



Public Values of Chinese Digital Technologies and their Impacts on Europe

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Table of Contents

Executive Summary	4
Introduction	6
1. The Values of Chinese Digital Technologies	9
1.1 How history has shaped Chinese political values on technology	9
1.2 How Chinese and European values compare in the digital realm	11
1.3 How corporate and state values interact	15
1.4 Societal engagement with and contestation of state values	16
1.5 Conclusion	17
2. Government Use and Regulation of Digital Technologies	18
2.1 Introduction to China's digital governance	18
2.2 China's regulatory approach for digital technology	20
2.3 Embedding digital technologies in the public sector	28
2.4 Conclusion	30
3. The Adoption of AI Technologies in Chinese Society	31
3.1 Raising Lobsters: agentic AI and the politics of adoption anxiety	32
3.2 Snatching Rice Bowls: embodied AI and the local politics of displacement	34
3.3 Hollow Trees: generative AI and the governance of emotional life	38
3.4 Conclusion	40
4. Chinese Social Technologies are Reshaping European Life	41
4.1 The Platform Landscape	41
4.2 Xiaohongshu in comparative perspective: New platform, new values?	45
4.3 Chinese technologies reshaping European cities: The emergence of "New Chinatowns"	47
4.4 Chinese cultural power for European audiences: Chinamaxxing	49
4.5 Hyper optimised ecommerce and European retail: Shein, Temu, Joybuy	52
4.6 Conclusion	54
5. Conclusions and Recommendations	56
5.1 Research findings	56
5.2 Implications for Europe and the Netherlands	58
5.3 Recommendations	60

Executive Summary

Chinese digital technologies are increasingly ubiquitous in Europe, but their values and governance models remain poorly understood in comparison with their US counterparts.

Digital technologies like online platforms and artificial intelligence are not value free and, if not properly regulated, can harm core European public values like privacy, equal treatment, autonomy and human dignity. China also increasingly presents a model for digital development that finds appeal with countries both authoritarian and democratic, and which Europe needs to present a coherent response to.

To equip Dutch and European policymakers with a nuanced, long-term perspective for addressing these challenges, this report investigates the public values of Chinese digital technologies and their potential impacts on Dutch and European societies in four steps: (1) Chinese public values related to digital technology, (2) digital governance, (3) domestic adoption of artificial intelligence, and (4) European impacts of Chinese digital technology.

The report's core conclusions include:

- **China and the EU differ fundamentally on the relationship between digital technology, the state, and individual rights, but these differences should not obscure important areas of value convergence.** In China, values such as privacy, autonomy and equality remain conditional on broader state-defined objectives, while European public values are grounded in individual rights. Yet both sides increasingly share concerns about the negative societal effects of digital technologies; in some areas, China is developing regulatory approaches ahead of Europe.
- **The Chinese state exerts substantial influence over digital companies, even as private companies continue to act with a significant degree of agency and independence.** Policymakers should therefore avoid one-size-fits-all assumptions that Chinese technologies are simply instruments of state control, yet also combat naivety about potential risk.
- **China's digital governance is simultaneously among the world's most restrictive for individual liberty and the most ambitious in regulating and harnessing digital technologies in governance.** China has pioneered regulatory interventions on AI safety, data protection, the protection of minors online, and digital work. Meanwhile, authorities do not just use digital technologies for surveillance; they also enhance state capacity to proactively respond to citizens' concerns and streamline bureaucracy.
- **Chinese AI adoption reveals the same fundamental public value tensions as in Europe:** the autonomy of work, the equity of access to social infrastructure, and the integrity of emotional relationships. However, adoption in China has often moved faster than governance, and these tensions are negotiated in practice before they are addressed in policy.

- **Adoption of AI in China is uneven across society and technologies.** Sometimes, it is driven by top-down policy, other times by societal forces and popular trends. Hence, Chinese AI developments cannot be understood as purely state-centric.
- **Public values travel with technology exports, but the values of Chinese digital technologies are not uniform.** Some Chinese platforms like Xiaohongshu encourage autonomy and local community-building, while others like WeChat can harm these values. This means that regulators cannot treat all Chinese platforms as alike.
- **Chinese digital technologies have material consequences in Europe.** In ecommerce, digital technologies can hollow out European retail while disregarding environmental and local sustainability. On social media, platforms like Xiaohongshu support community building while also creating the conditions for displacement and social exclusion. Digital trends like “Chinamaxxing” are not naturally harmful, but they present a skewed vision of China which can only be countered with deeper societal knowledge of China.

Altogether, the challenges raised by Chinese digital technologies for Europe require both near-term and long-term responses. They are not solutions that can be achieved at the level of individual member states, but require a European solution to be meaningful in scale and influence for countering the impact of all players involved – both companies and foreign governments. We recommend that these responses avoid one-size fits-all assumptions or solutions; be designed in a country-agnostic fashion; and prioritise comprehensive approaches over blanket bans.

Introduction

Chinese digital technologies are becoming ubiquitous in Europe. An average citizen's routine may involve scrolling TikTok while on their daily commute, shopping on ecommerce platforms like Shein or Temu, or, increasingly, driving a smart BYD or XPeng-car to work. Meanwhile, companies worldwide are increasingly considering Chinese open-weight AI models that can compete with American equivalents at a fraction of their cost to users.¹ Chinese technologies even inspire imitation elsewhere: platforms such as Instagram and YouTube have modelled their short-video functions on TikTok.

These changes signal a broader shift: technology flows into Europe no longer come nearly exclusively from the United States, but also from China. Yet the context from which they emerge remains poorly understood in European circles. While Europe has been exposed to digital technologies from the US for decades now, it was not until the late 2010s that Chinese consumer-facing digital technologies gained a foothold abroad. Innovations from Chinese digital technologies often catch observers by surprise, as happened when DeepSeek's reasoning AI model sent the stock prices of Western technology firms into a nosedive.²

Over the past years, greater awareness has grown of the challenges that digital technologies pose, and that they are not value-free.³ When not properly governed, extensive digitalisation can threaten public values like privacy, equal treatment, autonomy and human dignity. Tech firms' commercial goals may not always align with fundamental rights or the health and integrity of European democracy. The GDPR, Digital Markets Act and Digital Services Act have all come into being to counter some of the impacts of a wave of technologies mostly originating from the US.

Yet Chinese technologies introduce further concerns. Although US-European relations are growing more fraught under the second Trump administration, a broad sense remains among European policy makers and experts that they at least understand the nature of the US tech ecosystem that has such a big impact on Europe. Moreover, the current US' administrations departure from liberal norms may still be contingent on this particular administration. The same does not apply to China, which remains mostly treated with suspicion and hostility. It is, after all, a state whose leadership does not subscribe to European liberal values, an opaque political and economic system, and a society that Europeans often have little familiarity with. In contrast with the US, these factors are constant rather than contingent.

These developments mean that we are increasingly talking about three distinct visions of digital technologies: the build-and-see, relatively unregulated and venture-capital driven Silicon Valley model from the United States, a regulation-first, risk-based approach from Brussels, and a

¹ Chen, Caiwei. "What's next for Chinese open-source AI". MIT Technology Review, 12 February 2025. <https://www.technologyreview.com/2026/02/12/1132811/whats-next-for-chinese-open-source-ai/>; Meinhardt, Caroline et al. "Beyond DeepSeek: China's Diverse Open-Weight AI Ecosystem and Its Policy Implications". DigiChina, December 2025. <https://hai.stanford.edu/assets/files/hai-digichina-issue-brief-beyond-deepseek-chinas-diverse-open-weight-ai-ecosystem-policy-implications.pdf>.

² Mok, Charles. "Taking Stock of the DeepSeek Shock". Stanford Cyber Policy Center, 5 February 2025. <https://cyber.fsi.stanford.edu/publication/taking-stock-deepseek-shock>.

³ Rathenau Institute. "Opwaarderen: Borgen van publieke waarden inde digitale samenleving [Protecting public values in the digital society]". 2017. https://www.rathenau.nl/sites/default/files/2018-02/Opwaarderen_FINAL.pdf.

highly state-centric, paternalistic model from China.⁴ Moreover, as Europe is no longer an undisputed technological leader in these fields, it increasingly finds itself having to balance or even pick between the two other sides. It must also carefully weigh what technologies it adopts into public services and government operations for reasons of data autonomy and digital sovereignty while at the same time not overestimating substantive risks.

