

# Regulating Digital and AI Economy in China

Department: Fudan International Summer Session 2026

Course Code	GEIS40002						
Course Title	Regulating Digital/AI Economy in China						
Credit	2	Experiment (including Computer) Credit		Practice Credit		Aesthetic Education Credit	
Credit Hours Per Week	9 credit hours per week. 36+3 tutorial hours in total (one credit hour is 45 minutes)	Education on The Hard- Working Spirit Credit Hours		<b>Language of Instruction</b>	Eng- lish	Honors Course	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Course Type	<input type="checkbox"/> Core General Education Course <input type="checkbox"/> Specific General Education Course <input type="checkbox"/> Basic Course in General Discipline <input checked="" type="checkbox"/> Others			2+X Major :			
				<input type="checkbox"/> Professional Core Course <input type="checkbox"/> Professional Advanced Course Non 2+X Major : <input type="checkbox"/> Professional Compulsory Course <input type="checkbox"/> Professional Elective Course			
Course Objectives	By the end of this course, students will be able to: <ul style="list-style-type: none"> <li>● Understand the unique legal framework governing China’s digital economy, including its historical evolution, core principles, and regulatory philosophy.</li> <li>● Analyze key laws and regulations related to data governance, platform economy, artificial intelligence (AI), and cross-border digital trade.</li> <li>● Evaluate the balance between innovation promotion and risk mitigation in China’s digital/AI regulation.</li> <li>● Compare China’s approach with global standards (e.g., EU GDPR, U.S. sectoral regulations) and assess its implications for international businesses and users.</li> <li>● Apply critical thinking to real-world case studies involving Chinese tech giants, AI ethics, and digital market competition.</li> </ul>						

Course Description	<p>This intensive 4-week course explores the legal and regulatory landscape of China’s rapidly evolving digital and AI economy. As the world’s second-largest digital market, China has developed a distinctive regulatory model characterized by state-led innovation, strict data security controls, and dynamic adjustments to emerging technologies. The course covers foundational concepts (e.g., “data as a factor of production”), key legislation (e.g., Cybersecurity Law, Data Security Law, Personal Information Protection Law), and sector-specific rules (e.g., anti-monopoly in platforms, AI ethics guidelines). Through lectures, case studies, and group discussions, field studies, students will gain insights into how law shapes—and is shaped by—China’s digital transformation.</p>
<p>Course Requirements: Prerequisites: None.</p>	
<p>Teaching Methods:</p> <ul style="list-style-type: none"> <li>● Lectures</li> <li>● Case studies</li> <li>● Group discussions, and</li> <li>● Field studies</li> </ul>	
<p>Course Director's Academic Background:</p> <p>LU Zhi'an, Ph.D in Law, an associate professor, and a retired and rehired teacher at the Law School of Fudan University, the deputy director of the Fudan University Center for European Studies. He was also the executive deputy director of the Fudan University Center for Human Rights Studies (also known as the National Human Rights Education and Training Base) during 2014 to 2026. He served as the deputy dean of the International Economic Law Department at Fudan University Law School, the secretary of the Communist Party of China (CPC) branch of the Law Department and the International Economic Law Department during 1995 to 2000, the assistant dean of the Law School during 2000 to 2006, a member of the Party Committee of the Law School during 2000 to 2016, the deputy director of the Foreign Affairs Office of Fudan University during 2002 to 2004, and the secretary of the CPC branch of the International Law Department of the Law School.</p> <p>He has been a visiting professor at the University of Groningen in the Netherlands and the City University of Hong Kong. He has also served as a lecturer for international programs such as BI and DDIM at the School of Management of Fudan University. He is a standing member of the Council of the China Society for Human Rights Studies, a member of the Human Rights Diplomacy Advisory Committee of the Ministry of Foreign Affairs of the People's Republic of China, a standing member of the Council of the European Law Research Society of the China Society of European Studies, a member of the editorial board of the "Human Rights" magazine, a member of the editorial board of the "Human Rights Research" magazine, a member of the editorial board of the "China Human Rights Yearbook" (English Edition), and an external reviewer for the "Human Rights Law" magazine.</p> <p>Currently, he is a member of the China Law Society, a member of the Council of the China Society of International Law, a member of the Council of the China Society of Private International Law, a member of</p>	

the Council of the China Society of International Economic Law, a member of the Council of the China Society for Human Rights Studies, a member of the Council of the European Law Research Society of the China Society of European Studies, a member of the Fifth Committee of the Public Health Management and Rule of Law Branch of the Chinese Preventive Medicine Association, the vice president of the European Law Research Society of the Shanghai Law Society, a member of the expert consultation group for military operations at the Shanghai Military Court, a think tank expert for the Corporate Social Responsibility and Compliance Committee of the Shanghai Enterprise Compliance Research Center, a special supervisor of the Shanghai Hongkou District Supervisory Commission, a mediator at the Shanghai Financial Consumer Dispute Mediation Center, an arbitrator at the Jinhua Arbitration Commission, an arbitrator at Foshan Arbitration Commission, and a part-time lawyer at the Shanghai Pudong Law Firm. In 1998, he obtained the qualification of a notary and mediator in Texas, USA.

