

China is clamping down on AI algorithms that run its apps, internet services

Article

The news: China is introducing new regulations to artificial intelligence and various core technologies that manage ride-hailing services, social media, and communication for over 1.4 billion people.

More on this: Drafted by the **Cyberspace Administration of China**, the Internet Information Service Algorithmic Recommendation Management Provisions aims to clamp down on

various aspects of technology that are ideologically incompatible with China's government, [per](#) OpenGov Asia.

Starting March 1, companies cannot use personal information to offer users different prices for the same service or product. **Any AI algorithm that is used to set pricing, control search results, make recommendations, or filter content will be under scrutiny.**

Companies caught violating the new rules could face huge fines, be barred from accepting new users, have their business licenses pulled, or see their apps and websites get taken down.

- These rules indicate a deeper involvement of government and direct party control on the core technologies that run the internet and various apps, enforced by the same body charged with **cybersecurity, internet censorship, and ecommerce rules.**
- AI issues have been an area of mounting concern for China's government. **President Xi Jinping** spoke about the challenges, specifically "unhealthy and disorderly signals and trends (that) have occurred in the rapid development of our country's digital economy."
- Consumer protection against discriminatory algorithms is the **basis** for Beijing's move to control AI, but this could also be seen as a wider effect of China's Big Tech [crackdown](#).
- In context, various ride-hailing app users reported different prices for the same commute. Some studies [revealed](#) apps price the same rides differently based on factors like user ride history or the device being used to book the ride.

Why this could succeed: Tighter scrutiny on algorithms against unfair or opportunistic activities could result in more equitable service for Chinese consumers. It could also curtail the creation of troll farms, fake accounts, and the proliferation of disinformation in the short term.

What's the catch? Regulating core AI technologies could reduce long-term innovation, especially if strict rules are enforced without employing deeper [ethical AI](#) analysis. AI regulations are also difficult to implement on a country-wide scale, especially as the AI itself evolves.

Barriers to Securing Actionable AI and Machine Learning Insights According to IT Decision-Makers Worldwide, Jan 2021

% of respondents



Source: Rackspace Technology, "Are Organizations Succeeding at AI and Machine Learning?", conducted by Coleman Parkes Research, Jan 28, 2021

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