Given the growing global impact of Chinese technologies, European stakeholders must better understand how their design and development reflect the context from which they emerged. This means moving beyond simplistic ideas, for instance that Chinese technology is merely a vehicle for “authoritarian expansion”. China’s single-party state lacks fundamental rights such as free speech, yet it is also not a caricatural Orwellian system of uniform totalitarian control.⁵ For instance, protections for Chinese citizens in fields such as personal information protection are improving. Chinese cybersecurity requirements for smart devices such as connected vehicles are improving,⁶ even if sometimes still imperfect,⁷ and Chinese companies have reportedly been successful in retaining control over corporate data.⁸ Chinese society is vibrant and creative, while Chinese corporations are innovative and, in many areas, world-leading in their capabilities. In other words, the values and ideas that inspire Chinese technology governance, development and adoption are complex, and merit a nuanced study.

Throughout, this report understands public values as the normative component that shapes how technologies are developed and operated. Particularly important public values from a European perspective that we consider include privacy, equal treatment, autonomy, and human dignity.⁹ We focus in particular on digital technologies whose design and operation can have significant implications for these public values. This primarily includes consumer-facing platforms and applications, as well as emerging technologies such as generative AI and algorithmic systems.

This report examines what public values are embedded in Chinese digital technologies in four steps, as well as the processes that underpin this. Chapter 1 discusses how political, corporate and societal values in relation to technology are grounded in Chinese historical practice, but also in the successive waves of modernisation that swept the country over the last century and a half. Chapter 2 shows how these values drive state regulation and adoption of digital technologies. Chapter 3 studies the adoption of technologies and their values in society through the case study of AI adoption. Chapter 4 examines how Chinese social technologies are becoming a part of European life. The goal of this report is not to judge Chinese technologies

⁴ Bradford, Anu. “Digital Empires: The Global Battle to Regulate Technology”. Oxford University Press, 2023.

⁵ Brussee, Vincent. “China’s social credit score - untangling myth from reality”. MERICS, 11 February 2022. <https://merics.org/en/comment/chinas-social-credit-score-untangling-myth-reality>.

⁶ Creemers, Rogier, and John Lee. “Evaluating Data Security in Chinese Drones and Smart Vehicles”. China Knowledge Network of the Netherlands, April 2025. <https://www.chinakennisnetwerk.nl/publications/36-evaluating-data-security-chinese-drones-and-smart-vehicles>.

⁷ Bernot, Ausma et al. “Cyber vulnerabilities and technical regulation of China-made CCTV IoT surveillance cameras in Australia”. Journal of Cybersecurity, 2025.

⁸ One key example is in the context of the Social Credit System, where the Chinese state has attempted to work with private platforms to develop credit reporting initiatives. However, this has been largely unsuccessful. See e.g., Financial Times. “Alibaba and Tencent refuse to hand loans data to Beijing”. 19 September 2019. <https://www.ft.com/content/93451b98-da12-11e9-8f9b-77216ebe1f17?syn-25a6b1a6=1>.

⁹ Rathenau Institute 2017.

from a particular perspective but to understand Chinese views on their own terms. This will result in points that European audiences will find disconcerting, but others where surprising overlaps and similarities may be found, and where Europe might even be able to learn lessons from China.

1. The Values of Chinese Digital Technologies

Given the Leninist nature of China's single-party system, the Chinese Communist Party plays a predominant role in the shaping of values in the public sphere. As such, political values are institutionalised and organised in a manner that corporate and social values, discussed below, are not. Although China has a written Constitution, it is not a justiciable source of authority and is not enforceable against the Party. As a result, it is not a useful guide to understand the values that underpin China's political system.

Nevertheless, these values remain contested or co-shaped by society and companies, who have their own interests and viewpoints. This chapter analyses the public values of digital technology in China from these three clusters: the public values as endorsed and promoted by the government, how corporate values engage with these, and the extent to which society challenges and/or endorses these

1.1 How history has shaped Chinese political values on technology

The emergence of digital technologies in the West during the 1990s reflected a post-Cold War atmosphere. The internet was perceived as a new space in which liberty should reign, spreading democracy across the world and creating a whole new digital economy.¹⁰

In China, in contrast, the Internet's arrival in 1994 occurred in rather different circumstances. A mere few years before, the regime had skirted collapse with the crackdown on the protests on Tiananmen Square and across the nation. The dissolution of the Soviet Union and the disappearance of its socialist satellites underscored the potential fragility of Leninist systems. Beijing perceived that its political system was similarly under threat from "peaceful efforts" by the United States and its allies. The internet became seen as part of this threat, not least because the Internet and related technologies were not homegrown, but would come in from elsewhere.

Consequently, Chinese authorities have never been as techno-optimist as Western governments. To be sure, the "information superhighway" carried much economic and social development potential, and the leadership did not again want to miss out on a transformative wave of advancement as China had so often over the previous century. Yet at the same time, authorities were cautious about what they saw as a new vehicle for "foreign hostile forces" to infiltrate Chinese public opinion.

The set of attitudes with which Chinese authorities started to deal with these newly emerging digital technologies were, however, not new, but have accreted over decades and, in some cases, centuries. Significant elements of imperial orthodoxy still lie at the heart of Chinese Communist Party (CCP) ideology in the third decade of the 21st century.¹¹ These include:

¹⁰ Barlow, John Perry. "A declaration of the independence of cyberspace". 8 February 1996. <https://www.eff.org/cyberspace-independence>.

¹¹ Creemers, Rogier. "Party ideology and Chinese law". In Creemers, Rogier and Trevaskes, Sue. *Law and the Party in China: Ideology and organisation*, 31-63. Cambridge University Press, 2020.

- A strong connection between governance and morality, where exercising moral prerogatives is an integral part of statecraft.
- A paternalistic and collectivist view of humankind, which posits that individual people should be socialised and cultivate themselves in order to fully partake in social life.
- Intellectual and organisational monism, where there is only one set of moral and political truth, and only one pole of political power. Consequently, no notion of loyal opposition or pluralism develops.

After the fall of the Empire, Marxism-Leninism's reception into China overlays several new elements on top of this historical foundation. These include:

- The notion of a vanguard party with a monopoly of political power, which comprehensively penetrates society and the economy.
- Marxism's aspiration to constitute a scientific blueprint for socio-economic progress through a predetermined historical path, adding material abundance as a further dimension to moral utopianism.
- A "scientific" understanding of society as a complicated machine that nevertheless is subject to intelligible objective laws of nature, which enable that machine to be controlled and predicted.

The period of Reform and Opening Up, with its focus on economic modernisation and integration with global markets, adds several further elements:

- An acceptance of a degree of market functioning and entrepreneurial freedom to enable economic growth and productivity gains.
- A changing role for the state: from totalitarian control over all aspects of individuals' lives to a more selective (albeit still authoritarian) control over strategically important elements, and an accelerator (sometimes almost venture capitalism-style) for the technology sector.

