems in healthcare and the efficient operation of intelligent transportation management systems, artificial intelligence continues to permeate various facets of socio-economic activities. In the field of

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communications, the extensive deployment of 5G technology has substantially enhanced data transmission speed and capacity, not only revolutionizing communication experiences but also accelerating industrial transformations in areas such as smart manufacturing and intelligent transportation. Chinese enterprises, such as Huawei and ZTE, have achieved remarkable milestones in the research, development, and application of 5G technology, making significant contributions to the global advancement of the 5G era. Similarly, the progress of the digital economy in biotechnology has garnered considerable attention, with breakthroughs in gene editing technology offering new prospects for medical treatments and agricultural development.

However, the digital economy also confronts multifaceted challenges and issues during its expansion, most notably institutional deficiencies under evolving social conditions and the attendant economic risks. For instance, the absence of legally defined rights for digital assets such as data elements, NFTs, source code, and algorithms hinders the realization of their intrinsic economic value and disrupts the equilibrium of stakeholder interests. Intensified market competition within digital economy-related industries has given rise to pervasive unfair practices that severely undermine consumer welfare, including well-known phenomena such as big data price discrimination, search demotion, unauthorized derivative works in short and long-form videos, forced exclusivity, algorithmic collusion, data scraping, fabricated transactions and reviews, account sharing and renting, ad blocking, software interference, network traffic hijacking, and platform bans—all of which pose significant economic risks. Moreover, the rapid expansion of the digital economy is accompanied by latent social risks, including persistent concerns regarding data security, privacy protection, and employment restructuring. Addressing these issues necessitates collective efforts from multiple stakeholders to stabilize social order and foster sustainable progress. Among these forces, the rule of law stands as the most fundamental and effective instrument (Zhou, 2024b). Consequently, a pressing challenge in the development of the digital economy lies in constructing a robust legal framework tailored to its dynamics, ensuring high-quality growth while mitigating potential adverse impacts to the greatest extent possible.

2 Relationship Between Digital Economy Development and Legal Support

As previously mentioned, numerous factors contribute to the advancement of the digital economy, with the rule of law serving as the most fundamental and effective instrument. The relationship between the rule of law and the digital economy can be summarized in two aspects: first, the supportive role of the rule of law in fostering digital economy development; and second, the new opportunities that the digital economy brings to the evolution of the rule of law.

2.1 The Rule of Law as a Foundational Force in Supporting Digital Economy Development

The digital economy represents a new economic paradigm characterized by data as a key production factor, modern information networks as the primary carrier, and the integrated application of information and communication technologies as a major driving force, all aimed at enhancing efficiency and optimizing economic structure (Feng, 2023). As an economy of factors, the digital economy features highly integrated and mutually permeable elements such as data and algorithms, rendering them inseparable. On one hand, the governance of the digital economy must respond to, protect, and promote its inherent logic while ensuring its “connectivity”, thereby unleashing its ultimate benefits. Consequently, the fundamental demand of the digital economy is development, which inherently implies innovation. Establishing an incentive-oriented legal framework grounded in technological, factor, and industrial innovation is

essential for driving high-quality development in the digital economy.

The role of incentive-based legal systems in promoting digital economy development can be illustrated through intellectual property rights (IPR) regimes. As a new type of production factor, intellectual property plays a critical role in fostering innovation in technology and industries (Wu & Yi, 2022). First, intellectual property law protects holders' exclusive rights over their creations. At the same time, the uniqueness, novelty, and practicality of IPR enable holders to maintain a distinctive competitive advantage in the market, further incentivizing continuous innovation and the creation of new products and services that meet societal needs. Second, intellectual property facilitates the industrialization and commercialization of intellectual achievements, phasing out obsolete products and capacities. Under the protection of IPR, rights holders can more effectively introduce new technologies and products to the market, prompting industries to spontaneously evolve toward higher value-added, technologically advanced, and efficient directions. This not only promotes the optimization and upgrading of industrial structures but also contributes to healthy economic growth. Thus, fully leveraging the role of intellectual property in technological innovation can drive iterative progress in the digital economy, thereby achieving high-quality economic development.

