

AI and the Digital Economy: Advancing Business Models and Policy with an International Perspective

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ABSTRACT

Artificial Intelligence (AI) is reshaping the digital economy by transforming business models, redefining value creation, and challenging existing regulatory frameworks. This paper examines how AI-driven technologies, such as machine learning, automation, data analytics, and generative systems, are accelerating the evolution of platform-based ecosystems, data-centric strategies, and algorithmic decision-making across industries. By lowering transaction costs, enhancing predictive capabilities, and enabling hyper-personalization, AI empowers firms to move from product-based models toward service-oriented, subscription, and outcome-based approaches within increasingly interconnected global markets. Adopting an international perspective, the study compares policy frameworks and strategic responses in major economies, including the United States, China, and the European Union. It explores how differences in regulatory philosophies, data governance regimes, innovation ecosystems, and public-private partnerships shape AI adoption and competitiveness. Particular attention is given to issues of cross-border data flows, digital trade, competition policy, labor market disruption, ethical AI standards, and digital sovereignty. The paper further analyzes the implications of AI for small and medium-sized enterprises (SMEs), emerging markets, and global value chains, highlighting both opportunities for inclusive growth and risks of technological concentration. It argues that effective policy must balance innovation incentives with safeguards for transparency, accountability, privacy, and fair competition. By integrating insights from economics, international business, and technology policy, this research proposes a framework for aligning AI-driven business transformation with coherent international governance strategies. The findings contribute to ongoing debates on how nations and firms can leverage AI to foster sustainable growth, enhance productivity, and maintain competitiveness in the evolving digital economy.

Keywords: Artificial Intelligence, Digital Economy, AI-Driven Business Models, Technology Policy, Global Digital Governance