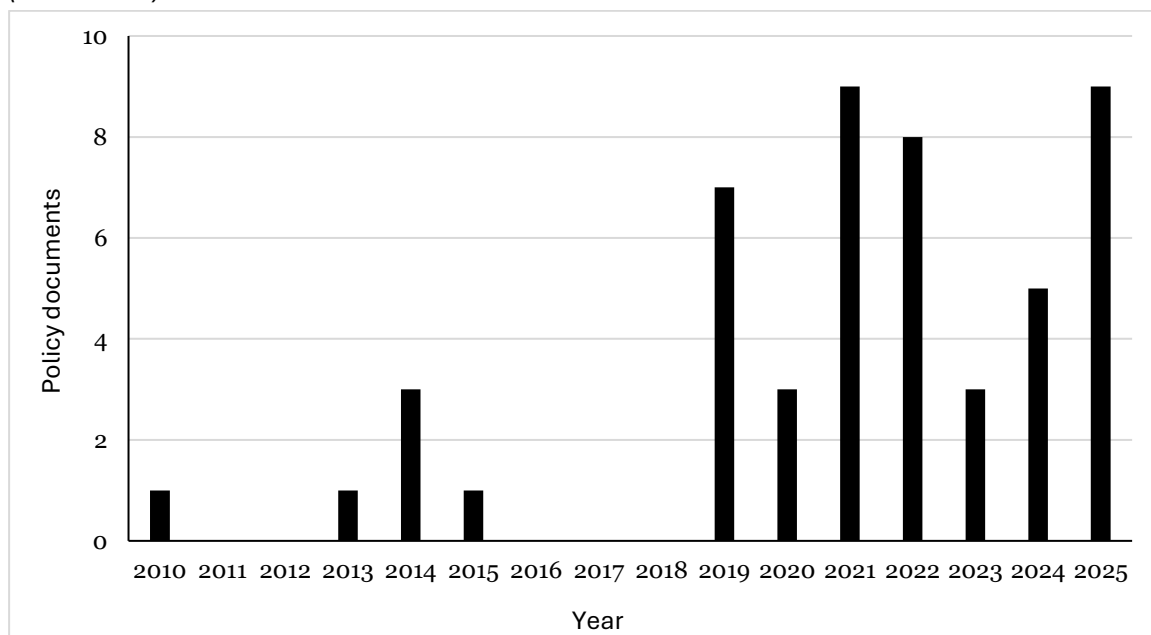
The fundamental implication is that the extent to which authorities condone, encourage or constrain technologies thus depends on how much they contribute to those goals. The same applies to values like privacy, autonomy, and human rights: they are supported only in as much as they are perceived to contribute to the Party's teleological governance mission. Simultaneously, the state's paternalist instincts shape issues such as content control and other moral matters such as potential addiction to online games. Technological change also triggers continuing questions on realising these values in a rapidly evolving digital environment.

1.2 How Chinese and European values compare in the digital realm

At first glance, therefore, Chinese and European value concepts on digital technologies appear fundamentally at odds. However, China and the EU often converge on specific value-driven concerns. In some cases, Europe shares significantly more with China than with the current US administration.

A central Chinese concept in governing technology is “mainstream values” which gained particular prominence in the early 2010s and whose use accelerated under Xi Jinping (Figure 1). Authorities frame “mainstream values” as an alternative to Western public values like individual freedom, liberalisation, and human rights.¹² As elsewhere, this logic rejects value pluralism in favour of a single, sanctioned value system aligned with Party leadership. Moreover, it legitimises a paternalistic role for the state. These “mainstream values” emphasise priorities such as childbirth in response to demographic decline, traditional family structures, filial piety, and personal sacrifice for the nation. At the same time, they oppose perceived social problems, including conspicuous consumption, feminism, vulgarity, and the phenomenon of “lying flat”¹³ – a popular expression describing withdrawal from the pressures of an intensely competitive society. These stand in marked contrast to dominant public values in Europe, where individual autonomy is central.¹⁴

Figure 1. Number of national policy documents from China that reference “mainstream values” (2010-2025).



¹² People’s Daily. “进一步壮大主流价值、主流舆论、主流文化 [Further strengthen mainstream values, mainstream public opinion, and mainstream culture]. 19 January 2024. <http://opinion.people.com.cn/n1/2024/0119/c1003-40162081.html>.

¹³ Chao, Arden. “Why China treats lying flat as a national security threat”. The Diplomat, 1 May 2026. <https://thediplomat.com/2026/05/why-china-treats-lying-flat-as-a-national-security-threat/>.

¹⁴ Nonetheless, they increasingly resonate with comments by e.g. German chancellor Merz that Germans should be less “lazy”. See Politico. “Merz calls on Germans to work more — and draws a withering backlash”. 12 February 2026. <https://www.politico.eu/article/friedrich-merz-calls-on-germans-to-work-more-and-sparks-a-fierce-backlash/>.

While Chinese policies, therefore, scarcely refer to “public values” in their European understanding, they are acutely aware that digital technologies must be guided by normative frameworks. This is most clear in the realm of online content. In 2019, for instance, China’s president Xi Jinping called for using these “mainstream values” to “steer algorithms”.¹⁵ Legal clauses to promote mainstream values in digital technologies have since been integrated in policies on online content management,¹⁶ recommendation algorithms,¹⁷ and the metaverse.¹⁸ People’s Daily, the Party’s mouthpiece, has even developed a “mainstream value corpus” that companies can obtain for the training of generative AI.¹⁹ In this sense, China, more like the EU than the US, recognises that political intervention in digital technologies is necessary, even though it does so in rather different ways.

Despite these deep ideological differences, there sometimes is remarkable convergence in the digital realm, where elements of these official “mainstream values” resonate with public values in Europe. China’s government’s socially conservative values regarding digital technology often involve concerns about addiction, digital exclusion, adult or harmful content, and personal information protection. In these domains, China’s regulatory stance is often as strict as those in Europe or its member states. Sometimes, it even pioneers issues that in the EU remain limited to initial proposals or the actions of individual member states. Table 1 provides an overview. Perhaps as a result, Chinese state media often report positively on the EU’s digital policies, not least in the field of AI.²⁰

Table 1. *Examples of value convergence between Europe and China in governance of digital technologies.*

Field	Public Value	Europe	China
Use of social media by minors	Privacy and human dignity	National proposals for bans on social media use for minors. In 2026, France became the first country to ban social	Required minor modes for digital platforms, which often include time limits like a maximum of 40

¹⁵ Qiushi Magazine. “用主流价值导向驾驭算法 [Use mainstream values to steer algorithms]”. 2 August 2019. https://www.qstheory.cn/llwx/2019-08/02/c_1124828143.htm.

¹⁶ Cyberspace Administration of China. “Provisions on the Governance of the Online Information Content Ecosystem”. Translated by China Law Translate. 15 December 2019. <https://www.chinalawtranslate.com/en/provisions-on-the-governance-of-the-online-information-content-ecosystem/>.

¹⁷ Cyberspace Administration of China. “Provisions on the Management of Algorithmic Recommendations in Internet Information Services”. Translated by China Law Translate. 31 December 2021. <https://www.chinalawtranslate.com/en/algorithms/>.

¹⁸ Ministry of Industry and Information Technology et al. “元宇宙产业创新发展三年行动计划（2023—2025年） [3-year action plan for the development of the metaverse industry (2023-2025)]”. 8 September 2023. https://zwgk.mct.gov.cn/zfxgkml/kjy/202309/t20230909_947131.html.

¹⁹ People’s Daily. 主流价值语料库 [Mainstream value language corpus]. 10 October 2025. https://www.nda.gov.cn/sjj/ywpd/szkjycss/1010/20251010194819410103044_pc.html.

²⁰ Xinhua News. “Interview: China, EU essential partners to each other’s AI strategy”. 27 May 2018. https://www.xinhuanet.com/english/2018-05/27/c_137210244.htm; Xinhua News. “EU to simplify AI rules to boost innovation”. 8 May 2026. <https://peoplesdaily.pdnews.cn/world/er/30052081080>.

		media for minors under-15s. ²¹	minutes per day on short video apps. ²²
Countering digital addiction	Autonomy and human dignity	No specific anti-addiction legislation at EU-level yet, but requirements for very large online platforms to prevent “serious negative consequences” for physical and mental well-being. ²³	Blanket ban on functions that might induce addiction, such as rewards for logging in each day. ²⁴
Gaming and livestreaming	Autonomy and human dignity	EU-level resolutions warning of loot boxes and virtual currencies, but no binding legislation yet. ²⁵ Some individual member states like Belgium have outlawed loot boxes.	Bans on lootboxes and tipping for minors, restrictions on total play time for minors: only permitted from 8-9pm on Fridays through Sundays. ²⁶
Digital identification and traceability	Privacy	Proposals at EU-level for a Digital Identity Wallet.	Requirement to register for all online services using a phone number, which is tied to the real identity of the owner. Voluntary application of digital ID system from 2025. ²⁷
Algorithmic recommendation systems	Autonomy and equal treatment	Required functionality for modifying digital recommendation systems. Prohibitions	Required options for opt-outs of algorithmic recommendation service, and prohibition

²¹ The Guardian. “France becomes first EU country to ban social media access for under-15s”. 21 July 2026. <https://www.theguardian.com/world/2026/jul/21/france-ban-social-media-access-under-15s>.

²² State Council. “Regulations on the Protection of Minors Online”. Translated by China Law Translate. 16 October 2026, article 20. <https://www.chinalawtranslate.com/en/online-protection-of-minors/>.