On the other hand, while promoting digital economy development, it is also essential to address the associated risks. The digital economy is a typical "risk economy". Digital technologies such as artificial intelligence, information and communication, big data, and biotechnology, which underpin the digital economy, inherently carry certain risks. The pursuit of greater value through the aggregation of various factors like technology and industry necessitates interconnections among digital economy elements, which in turn generate relative risks. These risks inevitably pose threats and damages to development, necessitating legal measures to mitigate or eliminate them. Establishing regulatory legal systems is therefore crucial to address digital economy risks. For instance, strengthening information protection mechanisms in areas such as networks and data can reduce the likelihood and frequency of personal, corporate, and even national information leaks resulting from the development of digital technologies.

2.2 The Development of the Digital Economy Necessitates and Promotes the Upgrading of the Legal System

The advancement of the digital economy inevitably leads to transformations in economic production relations, thereby driving changes in the superstructure, including the legal framework. The most distinct difference between the digital economy and traditional economies lies in their unique factors of production and operation. From the definition of the digital economy, three fundamental elements can be distilled: data, algorithms, and platforms (Hengyang Municipal Government, 2021). These distinct concepts are difficult to interpret within traditional legal frameworks. For instance, conventional notions of ownership and property rights fall short in precisely defining data. In the *Opinions of the CPC Central Committee and the State Council on Establishing a Data Base System to Maximize a Better Role of Data Elements*, data rights and interests are classified into data resource holding rights, processing and use rights, and product operation rights, in accordance with the classified management of data resources, processing activities and product operations.

Algorithms, while not human and lacking human attributes, can be endowed with human-like characteristics and perform tasks typically done by humans. Although algorithms cannot legally act as subjects in their own right, they may be regarded as such under specific circumstances. For example, if a product generated by an algorithm exhibits originality, it can be recognized as a work in the legal sense and protected under copyright law (China Intellectual

Property News, 2024)¹. This implicitly reflects the logic that algorithms possess “quasi-human” attributes. Similarly, if an algorithm used by a company causes harm, it is challenging to address solely under product liability frameworks. However, treating the algorithm as an employee can simplify legal interpretation and facilitate judicial remedies for affected parties.

Platforms, moreover, represent an entity that transcends the traditional concept of enterprises. Although they do not directly engage in production or operation, platforms leverage data and algorithms to generate substantial profits. Yet, platform operators often position themselves as economic intermediaries to evade various economic responsibilities. Unlike traditional enterprises, platforms act not only as operators but also as arbiters of digital markets, and to some extent, as “legislators. Therefore, platforms constitute a novel type of subject in the digital era, requiring in-depth interpretation through new terminology and logical frameworks.

The emergence of new concepts such as data, algorithms, and platforms presents fresh challenges to the existing legal system, compelling it to undergo adjustments and upgrades. This, in turn, promotes legal reforms at the legislative, enforcement, and judicial levels. To some extent, this transformation can be viewed as an opportunity to reshape the legal framework. The current task is to integrate a substantial body of laws, regulations, enforcement practices, and judicial rulings related to the digital economy into the legal system. This will enhance the system’s adaptability to the digital economy and effectively address the new demands of the “digital age”.

3 Exploration of the Current Situation of the Legal Support System for Promoting the Development of the Chinese Digital Economy

The digital economy requires legal protection. On the one hand, it is necessary to promote the continuous development of new economic elements, new business forms, new models, and new products through incentive systems. On the other hand, it is necessary to mitigate or reduce the risks brought about by the innovative, high-risk, and uncertain nature of the digital economy through regulatory systems. However, the existing legal guarantee methods, such as legislation, law enforcement, and judicial proceedings, have all encountered certain difficulties in dealing with the digital economy.

3.1 Insufficiency in the Completeness of the Legal Normative System

First, there is a lag in legislation. Strengthening and improving legislation in emerging fields involving disruptive and cutting-edge technologies to lead, regulate, promote and support the development of the digital economy with high-quality legislation is an inevitable requirement for making the digital economy stronger and larger. However, a complete legal system for the digital economy has yet to be formed in response to its vigorous development (Chen, 2021). This is mainly due to the rapid development of the digital economy, which has outpaced the adaptation of existing laws and regulations to its new requirements and characteristics. Moreover, new legislation takes a long time for research, argumentation, drafting and review, making it difficult to be introduced in a short period. Another reason for the lag in digital economy legislation is that, as a new field, the content and form of the digital economy have not yet been

¹ On 27 November 2023, the Beijing Internet Court, in its first-instance judgment, recognised for the first time that an AI-generated image at the centre of the case constituted a work, and that the plaintiff held the copyright to that image.

finalized. If it is regulated by law prematurely, it will, to some extent, inhibit its development. Therefore, the state legislature currently adopts a precautionary approach rather than immediate intervention. The lag in legislation leads to a lack of clear legal guidance for the digital economy. Enterprises may face significant legal risks during the process of technological and industrial innovation, which will affect their enthusiasm and motivation for innovation, and further impact the healthy development and competitiveness of the digital economy industry.

