

## AI DEVELOPMENT AND THE 'FUZZY LOGIC' OF CHINESE CYBER SECURITY AND DATA LAWS

The book examines the extent to which Chinese cyber and network security laws and policies act as a constraint on the emergence of Chinese entrepreneurialism and innovation. Specifically, how the contradictions and tensions between data localisation laws (as part of Network Sovereignty policies) affect innovation in artificial intelligence (AI). The book surveys globalised R&D networks, and how the increasing use of open-source platforms by leading Chinese AI firms during 2017–2020 exacerbated the apparent contradiction between Network Sovereignty and Chinese innovation. The drafting of the Cyber Security Law did not anticipate the changing nature of globalised AI innovation. It is argued that the deliberate deployment of what the book refers to as 'fuzzy logic' in drafting the Cyber Security Law allowed regulators to subsequently interpret key terms regarding data in that law in a fluid and flexible fashion to benefit Chinese innovation.

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Max Parasol

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CYBER SECURITY AND  
DATA LAWS

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## ABBREVIATIONS

AI	artificial intelligence
BATs	Alibaba, Baidu and Tencent
CAC	Cyberspace Administration of China
CDR	China depositary receipt
CESI	China Electronics Standardisation Institute
CSAC	Cyber Security Association of China
CSIS	Center for Strategic and International Studies
Development Zone	Economic and Technological Development Zone
FBI	Federal Bureau of Investigation
GDPR	General Data Protection Regulation (EU)
GPU	graphics processing unit
ICT	information and communications technology
IETF	Internet Engineering Task Force
IoT	Internet of Things
IPO	initial public offering
ITIF	Information Technology and Innovation Foundation
MIIT	Ministry of Industry and Information Technology
MOST	Ministry of Science and Technology
NGO	non-government organisation
OECD	Organisation for Economic Co-operation and Development
R&D	research and development
SaaS	Software as a Service
SIIO	State Internet Information Office
SOE	state-owned enterprise
TC260	China National Information Security Standards Technical Committee
VIE	variable-interest entity
VPN	virtual private network
WFOE	wholly foreign-owned enterprise