He teaches plenty of courses including International Public Law, Private International Law, International Economic Law, International Human Rights Law, Human Rights Law, International Environmental Law, EU Law, International Tax Law, International Investment Law (in both Chinese and English), International Trade Law, International Financial Law, International Dispute Resolution, Legal Negotiation, International Commercial Mediation (in English), Legal English, Human Rights and Chinese Business Law, Tax Law in China, Chinese Business Law, Chinese Commercial Law, Business Ethics, The Introduction to Digital Economy and Law, etc. He has published several papers in journals such as "Legal Review", "Exploration and Contention", "Yale-China Journal of American Studies", "Legal Journal", "Human Rights", "Journal of International Taxation", etc. He is also one of the authors of the national legal master's textbook "International Law" and the textbook "International Taxation" organized by the State Taxation Administration.

Since 2002, he has served as a coach, guiding students to participate in international competitions such as the Jessup International Law Moot Court Competition, the International Humanitarian Law Moot Court Competition, the International Criminal Law Moot Court Competition (in both Chinese and English), the International Commercial Arbitration Moot Court Competition, the International Investment Arbitration Moot Court Competition, the WTO Dispute Settlement Moot Court Competition, the International Commercial Mediation Moot Court Competition, and the International Commercial Negotiation Moot Court Competition, achieving excellent results such as international championships and national championships.

Instructor's Academic Background:

Lu Zhian

Members of Teaching Team

Name	Gender	Professional Title	Department	Responsibility
Lu Zhian	male	Associate Professor	Law School	Entire Course


Course Schedule:

Week 1: Introduction to the Digital/AI Economy in China and Basic Legal Framework

1.1 Course Introduction

- Overview of the course, learning objectives, assessment methods, and expectations

1.2 Introduction to China’s Digital Economy

- Scale and growth of China’s digital economy (e.g., e-commerce, fintech, social media).
- Key players: Alibaba, Tencent, ByteDance, Huawei.
- National strategies: “Digital China” initiative, “Made in China 2025.”

1.3 Data as a Factor of Production

- Policy shift: Data from “resource” to “key factor of production” (2020 Opinions on Building a More Complete System for Factor Markets).
- Implications for data collection, sharing, and monetization.

1.4 Historical Evolution of Digital Regulation

- Pre-2010: Early internet governance (e.g., 1994 Computer Information Network and Internet Security, Protection, and Management Regulations).
- 2010–2020: Emergence of data and platform regulation (e.g., 2017 Cybersecurity Law).
- Post-2020: “Regulatory storm” and new phase of “orderly development.”
- Source and framework of the regulation

1.5 International Comparisons: China vs. Global Models

- EU GDPR: Rights-based approach.
- U.S.: Sectoral, innovation-friendly model.
- China: State-centric, security-oriented model.

1.6 Core Principles of China’s Digital Regulation

- “Socialist rule of law with Chinese characteristics” in digital context.
- State control vs. market innovation: The role of the Cyberspace Administration of China (CAC) and other agencies.
- “Security first”: Balancing national security, public interest, and individual rights.

1.7 Field Study and/or assignment

- A visit a digital/AI Innovation park (to be confirmed)
- Recap of key terms (e.g., CAC, data factor, regulatory sandbox).
- Short quiz (10 questions) to test comprehension.

Week 2: Data Governance: Security, Privacy, and Cross-Border Transfer

Focus: China’s data laws and their impact on global businesses.

2.1 Cybersecurity Law (CSL): Basics and Obligations

- Scope: Critical information infrastructure (CII) operators.
- Obligations: Local storage, security assessments, incident reporting.
- Penalties for non-compliance (e.g., fines up to RMB 1 million).

## 2.2 Personal Information Protection Law (PIPL): China's GDPR?

- Core principles: Legality, necessity, transparency, accountability.
- Individual rights: Access, correction, deletion, portability.
- Special categories of personal data (e.g., biometrics, health info).
- Comparison with GDPR (e.g., consent requirements, extraterritorial scope).

## 2.3 Data Security Law (DSL): Classifying Data Risks

- Data classification: General, important, core state data.
- Obligations for important data handlers (e.g., security assessments, risk monitoring).
- Role of the Ministry of Industry and Information Technology (MIIT)

## 2.4 Cross-Border Data Transfer (CBDT) Rules

- Mechanisms: Standard Contractual Clauses (SCCs), Security Assessments (SA), Certification.
- Thresholds for SA (e.g., processing personal info of >1 million individuals).
- Impact on multinational corporations (MNCs) operating in China.

## 2.5 Enforcement Trends: Recent Cases

- Examples: Didi Chuxing fine (RMB 8 billion for illegal data transfers), Meituan antitrust penalties.
- Enforcement priorities of regulators (CAC, SAMR).

## 2.6 Workshop: Drafting a CBDT Compliance Plan

- Groups draft a plan for a hypothetical MNC transferring user data from China to the EU.
- Peer review and instructor feedback.

## 2.7 Field Study

- A visit to a court or a law firm (to be confirmed)

## Week 3: Platform Economy Regulation & AI Governance

Focus: Regulating tech giants and emerging AI technologies.