Second, the legal framework lacks systematicity. Currently, there is no unified legal system governing digital economic relations; relevant norms are fragmented across different legal domains. Due to disparities in legislative backgrounds, objectives, principles, and institutional designs among these domains, conflicts and inconsistencies between legal provisions are inevitable. Such contradictions not only complicate legal application but also engender uncertainty, undermining the authority and credibility of the law. It is noteworthy that local legislation on the digital economy is currently proliferating, with regions enacting regulations such as *Big Data Ordinances* and *Digital Economy Promotion Ordinances* to address developmental needs. However, these regulations often suffer from substantive overlaps or poor coordination, resulting in numerous conflicts and weak normative efficacy. Moreover, they are seldom invoked in judicial practice, diminishing their practical impact.

Third, there is a lack of basic legislation. While specialized legal norms exist for various sectors of the digital economy—such as artificial intelligence, big data, and the Internet of Things—they are predominantly specific in nature and limited in scope. Consequently, when legal facts or relationships in the digital economy evolve, regulatory gaps emerge, hindering the effective protection of stakeholders' rights. Furthermore, ad hoc legislative responses to every new technology or industry would lead to a perpetual influx of laws and regulations, exacerbating conflicts and inconsistencies among legal provisions. These issues fundamentally stem from the absence of a comprehensive legal framework for the digital economy (Liu, 2023). Without basic legislation to harmonize disparate regulations, the legal system for the digital economy remains fragmented, unable to resolve inherent conflicts and contradictions.

3.2 Absence of an Established Normalized Law Enforcement Mechanism

The development of the digital economy relies on the support of regulatory authorities. These authorities should deepen reforms aimed at streamlining administration, delegating power, improving regulation, and upgrading services, simplifying approval procedures, enforcing laws rigorously, shortening approval times, enhancing approval efficiency, and reducing institutional transaction costs for enterprises (Gao, Zhang, & Yang, 2020). However, numerous issues persist in the enforcement of digital economy regulations:

First, in addressing risks associated with the technologies and industries within the digital economy, enforcement bodies continue to adopt a passive, “event-driven” approach. They fail to maintain regular communication with platforms, enterprises, and consumers, thereby hindering timely problem identification, prevention, and resolution.

Second, the regulatory methods and tools employed by enforcement agencies lag behind the rapid evolution of digital technologies and industries, making it difficult to meet the demands of the burgeoning digital economy. The rise of the digital economy has given birth to new business models and market practices. Traditional enforcement procedures and standards often prove inadequate or ambiguous when confronting these emerging phenomena. For instance, regulators are unable to comprehensively monitor the operations of digital enterprises and platforms in areas such as artificial intelligence, data factor, digital finance, and new energy. Significant gray areas exist in digital economy enforcement, such as determining the liability of sharing platforms and protecting user rights, where conventional

enforcement frameworks offer little clarity. Similarly, issues like the supervision of distributed ledger technology (DLT) and the protection of digital assets in blockchain operations lack clear regulatory guidance. The digital economy has disrupted traditional industry classifications, leading to ambiguities and poor coordination in regulatory responsibilities, which in turn result in enforcement gaps or overlaps that undermine regulatory effectiveness.

Third, there is a failure to establish a systematic digital economy enforcement mechanism that integrates both ex-ante regulation and ex-post punishment. Ex-ante regulation focuses on measures taken before digital economic activities or projects commence, such as reviews, licensing, and certification conducted by relevant authorities to mitigate potential risks, prevent violations, and uphold a fair and just market order. Ex-post enforcement primarily involves investigating and penalizing monopolistic practices, infringements, and other illegal activities by platforms and enterprises, thereby deterring misconduct through punitive measures and maintaining market stability.