²³ Digital Services Act of the European Union, article 31.

²⁴ State Council. “Regulations on the Protection of Minors Online”, article 42; National Press and Publicity Administration. “Measures for the Management of Online Games (Draft)”. Translated by China Law Translate. 22 December 2023, article 18. <https://www.chinalawtranslate.com/en/19889-2/>.

²⁵ European Parliament. “Resolution on Consumer Protection in Online Video Games”. 18 January 2023. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj:JOC_2023_214_R_0004.

²⁶ National Press and Publicity Administration. “Measures for the Management of Online Games (Draft)”, article 39.

²⁷ Ministry of Public Security et al. “Measures on the Management of the National Online Identity Authentication Public Service”. Translated by China Law Translate. 23 May 2025. <https://www.chinalawtranslate.com/en/online-id-2/>.

		on profiling-based advertising directed at minors. ²⁸	on price discrimination based on consumers' preferences and transaction habits. ²⁹
Digital consumer protection	Equal treatment	Bans on gatekeeping platforms treating third-party content less favourably than those on the gatekeeper platform. ³⁰	Prohibitions on restrictions on platform rules, technical means, data, and algorithms that restrict market competition, such as measures that prevent linking to other platforms. ³¹

Because of this alignment, China has sometimes even used the EU as an inspiration. China's *Personal Information Protection Law*, promulgated in 2021, was substantially modelled upon the European *General Data Protection Regulation*, albeit adapted to put more restrictions on commercial use of personal data than on the government's.³² As more European governments consider banning social media for minors, so does China strictly limit access to online games for minors and implement strict guidelines for 'minor modes' on online platforms. In newer domains, China increasingly finds itself at the frontier of value-oriented regulation of digital technologies, developing approaches not found elsewhere. As discussed in Chapter 3, for instance, China is taking the lead in regulating emotional and psychological attachment in AI services.³³

Similarly, in the economic realm, Beijing strives to balance the pursuit of corporate profits with other concerns, such as data protection and fair market competition, as well as national goals such as strategic autonomy and self-sufficiency. This approach to market governance again aligns more closely to the EU than the US. A series of regulatory interventions in the platform sector, taken in 2021 and 2022, clearly intended to rebalance the relationship between large platform companies on the one hand, and users as well as on-platform merchants on the other.

²⁸ Digital Services Act of the European Union, articles 27-28.

²⁹ Cyberspace Administration of China. "Provisions on the Management of Algorithmic Recommendations in Internet Information Services", articles 17 and 21.

³⁰ Digital Markets Act of the European Union.

³¹ Anti-monopoly Commission of the State Council. "关于平台经济领域的反垄断指南 [Anti-Monopoly Guidelines on the Platform Economy]". 7 February 2021, article 7. <https://fgw.sh.gov.cn/cmsres/ac/ac2ce8133e8442809136c66c9b24afb8/c4b2729516db0c1521e41a5ed6c478f0.pdf>.

³² Li, Wenlong and Jiahong Chen. "From brussels effect to gravity assists: Understanding the evolution of the GDPR-inspired personal information protection law in China". *Computer Law & Security Review*; Lee, Alexa. "Personal Data, Global Effects: China's Draft Privacy Law in the International Context". *DigiChina*, 4 January 2021. <https://digichina.stanford.edu/work/personal-data-global-effects-chinas-draft-privacy-law-in-the-international-context/>.

³³ Daum, Jeremy. "The Friends We've Made: An Initial Breakdown of Draft Rules for Human-like AI". *China Law Translate*, 28 December 2025. <https://www.chinalawtranslate.com/en/friends-we-made/>; Singer, Scott and Matt Sheehan. "China Is Worried About AI Companions. Here's What It's Doing About Them". *Carnegie*, 26 February 2026. <https://carnegieendowment.org/research/2026/02/china-is-worried-about-ai-companions-heres-what-its-doing-about-them>.

Abusive pricing practices and monopolistic acts were curbed, and mutual interoperability between platforms became mandated.³⁴

1.3 How corporate and state values interact

The Chinese state maintains various forms of more and less formal control over firms. Apart from regulatory interventions, the CCP requires every company to establish a Party Group, and the top leaders of many – if not all – major tech firms are Party members. They are also given honorary positions on government advisory bodies. In some cases, the state has acquired “Golden Shares” in key companies that give it a seat on the board and insight into corporate processes.³⁵ These measures are not merely about control and also serve real regulatory functions, such as to improve oversight and insight into crucial sectors, as may be informed by the lessons from the 2007 Global Financial Crisis. Even without such formal ties, many firms derive the vast majority of their revenue from the domestic market, and have their staff and assets located in China, giving the state a significant degree of *de facto* control. For China’s leadership, the overarching goal is to ensure that companies act in line with abstractly-defined state goals. Interpretation of these goals is often flexible and negotiable.

Still, the actual degree of influence of the Chinese authorities on digital technology firms – the vast majority of which are private firms – varies much more than the above suggests. In some cases, integration of the Party in companies is merely symbolic, acting as little more than a formalistic checkbox exercise.³⁶ Companies have agency in their interpretation of state decrees and regularly challenge them, as happened in cases ranging from the Social Credit System³⁷ to the regulation of Generative AI.³⁸ Moreover, the Chinese state is also highly reliant on private companies themselves to deliver on economic growth, as well as to provide digital goods and services to the government like smart city projects. This means that important companies often receive preferential treatment from authorities, such as by turning a blind eye to noncritical acts of noncompliance.³⁹

As a result, companies and the state do not function hand-in-glove, and there are regular tensions between the perceptions, values and interests on both sides. Like companies elsewhere in the world, Chinese firms are primarily interested in turning profits. In the ruthlessly competitive Chinese markets, they resorted to any means necessary to survive, including dubious data protection practices and anti-competitive behaviour.⁴⁰ Entrepreneurs pursue wealth through stock market listings, often on the US market. However, high-profile initial public

³⁴ Creemers, Rogier. “The Great Rectification: A New Paradigm for China’s Online Platform Economy”. 10 January 2023. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4320952/.

³⁵ Wu, Angela Xiao. “Golden shares in Chinese platforms: The state as news licensor and minority shareholder”. Platforms & Society, 2025.

³⁶ Brødsgaard, Kjeld Erik and Kasper Ingeman Beck. “The Party in Chinese Private Business”. Journal of Current Chinese Affairs, 2026.

³⁷ Financial Times. “Alibaba and Tencent refuse to hand loans data to Beijing”.

³⁸ Specifically, a regulatory U-turn occurred on generative AI that was largely triggered by corporate concerns surrounding overregulation harming competitiveness. See Brussee, Vincent. “Public Consultation and Policy Change in China’s Cyber Governance”. Journal of Contemporary China, 2026.

³⁹ Stockmann, Daniela and Ting Luo. “Governing Digital China”. Cambridge University Press, 2025.

⁴⁰ Lee, Kai-Fu. “AI superpowers: China, Silicon Valley, and the new world order”. Harper Business, 2018.

offerings (IPOs) have resulted in significant conflict in at least two cases. Ant Group's IPO was suspended as the Chinese government ramped up regulation of fintech activities. Didi continued its IPO after authorities cautioned the firm not to, in relation to data security concerns. In response, CAC launched a major cybersecurity review, resulting in a 8 billion RMB fine.⁴¹ Recently, the National Development and Reform Commission ordered Meta's acquisition of Manus to be unwound. Although it did not initially give a reason for this move, it was widely considered as an ostensible effort to prevent Chinese AI capabilities from being sold to US interests.⁴²

1.4 Societal engagement with and contestation of state values

As with the relations between state and business, there is no clear alignment of the values espoused by the Party-State with those of ordinary Chinese citizens. There is, however, clear interaction, where state authorities may need to respond to public pressure to remedy new tech-enabled abuses, faces pushback against censorship and surveillance practices, seeks to mobilize public support for its techno-industrial policy, or must accommodate emerging digital business models, cultural expressions and lifestyles.

