CAIDP Update **3.02 (Jan. 11, 2022)** – *China Regulates Algorithms*

Earlier this month, China adopted a sweeping regulation of Recommendation Algorithms. The aim of the regulation, according to the Cyberspace Administration of China, is to promote the sustainable development of Internet services and to enable independent supervision. The agency specifically cited algorithms that influence public opinion, enable monopoly concentration or unfair business practices (such as differential pricing), or that are used for illegal activities or the dissemination of "illegal information." Under a three-year plan, Chinese regulators will monitor algorithms, and establish a registration process with government supervisors. The regulation for the Overall Governance of Information Services Algorithms is one of several new laws to regulate the Internet, including the Data Security Law and Personal Information and Protection Law which went into effect late last year

The regulation places China ahead of other countries that are seeking to establish new forms of control for AI-based system. Some provisions limit the use of personal data to generate recommendations and also for users to disable algorithmic-based recommendations, proposals favored by many Internet experts. Another provision, added since an earlier draft, will ban Internet companies from using algorithms to "generate synthetic fake news information or disseminate it." Another provision will require companies to provide information about the data and logic of algorithms, which is similar to current provisions found in the GDPR (Article 22) and the Council of Europe Privacy Convention (Article 9). Many international policy frameworks, including the OECD AI Principles, the UNESCO Recommendation on AI, and the proposed EU AI Act set out new regulatory strategies to establish AI accountability.

But the AI regulation is also intended to strengthen political control of the Chinese Communist Party. A report in the Wall Street Journal observed that "Regulators called for algorithms to be fair and transparent, while adhering to China's Communist Party ideology." The CAC said that the algorithms used by Chinese companies must uphold core socialist values and promote "positive energy" in the content they provide to users. The Act refers specifically to the guiding ideology of Chinese President Xi Jinping. Other provisions establish licensing requirements for news organizations, a step that will limit freedom of expression. And it is unclear whether the rules for transparency will be applied to the authority of the Communist state, such as the AI prosecutor that reportedly can identify and suggest the charges for alleged crimes, including social dissent, criticism, and 'provoking' trouble.

In the CAIDP report, *__Artificial Intelligence and Democratic Values__*, CAIDP encouraged governments to promote algorithmic transparency and accountability. But CAIDP also recommended independent government agencies to assess algorithms and specifically noted the need to ensure effective oversight of AI-based decision making by government agencies. Regarding China, CAIDP concluded "China's use of its AI against ethnic minorities and protesters in Hong Kong, as well as a means to score citizens for their alliance with the state, is the source of widespread fear and skepticism." Commentary on the AI regulation is available at DigiChina of Stanford University.