Currently, digital economy enforcement tends to emphasize ex-post punishment while paying insufficient attention to ex-ante regulation. Take the regulation of new energy vehicles as an example. The relatively low market entry barriers for new energy vehicles have allowed enterprises with insufficient capabilities and technical expertise to enter the market. Such enterprises often fail to ensure product quality and safety, complicating mid-stream supervision and ex-post penalties. For instance, when it comes to regulating cross-border data flows involving foreign-invested enterprises, law enforcement agencies sometimes encounter difficulties in obtaining comprehensive business data due to legal restrictions on data localization and cross-border transfers. These challenges highlight shortcomings in the ex ante regulatory mechanisms for digital economy enterprises, particularly in striking a balance between data security requirements and effective regulatory oversight. When enforcement agencies lack detailed preliminary information about enterprises, companies may exploit their technological and market advantages to evade regulatory requirements, thereby undermining enforcement outcomes. Hence, there is a pressing need to develop a comprehensive enforcement mechanism for the digital economy that effectively balances and coordinates ex-post punishment with ex-ante regulation.

3.3 Limited Responsiveness of Judicial Support

In the development of the digital economy, the judiciary is expected to play a supporting role by clarifying the boundaries of rights, obligations, and liabilities among stakeholders in digital economic legal relationships. It should promptly establish adjudication rules for emerging disputes to resolve economic conflicts, while providing predictable guidelines for risk prevention and control to ensure stable growth of the digital economy (Jiang, 2025). However, the current judicial mechanism exhibits certain shortcomings. At the micro level, judges often lack initiative in exploring solutions to novel issues in the digital economy due to capacity constraints and risk aversion, failing to systematically synthesize adjudication outcomes from disputes or establish new judicial standards to balance the rights and obligations of parties. At the meso level, inadequate legal frameworks have led to insufficient judicial proactivity in formulating timely rules for digital dispute resolution, failing to publish relevant typical cases. This hampers stakeholders' ability to anticipate risks and protect transactional expectations. At the macro level, courts have not comprehensively updated judicial concepts, values, principles, systems, rules, and operational practices to align with the demands of digital economic development, thereby impeding the enhancement of economic dispute resolution mechanisms. Consequently, the judiciary demonstrates weak responsiveness to digital economy disputes, lacking the capacity to objectively evaluate emerging digital economic behaviors or balance innovations in digital assets and business models with the protection of

user rights and social interests.

The establishment and protection of rights related to digital products, such as data factor, can foster connectivity effects in the digital economy, fully unleashing the value of digital assets and accelerating digital economic growth. However, current legal provisions on data remain overly abstract, with ambiguous criteria for the legitimacy and justification of data collection and use, as well as unclear boundaries between the rights of data controllers and users (Shu & Xing, 2025). Moreover, new forms of property, such as virtual assets and digital currencies, involve multiple rights holders, leading to blurred ownership boundaries. The development, storage, management, utilization, and profit-sharing of many digital assets often span multiple regions or even cross national borders, complicating rights confirmation and jurisdictional resolution. The hysteresis quality of judicial protection for digital property rights significantly constrains the advancement of the digital economy. The evolution of the digital economy necessitates innovation in transactional models among digital enterprises. In this context, cases involving unfair competition and monopolistic practices—such as data scraping, fake reviews, account time-sharing leases, ad blocking, software interference, network traffic hijacking, and platform blockades—require careful handling. Yet, the judiciary currently tends to adopt a one-size-fits-all approach, often negating the legitimacy of such behaviors without conducting case-specific analyses to balance the safe harbor rule against the rapid expansion of platform competition. This failure to foster a fair, orderly, and regulated market environment is evident. Furthermore, there is often insufficient rigor in combating and remedying harms caused by digital enterprises that prioritize profit maximization—such as abusing digital technologies, infringing user and public interests, engaging in monopolistic practices, operating illegal online activities, or pursuing disorderly capital expansion—thereby undermining market order.

4 Optimization of the Legal Support System for Promoting the Development of China's Digital Economy

To provide robust institutional support and a favorable development environment for the digital economy, ensuring its healthy, stable, and sustainable growth, it is imperative to refine the legal support system for the digital economy from legislative, law enforcement, and judicial perspectives.

4.1 Establishing a Comprehensive Legal Framework

A key function of digital economy legislation is to provide a legal institutional foundation for innovations in new technologies and business models, thereby “unleashing” technological iterations and industrial innovation. To this end, outdated laws, regulations, and rules that fail to align with technological and industrial advancements should be promptly revised and improved. Simultaneously, new rules emerging from technological and industrial applications must be continuously identified and institutionalized through legislative incorporation. Specifically, addressing the insufficiency in digital economy legislation requires legislative efforts at two levels: enhancing specialized laws and refining related departmental laws. Additionally, the formulation of a *Digital Economy Basic Law* should be pursued when conditions are mature.