By and large, Chinese citizens are positive and optimistic about the impact of technology.⁴³ New apps and functionalities are rapidly adopted, as evidenced by the near-universality of digital payment tools, but also the rapid spread of AI tools such as OpenClaw (see Chapter 3). This builds on historical experience: many Chinese individuals have become used to a rapid change of technological pace and economic circumstances. It is also a product of an environment in which technological advance is portrayed as necessary for self-protection and national glory. That does not mean, however, Chinese citizens have not voiced concerns that were adopted by government. Behind the enthusiasm to adopt new technologies also lies a profound sense of precarity: citizens find technologies as a whole useful to society but worry about their impact on individual lives.⁴⁴ The Personal Information Protection Law, discussed below, is partly the result of increasing complaints from users about privacy, platforms' dubious data collection and processing practices. Similarly, rules restricting online gaming for minors or requiring functionality adaptations for the elderly respond to social demands. As discussed in Chapter 3, the government is sending signals it will attempt to mitigate the impact of AI on employment and workers' rights. Courts have already ruled that workers cannot be sacked because AI could do their job.⁴⁵

In these cases, the government can respond positively to social demands. There are, however, also causes for contestation. In China, too, technological diffusion has stimulated growing

⁴¹ Creemers, Rogier. "The Great Rectification: A New Paradigm for China's Online Platform Economy".

⁴² Reuters. "China orders Meta to unwind \$2 billion purchase of AI startup Manus". 27 April 2026.
<https://www.reuters.com/world/asia-pacific/china-blocks-foreign-acquisition-ai-startup-manus-2026-04-27/>.

⁴³ Stanford University Human-Centred Artificial Intelligence. "AI index report 2026", chapter 9.
https://hai.stanford.edu/assets/files/ai_index_report_2026.pdf.

⁴⁴ Qian, Zilan. "China's AI optimism isn't what it seems". ChinaTalk, 22 May 2026.
<https://www.chinatalk.media/p/chinas-ai-optimism-isnt-what-it-seems>.

⁴⁵ The Guardian. "Chinese court awards compensation to sacked worker replaced by AI". 13 May 2026.
<https://www.theguardian.com/world/2026/may/13/china-court-awards-compensation-sacked-worker-replaced-by-ai>.

awareness of the politics of gender, identity and sexuality, but these are not claims conducive to official support. This threatens values like equal treatment of genders and sexual orientations. Sometimes, there is pushback against government intervention in the digital realm, evidenced by the – often very creative – ways in which users seek to circumvent censorship rules, or have protested against the introduction of a digital ID system. During the Covid-19 pandemic, widespread concern about the abuse of digital health codes led the government to eventually terminate the system and delete all underlying data⁴⁶ – despite Western fears that the government would make the surveillance capacities permanent.

1.5 Conclusion

In sum, although China and the EU differ on a fundamental level, there is much more convergence in the two sides' approaches to digital technologies than meets the eye. The fundamental difference is that rights and liberties in China are seen as conditional to their alignment with the goals of authorities. This is a critical opposition to European public values. Yet, the two sides align on specific concerns related to the impact of digital technologies, ranging from the protection of vulnerable groups like minors and the elderly to consumer protection against powerful digital platforms. In some of these fields, China is a pioneer regulator, no longer following the EU's lead but developing the strictest and most innovative measures to combat big tech's negative impacts. There, China could even be a case that the EU could learn from.

Although China's authorities have an immense degree of influence over companies and individuals, this control is far from absolute. Both companies and citizens retain a substantial degree of agency in how they interpret or even challenge state directives, not least because the state is also reliant on the development and expertise brought by tech firms. Nonetheless, the Chinese state has shown that it is sometimes willing to sacrifice the business models of firms where these directly contradict their stated values. Therefore, the state's influence over firms is neither absolute nor negligible. Foreign governments should rightly be suspicious of this influence, yet might also be careful to not turn this suspicion into a one-size-fits-all and absolutist level of distrust.

⁴⁶ Koetse, Manya. ““Goodbye, Health Code”: Chinese Netizens Say Farewell to the Green Horse”. WhatsonWeibo, 8 December 2022. <https://www.whatsonweibo.com/goodbye-health-code-chinese-netizens-say-farewell-to-the-green-horse/>; Sixth Tone. “Citing Privacy, Wuxi Deletes 1 Billion Pieces of COVID-19 Data”. 3 March 2023. <https://www.sixthtone.com/news/1012404>.

2. Government Use and Regulation of Digital Technologies

Arguably more than anywhere in the world, the Chinese government is the central player in shaping and steering the development and adoption of digital technologies. It does so in two major ways. The first is its thorough regulation of the digital sphere, including content control, data protection, platform governance and cybersecurity legislation. The second is as a major tech user, in areas such as infrastructure and smart city governance, but also surveillance tools. After a brief introduction to China's mode of digital governance, this Chapter addresses both in turn.

2.1 Introduction to China's digital governance

China's digital governance model is structured around two – not always compatible – priorities: informatisation and cybersecurity. The former refers to the widespread diffusion of digital technologies in all major areas of socio-economic life and government functioning, the latter is understood more broadly in China as managing the broad spectrum of risks technology generates.

Informatisation reflects a highly technocratic, almost utopian view of how digital technology can transform all aspects of development. From its early beginnings in the 1990s, with basic projects to replace paper bureaucracy in areas like customs and policing with digital tools, its core assumption has been that greater use of ICTs generates new sources of economic growth, greater quality of life, increased state capacity, and tech-enabled solutions to all social-economic challenges.

By and large, “informatisation” is often highly decentralised, as it inevitably involves many actors.⁴⁷ The roll-out of government data exchanges, compute infrastructure for AI development and techno-industrial policy, for instance, all require coordination between the centre, large telecommunications firms, as well as local governments. In some areas, fierce competition rages between local governments, who act a little like Silicon Valley's venture capitalists.⁴⁸ They strive to gain traction in some promising sector to cultivate the next national champion that can drive future regional growth.

Cybersecurity, on the other hand, refers to the prevention of risks. China's definition of cybersecurity contrasts with European views which primarily concern hacking and other forms of unauthorised intrusion. Rather, China's cybersecurity strategy primarily focuses on the sorts of harm that can be inflicted on social, economic and political interests, regardless of whether this involves hacking. Unsurprisingly, information control thus takes a central role, as the

⁴⁷ Over 86% of China's fiscal expenditure occurs at local levels (as of 2025), which gives local governments broad discretion to invest in future industries as long as they do not openly contradict (often broad and ambiguous) central decrees.

⁴⁸ Wang, Afra. “China OS vs. America OS (2026 version)”. 31 March 2026. <https://afraw.substack.com/p/china-os-vs-america-os-2026-version>.

production or diffusion of harmful content could – in Beijing’s view – erode the Party’s authority, cause economic panics, or lead minors to addiction.⁴⁹ Incitement to or defence of “separatism”, too, is a concern, particularly in relation to Xinjiang, Tibet and Taiwan. However, there are wider concerns, including cyberterrorism and cybercrime, as well as theft of personal data or intellectual property. Beijing’s primary response is “cybersovereignty”: the right and capability of national governments to retain supreme authority within their territories.

In contrast to informatisation, security is the realm of highly centralised digital *regulation*, usually led by the extremely opaque Cyberspace Administration of China (CAC).⁵⁰ Its regulatory approach differs substantially from that of the EU. The EU relies on comprehensive, ex ante legislation through consensus-driven processes, followed by administrative enforcement and subsequent jurisprudence by the Court of Justice of the European Union. China, by contrast, adopts a more iterative, patchwork approach. Rather than a single overarching statute, specific regulators issue targeted, sequential interventions addressing specific domains, such as separate rules for recommendation algorithms, deepfakes, or generative AI.

Although the regulation is highly centralised, it often leaves extensive space for local discretion, innovation, and experimentation in implementation, especially in spaces on which no regulation has been imposed yet. Overarching legislative frameworks only emerge later, to consolidate existing regulatory efforts, provide clear political signalling, priorities and administrative mandates, and to enable stricter punishment standards than administrative bodies can do on their own.

This is particularly explicit in the regulation of AI, where Beijing has adopted a “small, fast and flexible” approach. Under this approach, rules are targeted to specific areas of AI application, emerge quickly to provide a degree of legal certainty to businesses, and can be easily revised to take into account technological or socio-economic developments⁵¹. This takes place in multi-stakeholder venues such as TC260’s Working Group 9. This Working Group brings together representatives from hundreds of companies in the AI industry in a state-guided forum to explore models for AI standards and regulations⁵². In this respect, it borrows from earlier approaches, such as the tiered, risk-based models used in data protection and cybersecurity regulation discussed below.