### 3.1 Anti-Monopoly in Platform Economy

- 2021 Anti-Monopoly Guidelines for Platform Economy.
- Key issues: Algorithmic collusion, self-preferencing, big-data discrimination.
- Case: Alibaba's RMB 18.2 billion fine for "choosing one from two."

### 3.2 Competition Policy Beyond Antitrust

- Promoting fair competition: Mandatory interoperability (e.g., WeChat opening APIs).
- Protecting small businesses and consumers.
- Role of the State Administration for Market Regulation (SAMR).

### 3.3 Artificial Intelligence: Ethical and Legal Challenges

- China's AI strategy: "New Generation Artificial Intelligence Development Plan."
- Ethical guidelines: 2021 Ethical Norms for New Generation Artificial Intelligence (fairness, transparency, safety).

- Ethical principles and enforcement mechanism.

- Liability issues: Who is responsible when AI causes harm?

### 3.4 AI Regulation in Practice

- Facial recognition: Rules on public surveillance (e.g., Shanghai's 2021 regulations).
- Autonomous vehicles: Testing permits and liability frameworks.

- Deepfakes: Criminal penalties under revised Public Security Administration Punishments Law.

### 3.5 Intellectual Property (IP) in Digital Economy

- Patent protection for AI-generated inventions.
- Copyright challenges: AI-created content (e.g., music, art).
- Trade secrets in algorithmic models.

### 3.6 AI and Employment Law

- Legal implications of AI on employment, such as job displacement, upskilling, and new forms of work arrangements.

- Groups present comparative analyses of AI regulation in China, EU, and U.S.

- Focus on

### 3.7 Field Study

- A visit to a Platform company (to be confirmed)

## Week 4: Emerging Issues & Future Directions

Focus: Cutting-edge topics and long-term regulatory trends.

### 4.1 Metaverse and Virtual Economies

- Regulatory gaps: Virtual asset ownership, identity verification.
- China's stance: Banning cryptocurrency trading but exploring state-backed digital yuan (e-CNY).
- Case: Tencent's metaverse initiatives (e.g., Super QQ Show).

### 4.2 Digital Yuan (e-CNY): Central Bank Digital Currency (CBDC)

- Design features: Controlled anonymity, programmable money.
- Regulatory implications: Anti-money laundering (AML), financial inclusion.
- Comparison with Bitcoin and Libra/Diem.

### 4.3 Global Digital Trade: RCEP and WTO

- China's commitments under RCEP (Regional Comprehensive Economic Partnership) on data flows.
- Tensions with U.S.-EU "digital sovereignty" agendas.
- Prospects for WTO e-commerce negotiations.

### 4.4 Human Rights and Digital Surveillance

- Balancing state security and individual privacy: Social credit system, facial recognition in public spaces.
- International criticism and domestic justifications.
- Case: Xinjiang's use of surveillance technology.

### 4.5 AI in Healthcare and Education

- Legal issues in the application of AI in healthcare (e.g., medical diagnosis, patient data management) and education (e.g., personalized learning, online education platforms)

### 4.6 Algorithmic Transparency and Accountability

- The concept of algorithmic transparency and how China is holding algorithms accountable, especially in decision-making processes.

### 4.7 Final Assessment and Course Conclusion

-Open-book exam

The design of class discussion or exercise, practice, experience and so on:

If you need a TA, please indicate the assignment of assistant:

1. To assist lecturer to prepare the reading materials and to distribute them to students.
2. To assist lecturer to arrange field studies.
3. To communicate with the students regarding anything relating to teachings.

Grading & Evaluation:

- Participation (50%): Attendance, class discussions, presentations, workshop engagement and assignments.
- Final Project (50%): 2,000-word research paper + 5-minute presentation (due in Week 4).

**Usage of Textbook:** Yes(complete textbook information form below) No

**Textbook Information** (No more than two textbooks) :

Title	Author	ISBN	Publishing Time	Publisher	Type I	Type II
The Chinese Digital Economy	Ma Huateng · Meng Zhaoli · Yan Deli · Wang Hualei	ISBN 978-981-33-6004-4 ISBN 978-981-33-6005-1 (eBook) ISBN 978-750-86-7423-0 ISBN of the Mainland edition	2021	CITIC Press Corporation	<input type="checkbox"/> Self-compiled Textbook (Published) <input type="checkbox"/> Non-mainland Textbook <input checked="" type="checkbox"/> Other Textbook (Published)	<input type="checkbox"/> National Planning Textbook <input type="checkbox"/> Provincial and Ministerial Planning Textbook <input type="checkbox"/> School Level Planning Textbook <input type="checkbox"/> Others

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Teaching Materials & References: <ul style="list-style-type: none"> <li>● Cybersecurity Law of the People's Republic of China (2017)</li> <li>● Personal Information Protection Law of the PRC (2021)</li> <li>● Data Security Law of the PRC (2021)</li> <li>● Anti-Unfair Competition Law (revised 2025)</li> <li>● Anti-Monopoly Guidelines for the Platform Economy (2021)</li> </ul>						