First, supplementing specialized laws. Specialized laws are enacted to address specific disruptive technologies, cutting-edge technologies, and digital industries, playing a critical role in advancing the digital economy. In response

to practical development needs, China's legislative bodies have successively promulgated regulations such as the Provisions on the *Administration of Blockchain Information Services*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Interim Measures for the Management of Generative Artificial Intelligence Services*. These regulations establish standards for the secure governance of blockchain, internet, data, and artificial intelligence, providing solid legal protection for the legitimate rights and interests of citizens and enterprises. However, most of these legal norms fall under administrative regulations and are predominantly regulatory in nature. There remains a significant gap in legislation aimed at promoting disruptive and cutting-edge technologies. Legislative bodies must therefore continuously follow up and supplement corresponding incentive norms to realize the dual values of security and development in the digital economy. Furthermore, new regulations should be formulated for areas such as digital infrastructure, digital industrialization, and industrial digital transformation to complete the specialized legal system for the digital economy. During the legislative process, emphasis should be placed on enhancing the timeliness and flexibility of regulations, preserving development space for digital technologies and industries, and strengthening the adaptability of legal frameworks.

Second, improving related departmental laws. Related departmental laws encompass legal domains such as civil law, economic law, and intellectual property law, which include norms relevant to disruptive technologies, cutting-edge technologies, and digital industries. These laws play a foundational role in the legal construction of emerging fields. Against the backdrop of economic globalization and rapid digital technological advancement, the emergence and application of disruptive and cutting-edge technologies pose new challenges to traditional civil law and intellectual property law. The need for multi-faceted protection of data property rights and the support of rights related to AI-generated content is increasingly prominent, presenting new challenges to traditional departmental laws (Zhou, 2024a; Zhang & Chen, 2024). Protecting the rights and interests of stakeholders in technology and industry is vital for maintaining industrial development and promoting technological progress, and it represents a key focus of legislation. By refining civil and intellectual property laws, along with relevant judicial interpretations, the definition, scope, content, and remedies for infringements of rights held by stakeholders in digital technologies and industries can be clarified. This not only effectively supports the legitimate rights of rights holders and prevents infringements but also ensures that innovations in technological property are legally grounded, ultimately fostering the healthy development of new technologies and business models. In the work of improving related departmental laws, particular attention should be paid to the refinement of intellectual property legislation. At the legislative level, as technology and business environments evolve, the intellectual property legal system should be proactively adjusted and updated to accommodate the continuous emergence of new technologies and business models, ensuring that intellectual achievements in fields such as artificial intelligence, big data, and blockchain receive timely and robust protection, thereby encouraging the sustained progression of emerging business activities.

Third, expedite the promulgation of a comprehensive overarching law for the digital economy. Currently, the digital economy is primarily regulated by fragmented, standalone legislation and provisions within relevant sectoral laws, which address only specific aspects without tackling systemic challenges. To resolve overarching issues, it is imperative to formulate a comprehensive legal framework, such as a *Digital Economy Promotion Law*. Grounded in existing standalone and sectoral laws while incorporating emerging legal practices in the digital economy, this foundational legislation would distill overarching guiding principles, value orientations, fundamental requirements, institutional frameworks, technical support mechanisms, and accountability systems. It would serve as the supreme legal authority

unifying all digital economy regulations. As the higher-level law governing standalone and sectoral statutes, the Digital Economy Basic Law would articulate the comprehensive legal relationships spanning the entire scope and lifecycle of the digital economy, while integrating content from existing laws. This dual approach would eliminate inconsistencies, conflicts, and contradictions among regulations while consolidating dispersed provisions into a coherent framework. Only through the establishment of the Digital Economy Basic Law can the legal and regulatory system for the digital economy be optimized, ensuring its full operation within a rule-of-law framework and fundamentally accelerating high-quality development of the digital sector.

4.2 Establishing a Regularized Enforcement Support Mechanism

A favorable business environment is the cornerstone for the high-quality development of the digital economy. In this regard, it is imperative to establish an efficient digital economy law enforcement system.