On its own terms, this model has advantages and disadvantages. It is flexible and can respond agilely to changing circumstances and technological innovations. For example, it only took the CAC 132 days from the introduction of OpenAI’s ChatGPT to publish a draft regulation on generative AI, which was finalized just 64 days later despite profound changes following public

⁴⁹ Creemers, Rogier. “The Chinese Conception of Cybersecurity: A Conceptual, Institutional, and Regulatory Genealogy”. *Journal of Contemporary China*, 2024.

⁵⁰ Horsley, Jamie and Rogier Creemers. “The Cyberspace Administration of China: A Portrait”. In Creemers, Rogier, Straton Papagiannenas, and Adam Knight, “The Emergence of China’s Smart State”. Rowman & Littlefield, 2023.

⁵¹ Sheehan, Matt. “Trump’s AI Order Won’t Stymie U.S. Competition with China”. *Carnegie Endowment for International Peace*. 3 June 2026. <https://carnegieendowment.org/emissary/2026/06/trump-ai-order-china-competition>.

⁵² TC260. 人工智能安全标准工作组（WG9）2026年第二次全体成员会议在上海召开 [AI Security Work Group (WG9) 2nd Plenary Meeting in 2026 Convened in Shanghai]. 15 May 2026. <https://www.tc260.org.cn/portal/article/1/dd991f9781d64096afd06d232083cf14>.

consultations.⁵³ Such targeted regulatory interventions are often short yet focused, with the final text only spanning 4 pages in translation compared to the EU AI Act's 144.

On the other hand, informatisation and cybersecurity are often at loggerheads, leading to policy oscillations and bureaucratic tugs-of-war. In 2024, authorities effectively overturned data export regulations from just two years prior because they were too restrictive, even as external stakeholders had already warned about years prior. Beijing clearly is not afraid to cause economic damage to private actors if government objectives require so: the regulatory campaign targeting the platform sector between 2020 and 2022 wiped over a trillion USD from the combined market capitalization of its big tech firms. The heavy hand of state intervention has also impeded, amongst others, the internationalisation of Chinese businesses, such as when significant distrust about Chinese government intentions has led to bans on Huawei 5G telecommunications infrastructure in Western markets from the late 2010s onward.

2.2 China's regulatory approach for digital technology

In regulatory terms, Beijing's efforts to regulate online services can be divided into four main targets: content, data, cybersecurity, and platforms. The following sections will address each of these three, highlighting Beijing's overall goals, concerns, tools and approaches.

2.2.1 Content moderation

Content moderation is arguably the best-known element of Chinese digital regulation. Content control is exercised by the Cyberspace Administration of China, which supervises private companies for compliance with censorship requirements and itself launches annual campaigns to maintain pressure on social media companies' moderation operations.

The primary risk that censorship authorities seek to prevent is the erosion of the authority and integrity of the Party-state. To that extent, directly political content, particularly if it may trigger social organisation or mobilisation, is the most sensitive. Nonetheless, categories for content moderation and their appropriate responses are broad, including content "harming the nation's honours", "destroying national unity", "denying the deeds of heroes and martyrs", "content undermining the nation's policy on religions", "dissemination of rumours" (a euphemism for any information not officially confirmed by the authorities), and much more.⁵⁴ Still, authorities perhaps pay most attention to the *impact* of the content. For instance, regulators classify livestreamers according to the risks posed by their content category *and* scale of users, the judicial threshold for online defamation is set by a minimum audience size of 5000 clicks or 500 reposts,⁵⁵ and key opinion leaders tend to be subject to regular "tea visits" from state

⁵³ Brussee, Vincent. "Public Consultation and Policy Change in China's Cyber Governance".

⁵⁴ Cyberspace Administration of China. "Provisions on the Governance of the Online Information Content Ecosystem".

⁵⁵ Supreme People's Court and Supreme People's Procuratorate. "Interpretation on Several Issues Regarding the Applicable Law in Cases of Using Information Networks to Commit Defamation and Other Such Crimes". Translated by China Law Translate, 6 September 2013. <https://www.chinalawtranslate.com/en/spc-and-spp-interpretation-on-internet-speech-crimes/>.

watchdogs.⁵⁶

As a highly paternalist state (see Chapter 1), authorities are also constantly monitoring online media trends, countering those they deem to be harmful, particularly to minors. A few years ago, for instance, media authorities denounced “sissy boys” (K-pop-influenced pop idols who embrace an androgynous form of self-presentation) as insufficiently masculine men espousing “abnormal aesthetics”. Pornography is strictly prohibited, as is most violent content.

The above content is deemed illegal, but policies and regulations also identify negative and encouraged content. Negative content includes content that is not strictly illegal and includes “exaggerated titles”, “scandals”, and “sexual innuendo”. Individual users cannot be prosecuted for spreading this content, but platforms have additional responsibilities to “prevent and resist” the transmission of this information. Finally, encouraged content includes content “showcasing effective responses to social concerns”, “teaching style, taste, and responsibility”, and “presenting highlights in economic and social development”. Platforms are encouraged to embed these norms in their digital technologies, including through pop-up windows, pinned content in trending feeds, recommendation algorithms, and more.⁵⁹

The result of this legal framework is a complex, repressive, and multi-layered system of responsibilities that (in theory) leaves little to chance. This system does not work perfectly, and it would not be difficult to find online content in China that central authorities would frown upon. However, it seemingly works well enough to ensure that the CCP retains the dominant voice in public discourse – a primary objective. Text box 1 below shows the main tools and approaches to realize this.

Importantly, these norms only apply to services offered *within* the People’s Republic of China (PRC), not to platforms like TikTok that do not serve PRC users. Platforms that are accessible to both PRC and non-PRC users, such as WeChat and Xiaohongshu/Rednote, usually address this by making specific content *invisible* for PRC-based users (typically identified by whether or not a Chinese +86-phone number extension was used during registration) but do not outright delete the content for international users.⁶⁰ Still, this does require training content moderation algorithms for PRC-users on the content and data of international users.⁶¹ Moreover, Chinese platforms that newly open-up operations abroad sometimes “inherit” their governance mechanisms from the Chinese market, making little to no adjustments to save costs. This happened with TikTok, which until 2020 used a largely unchanged version of terms of service from its Chinese counterpart Douyin for its global operations.⁶² In these cases, norms and

⁵⁶ Gallagher, Mary and Blake Miller. “Who Not What: The Logic of China’s Information Control Strategy”. The China Quarterly 248, 2021.

⁵⁹ Cyberspace Administration of China. “Provisions on the Governance of the Online Information Content Ecosystem”.

⁶⁰ E.g., Yang, Zeyi. “Rednote Draws a Line between China and the World”. Wired, 23 April 2026. <https://www.wired.com/story/rednote-draws-a-line-between-china-and-the-world/>.

⁶¹ Knockel, Jeffrey et al. “We Chat, They Watch: How International Users Unwittingly Build up WeChat’s Chinese Censorship Apparatus”. The Citizen Lab, 7 May 2020. <https://citizenlab.ca/research/we-chat-they-watch/>.

⁶² The Guardian. “Revealed: how TikTok censors videos that do not please Beijing”. 25 September 2019. <https://www.theguardian.com/technology/2019/sep/25/revealed-how-tiktok-censors-videos-that-do-not-please-beijing>.

values embedded in the PRC ecosystem could spill-over to other jurisdictions even in absence of specific requirements.

Text box 1. *China's main tools for content governance.*

China's system for content governance has three distinguishing tools and approaches: the "primary entity responsibility system", vagueness, and identifiability.

1: The primary entity responsibility system imposes legal liability on each unique actor in a digital ecosystem for the compliance of content within their digital environments. This system resembles a Matryoshka Doll: an app store is responsible for compliance of all apps that it hosts, an app is responsible for the content that it hosts, a group chat moderator is responsible for the content in that group, and an individual is responsible for their own content.

2: Strategic vagueness means that many types of "illegal" or "undesired" content are legally ill-defined, if defined at all, which allows them to be used as a catch-all clause for anything authorities deem undesirable. This vagueness is intentional: the Chinese system focuses on outcomes, after all, not on process. Moreover, vagueness also triggers risk aversion: individuals are less likely to "hit line balls", intentionally testing the boundaries of the permissible, if it is not clear where the line is.

3: Identifiability ensures that all digital actors are legible. Chinese authorities have gone to great lengths to ensure they are able to gain visibility of all online actors. For example, regulations require that all online account-based service providers institute real-name registration: users are only permitted to have a social media, ecommerce or online payment account if they submit verifiable identity information. While individuals are still permitted to use anonymous nicknames or handles in their public-facing activities, platforms must always be able to identify them and provide such detail to authorities when necessary.

2.2.2 Data protection

Data regulation is a prime illustration of the juxtaposition between informatisation and cybersecurity concerns (Section 2.1). On the one hand, Beijing sees data as critical for future economic growth. In 2019, the CCP's Central Committee formally designated data as a fifth factor of production, alongside land, labour, capital, and technology.⁶³ The implication is that data must be able to flow to the actors that can most productively make use of the resource, and cannot be monopolised, walled in, or gatekept. In a sense, it aligns with the typical Silicon Valley-view that sees data as the "new oil", even when the specific ICTs often remain unproven. Since then, significant resources have been devoted to establishing data markets and other policies to "mine" its economic potential.

⁶³ Central Committee of the Chinese Communist Party. "关于坚持和完善中国特色社会主义制度推进国家治理体系和治理能力现代化若干重大问题的决定 [Decision on Several Questions Regarding Adhering to and Perfecting the System of Socialism with Chinese Characteristics to Promote the National Governance System and the Modernization of Governance Power]". 5 November 2019. https://www.xinhuanet.com/politics/2019-11/05/c_1125195786.htm.

At the same time, Beijing has set up a two-pillared framework for data protection. On the one hand, the Personal Information Protection Law and its ancillary regulations establish rules to protect individuals from harm arising from improper data collection, processing and use. It has been influenced by Europe's GDPR. On the other hand, the Data Security Law - which has no similar counterpart among major jurisdictions anywhere in the world - intends to protect national security and the public interest from improper use of any kind of data. In both cases, strict restrictions are applied to data export for both economic reasons and security considerations.

2.2.2.1 Personal information protection

The Personal Information Protection Law (PIPL), passed in 2021, emerged from a series of value-based concerns about the abuse of personal data. Although Chinese law does not have a meaningful fundamental right of privacy like the EU, rapid digitization created growing pressures to give users a greater degree of control over their personal data, and to counter improper and anti-competitive use of data by tech firms. In addition, the PIPL also served to quash the emergence of black markets in personal information, as well as data-related infractions by government officials. As an example of the Brussels effect, Chinese legislative drafters took quite some inspiration from the EU's GDPR, albeit with adaptations for the Chinese environment such as a relatively wide discretion for data access by police and security bodies. Consequently, Chinese individuals' data is being increasingly well protected against corporate infringement as well as wrongdoing by individual state officials, but not against the state *per se*. The PIPL also highlights the divergence between China and Europe on the connection between privacy and data. Where the European GDPR is drafted as a tool to realise a fundamental right to privacy, the PIPL explicitly separates itself from the term. In Chinese law, privacy only occurs in the Civil Code section protecting individuals' private lives, homes and information. This covers, for instance, information they wish not to be known by others, observing private activities, and intrusion or trespassing into private spaces. These provisions are, in principle, only enforceable against other private actors and do not constitute a right similar to a constitutional protection in the EU.

2.2.2.2 Data security

The Data Security Law, also passed in 2021, reflects a growing awareness of the need to protect China from the harmful use of all kinds of data. Specifically, the DSL establishes three categories of data, ordinary, important and national core data, and connects increasing security protection requirements and reporting duties to them. However, the designation of specific data into these categories, assigned to all individual ministries, has been slow and the DSL had had little actual, consistent impact in practice at the time of writing. . However, the existence of the DSL demonstrates the value Chinese leaders place on retaining control and securitising digital processes.

2.2.2.3 Data export

One particular area where commercial and security concerns coincide is data export. On the basis of mandates present within both the PIPL and the DSL, Chinese authorities introduced security review processes both for exporting large quantities of personal information and "important data". This created bureaucratic issues, particularly as the term "important data"

remains undefined, and regulators were not prepared for the large amounts of applications they had to process. Consequently, these rules were simplified and streamlined, and the “important data” requirement was provisionally suspended⁶⁴. However, they underline the priority Beijing places on the notion of sovereignty in the digital sphere, and the key motivations for this stance. On the one hand, Chinese authorities are perennially concerned about efforts by “foreign hostile powers” to undermine the authority of the CCP-led regime, and the ways in which access to Chinese data could facilitate intelligence-gathering and subversion. On the other hand, if data is going to be a critical resource in future industries, China would prefer retaining it within its own control, to support the development of higher value-added industries at home, rather than abroad.

2.2.2.4 Data markets

If data is going to be an economic resource, Beijing believes it should both be tradable and appropriately regulated. Under the newly established National Data Administration (2023), Chinese authorities are exploring appropriate regulatory framework for data pricing, transactions, and ownership. Local governments have established data exchanges and trading platforms. Industry or region-specific “trusted data spaces” have emerged, to provide support for data sharing between enterprises and local governments in a secure and legally compliant environment. Initiatives are under way to make government-held data accessible to commercial parties, subject to security requirements where necessary, for use in innovative products and services.

2.2.3 Platform governance

Although content censorship usually draws the most attention, China’s governance of digital platforms extends far beyond it. Chinese authorities are increasingly developing one of the world’s most assertive and innovative regulatory regimes for digital safety, concerning issues like countering digital addiction, protection of minors, elderly-friendly digital environments, labour conditions for gig economy workers and delivery drivers, breaking up digital monopolies, and algorithmic fairness. As noted in Section 1.3, authorities are not afraid of effectively outlawing business models that do not contribute to its broader agenda, including the sometimes-severe economic cost associated with it.

Many of these regulatory interventions are informed by public values and driven by genuine concerns over safety, not political control. Table 2 below presents a non-exhaustive of recent regulatory interventions targeting platforms. Although many documents do also address factors that strengthen the CCP’s monopoly on power, they simultaneously address genuine issues voiced by Chinese citizens. In areas where the authorities’ policy preferences are not already set in stone, extensive stakeholder and public consultations even help inform some of these interventions.⁶⁵ Moreover, regulations often follow each other in short succession as new developments emerge.

⁶⁴ Greenberg Traurig. “China Relaxes Requirements for Cross-Border Data Transfers”. 29 March 2024. <https://www.gtlaw.com/en/insights/2024/3/china-relaxes-requirements-for-cross-border-data-transfers>.

⁶⁵ Brussee, Vincent. “Public Consultation and Policy Change in China’s Cyber Governance”.

Table 2. *Overview of recent Chinese regulatory interventions targeting digital platforms.*

Year enacted	Document name	Main intervention/Innovation
2021	Provisions on the Management of Algorithmic Recommendations in Internet Information Services ⁶⁶	Establishes a mandatory Algorithm Registry that is used in all future algorithm-related regulations. Platform companies must register their algorithms with the Cyberspace Administration of China and conduct security assessments for compliance with content in these regulations.
2023	Interim Measures for the Management of Generative Artificial Intelligence Services ⁶⁷	Next to enforcing censorship of AI outputs, it also embeds measures to prevent discrimination, dissemination of harmful medical information, and more.
2023	Regulations on the Protection of Minors Online ⁶⁸	China's overarching framework for protecting minors online that serves as the base for all other targeted interventions. In particular, it requires platforms to develop special minor modes and develop special tools to protect minors online.
2025	Internet Platform Price Behaviour Rules ⁶⁹	Likely the world's most detailed legislation on pricing in digital marketplaces. Governs platform firms' capacity to restrict pricing autonomy of individual vendors on the platform, outlaws dark patterns in pricing, prohibits selling below market price, and more.
2026	Measures for the Supervision and Administration of Live Streaming E-commerce ⁷⁰	Among others, requires commercial live streamers to attend training on e-commerce laws and differentiates responsibilities by audience size. Develops extensive complaint and appeal procedures.
2026	Measures for the Classification of Internet Information That May	Defines specific content that is deemed harmful to minors and that platforms must restrict, such as by removing the content or displaying conspicuous labels. Also focuses on instilling the right mores for minors.