Firstly, a regular digital economy law enforcement mechanism should be established. The digital economy is highly specialized, complex, and rapidly changing. Traditional law enforcement agencies often struggle to analyze and respond promptly to issues related to the digital economy due to insufficient knowledge and outdated technical means. Some foreign governments have set up specialized digital economy regulatory agencies to specifically oversee areas such as e-commerce, artificial intelligence industries, and big data transactions, thereby reducing the occurrence of illegal interactions. We can draw on this mechanism to establish an efficient and regular digital economy law enforcement mechanism. On the basis of the existing law enforcement system, specialized digital economy law enforcement agencies should be established. The personnel composition of these agencies should include technical experts, legal experts, and law enforcement officers with relevant professional knowledge. Technical experts can provide professional technical support to help law enforcement officers understand and deal with complex technical issues in the digital economy field; legal experts are responsible for ensuring the legality and standardization of law enforcement actions and providing practical guidance for law enforcement decisions; law enforcement officers are specifically responsible for carrying out law enforcement tasks and maintaining market order.

Secondly, the law enforcement capacity in the digital economy should be enhanced. To achieve this, the following aspects should be addressed: First, digital economy law enforcement is a highly technical task. To achieve efficient law enforcement in the digital economy, it is necessary to strengthen the technical training of law enforcement officers. Second, as illegal and non-compliant behaviors in the digital economy are often concealed and complex, law enforcement officers need to rely on advanced technical means to carry out their duties (Chai, 2024). For instance, by leveraging modern technologies such as big data and artificial intelligence, an enforcement information database can be constructed to enable real-time information sharing and querying, providing solid technical support for law enforcement activities. Utilize big data and artificial intelligence to conduct intelligent correlation and analysis of digital economy activities, promptly perceive and predict risks in data, algorithms, and platform security; monitor abnormal situations such as algorithm collusion, big data price discrimination, abuse of algorithmic power, and financial fraud, and issue risk warnings and make precise predictions; when risks such as security flaws and vulnerabilities are identified in the development of the digital economy, technical preventive, intervention, and remedial measures should be taken immediately. Third, the digital economy has the characteristic of diffusion. To ensure a strong combined force to deal with illegal acts, a cross-departmental and cross-regional law enforcement collaboration mechanism should be established to facilitate the rapid flow of information and the effective integration of resources, thereby improving the

quality and efficiency of law enforcement.

Thirdly, a law enforcement model combining pre-event supervision and post-event enforcement should be established. On the one hand, a cautious law enforcement concept should be established to promote the development of digital economy technologies and industries. Focus on effectively protecting innovative achievements in areas such as big data, cloud computing, artificial intelligence, new energy, and smart chips. Be inclusive of new technologies and industries with positive effects and guide their healthy development; for new technologies and industries that are not yet clear, set a certain “observation period” and promptly guide or handle existing problems, strictly prohibiting simple bans or neglect. Use medium and low-intensity regulatory methods such as information disclosure, credit supervision, and guiding supervision. On the other hand, increase the intensity of law enforcement and supervision against monopolistic and unfair competition behaviors to maintain market order, protect fair competition, and provide a solid guarantee for the development of the digital economy. The regulation of large platforms as “gatekeepers” should be a key focus of law enforcement. First, their pre-event obligations should be established, clearly stating that platforms must not engage in unfair behavior towards commercial users and consumers or formulate “negative lists”. Clarify the social responsibilities of large platforms, and require them to open up competitive resources to competitors, and provide more transaction options for business users and consumers in algorithms. Secondly, conduct regular and irregular reviews and monitoring of platforms, urge them to earnestly fulfill their legal and compliance obligations, and severely crack down on economic illegal acts listed on the “negative list”.

4.3 Enhancing the Agility of Judicial Support Mechanisms

As a pivotal component of China’s legal system, the judiciary plays an indispensable role in fostering a sound rule-of-law environment. The development of the digital economy similarly relies on judicial protection. Judicial authorities must proactively and promptly address emerging issues within the digital economy market, delineate clear judicial boundaries for the application of digital technologies, and strengthen the judiciary’s foundational role in supporting the digital economy. In individual cases, it is essential to adequately balance the interests among digital property development, business model innovation, and user rights protection. For judicial departments, the most urgent task at present is to respond timely to the novel disputes arising from the growth of the digital economy, establish adjudication rules for economic activities, and protect market expectations.

First, supporting the interests of stakeholders in digital property. The advancement of the digital economy is underpinned by digital assets, with data being widely recognized as a critical production factor. However, the proliferation and extensive application of digital assets have also raised concerns regarding information security and privacy protection (Dai & Tian, 2019). Judicial organs should properly adjudicate cases involving digital property such as data, reasonably delineate the ownership and usage boundaries of digital property rights, protect user rights and privacy, regulate the utilization of digital resources, and thereby facilitate the continued empowerment of the digital economy by this new production factor.

Second, improving judicial protection mechanisms for new industries, formats, and business models to drive the in-depth transformation and upgrading of the digital economy. New industries, formats, and models serve as core drivers of the digital economy. Given their involvement in technological innovation and high technical complexity, judicial authorities should actively collaborate with arbitration institutions, intellectual property protection centers, and scientific and technological administrative agencies. It is crucial to establish a linkage mechanism integrating

litigation, arbitration, and mediation, and to explore synergistic dispute resolution models involving judicial and non-profit mediation institutions, thereby providing diversified mechanisms for resolving disputes related to new industries, formats, and models. Additionally, enhancing cooperation and exchange with other countries and international judicial protection organizations is necessary to promote the formulation and implementation of international protection standards for new industries, formats, and models, ensuring their lawful and compliant operation.

Third, continuously strengthening and refining the judicial protection functions in the realm of digital intellectual property. On one hand, judicial bodies should provide efficient and accessible judicial services for AI-generated content, data, algorithms, code, and other digital intellectual properties, thereby reducing operational costs (Gao, 2025). They should reasonably determine the distribution of benefits and allocation of responsibilities arising from the development, transfer, licensing, pledge, and consulting of technological achievements, guiding and supporting enterprises in enhancing their R&D capabilities and facilitating the transformation of technological outcomes into tangible productivity and market competitiveness. On the other hand, establishing appropriate compensation systems for digital intellectual property infringements is imperative, with particular emphasis on combating counterfeit, plagiarism, unfair competition, and other infringing activities to protect the legitimate interests of enterprises and developers.

Fourth, improving anti-monopoly judicial measures to maintain a competitive order in the digital market. Protecting technological and industrial innovation is a statutory objective of antitrust law. Strengthening anti-monopoly adjudication in the digital market, promptly addressing abuses of market dominance and concentrations of undertakings, supporting the competitive interests of small and medium-sized enterprises, and ensuring fair competition are essential to protect technological and industrial innovation. Promoting anti-monopoly judicial actions in core industries, especially supervising enterprises with significant market share and influence to prevent abuse of dominant positions, is critical. Refining adjudication rules for platform anti-monopoly cases, and imposing strict penalties pursuant to law on practices such as forced exclusive dealing, big data price discrimination, predatory pricing, and forced bundling—which undermine fair competition and disrupt market order—will guide the healthy development of the platform economy (Han, 2024).

5 Conclusion: Collaborative Advancement of Legislation, Law Enforcement, and Judiciary

The rule of law serves as a critical support for fostering the development of the digital economy. At present, it is essential to fully leverage the distinctive advantages of the rule of law in consolidating foundations, stabilizing expectations, and fostering long-term benefits. We must accelerate the establishment of a legal support system tailored to the digital economy, thereby advancing its high-quality development within the framework of the rule of law. This will help explore new domains and avenues for growth, as well as stimulate new driving forces and trends in development. Regarding data, algorithms, and platforms, there is a need to construct a new legal institutional framework. This framework cannot be built solely based on traditional sectoral law approaches, which implies the necessity to create new laws and regulations, enforcement mechanisms, and judicial models that align with the intrinsic logic of the digital economy.

A significant issue in China's legal support system for the digital economy is the siloed development of legislation, law enforcement, and the judiciary related to the digital economy, with insufficient integration and coordination among the three. For the digital economy to fully flourish, a synergistic approach involving legislation, law enforcement, and the judiciary is required to achieve a systematized legal support framework. First, the value orientation of balancing the

promotion of digital economic growth with the mitigation of associated risks should guide the governance objectives and activities of legislation, law enforcement, and the judiciary. This will foster the formation of an integrated legal system and enhance the collective efficacy of governance. Second, legislation should provide the legal basis for law enforcement and judicial practice. In contrast, enforcement and judicial practice should contribute to refining the legal framework by supplying practical insights that enrich legislative content. Third, in cases where legal norms are insufficient, judicial authorities may leverage regulatory provisions from administrative bodies to interpret and supplement legislation in their adjudications (Sun, 2022). Concurrently, the judiciary can proactively issue judicial recommendations to alert enforcement agencies to legal risks, thereby improving the legality and compliance of enforcement activities.

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