⁶⁶ Cyberspace Administration of China. "Provisions on the Management of Algorithmic Recommendations in Internet Information Services".

⁶⁷ Cyberspace Administration of China et al. "Interim Measures for the Management of Generative Artificial Intelligence Services". Translated by China Law Translate, 10 July 2023. <https://www.chinalawtranslate.com/en/generative-ai-interim/>.

⁶⁸ State Council. "Regulations on the Protection of Minors Online".

⁶⁹ State Administration for Market Regulation. "Guidelines on the Compliance Pricing for Online Commerce Platforms". 31 July 2025. <https://policy.mofcom.gov.cn/claw/clawContent.shtml?id=103536>.

⁷⁰ State Administration for Market Regulation and Cyberspace Administration of China. "直播电商监督管理办法 [Measures for the Supervision and Administration of Live Streaming E-commerce]." 18 December 2025. https://www.cac.gov.cn/2026-01/07/c_1769516655383334.htm.

However, this is not to say that these regulatory interventions are without flaws. In one survey, 77 per cent of surveyed minors evaded gaming restrictions by registering accounts under different names. Alternatively, they bought accounts registered by adults on a black market, or used photos of older individuals to outsmart facial recognition software.⁷² In a different case, a since-deleted article published by a Chinese state outlet reported that some platforms automatically re-enabled algorithmic recommendations after software updates, despite regulations requiring users to be able to opt out. Finally, nearly 40 per cent of apps in a 2022 state-sponsored investigation did not include any specific features for older users, contradicting the regulatory intent.⁷³ Altogether, these cases show that although China is establishing one of the most ambitious and innovative regulatory regimes for platforms, it also faces many of the same challenges as the EU in enforcing these against companies whose incentives differ profoundly.

2.2.4 Cybersecurity

Chinese concerns about cybersecurity grew rapidly in the early 2010s. In addition to pre-existing concerns about the rapid influx of foreign content, Chinese authorities were suddenly confronted with a range of technical challenges. The Snowden revelations prominently demonstrated the extent to which U.S. intelligence services could use widely used applications and services for espionage and surveillance. Microsoft's discontinuation of security support for Windows XP - a system powering two thirds of computers in China at the time - showed how foreign private companies could drastically affect the cybersecurity landscape of the entire country at the stroke of a pen.

In response, China developed a set of cybersecurity policies and regulations reflecting the set of values and perceptions from which authorities derived their conceptualizations of risks and threats. Where Western governments usually defined cybersecurity in terms of unauthorized intrusion into networks and systems, China's cybersecurity policy adopted a more functional approach, highlighting the social, economic and political harms that could arise from the network, whether a hack had taken place or not⁷⁴. This included, amongst others, the dissemination of rumours and other "harmful and illegal" information. In addition, under the

⁷¹ Cyberspace Administration of China. "Measures for Categorizing Online Information that Might Impact Minors' Physical and Psychological Health". Translated by China Law Translate, 23 January 2026. <https://www.chinalawtranslate.com/en/not-suitable-for-minors-final/>.

⁷² Zhangshao, Tianyi, Ben Egliston, and Marcus Carter. "China restricted young people from video games. But kids are evading the bans and getting into trouble". The Conversation, 9 December 2024. <https://theconversation.com/china-restricted-young-people-from-video-games-but-kids-are-evading-the-bans-and-getting-into-trouble-245264>.

⁷³ Sixth Tone. "China's Consumer Watchdog Demands More Age-Friendly Apps". 9 December 2022. <https://www.sixthtone.com/news/1011863>.

⁷⁴ State Council Information Office. "国家网络空间安全战略[National Cyberspace Security Strategy]". 27 December 2016. Translated by Rogier Creemers. <https://chinacopyrightandmedia.wordpress.com/2016/12/27/national-cyberspace-security-strategy/>.

principle of cybersovereignty, Chinese authorities sought to develop a line of “secure and controllable” cybersecurity technologies. This referred to homegrown products, operated by businesses operating under Beijing’s jurisdictions and thus not beholden to foreign interests. The 2016 Cybersecurity Law⁷⁵ also incorporated “multi-level protection”, a tiered, hierarchical approach to network management. Under this requirement, networks were classified according to the degree of risk they could present to national security and the public interest, with critical networks requiring a greater degree of protection than less important ones.

In other words, the drive towards self-sufficiency and industrial policy for digital goods is, to a significant degree, a result of Chinese policymakers’ desire to ensure they have sufficient capabilities to resist harmful influences from abroad. China is not alone in this effort: the EU, too, has increasingly prioritized sovereignty and strategic autonomy in the digital realm. The main difference is what this sovereignty serves to protect: a digital sphere structured according to CCP values of sovereignty, political and social stability, and a significant degree of state intervention in China, or one upholding the fundamental rights the EU holds dear. Furthermore, the U.S. and many of its partners now reject the presence of Chinese telecommunications equipment for national security reasons just like China increasingly seeks to indigenize its own technology stack. With the rapid increase in capabilities of frontier AI models, these concerns about security and autonomy will continue to accelerate. In this area, Chinese authorities will not only closely monitor technical risks and hacks, but also the ability of AI models and agents to affect information flows within China and bypass traditional content control methods.

Text box 2. *From regulation to technology: China’s technological standardization.*

Technical standards in China are often used as quasi-regulations to transform higher level regulations into concrete norms for technological development. In the field of AI, 16 technological standards were published in the first 7 months of 2026 alone, and 56 since 2025. These standards are developed together with companies, but often led by a government or government-affiliated body like the State Administration for Market Regulation (SAMR) or the CAC-affiliated Technical Standardization Committee for Information Security (TC260). Although these standards are often voluntary, they become de-facto binding because government organs rely on them in public procurement or during supervision.

A standout example is the TC260 standard on training large language models (LLMs) for generative AI. Released in 2024, these standards (among others) require mandatory corpus reviews. For every corpus of data that developers wish to include in training their model, they must randomly sample 4,000 entries. Of these, at least 96% must comply with predefined standards, such as that corpus must not include discriminatory content or content that promotes overthrowing China’s socialist system. If the dataset fails this test, it cannot be used.

⁷⁵ National People’s Congress. “中华人民共和国网络安全法 [Cybersecurity Law of the People’s Republic of China]”. 7 November 2016. <https://perma.cc/7DQH-CY5Z>.

The standards also require “red teaming” of LLMs. Among others, developers must build a databank of previously-unseen questions designed to trigger harmful or illegal responses that the model must either refuse to answer or answer appropriately.

2.3 Embedding digital technologies in the public sector

Enhancing the Party-State’s “governance ability” and improving public services is a key element of Chinese digital policy. Its more “authoritarian” elements are well known. Cities are covered in surveillance cameras, often equipped with facial recognition technologies, that feed into police and security services’ systems as well as “grid management” practices. Here, cities are divided into small blocks, managed by “grid workers” who monitor the emergence of possible “problematic” situations, but also act as a first line of public service provision⁷⁶. In border regions, police aggregate DNA on virtually all adult male citizens⁷⁷ and in Xinjiang, authorities use systems like the Integrated Joint Operation Platform to track everything from how often and where citizens refuel their car to everyday behaviour like prayers.⁷⁸ In some cases, however, stubborn myths about Chinese governmental technologies persist. The Social Credit System, most notably, is often considered far more formidable than what it actually is in practice: a fragmented ecosystem of government initiatives to improve law enforcement and strengthen social trust.⁷⁹ Increasingly, government procurement is also part of China’s industrial policy: in 2026, the MIIT ordered state-owned enterprises to develop use cases and pilot projects for humanoid robots, creating an initial market for these products, as well as testing and training data to improve next-generation iterations⁸⁰.

The Chinese government’s focus on technology-driven modernisation has resulted, amongst others, in the digitization of channels for citizens to obtain public services. Many local governments have developed online portals from where individuals and businesses can access all public services⁸¹. With the advent of generative AI, local governments are experimenting with chatbots to augment human employees⁸². It has also incorporated developments from private industry: governmental “mini-apps” can be incorporated into the Tencent and Alibaba ecosystems, enabling interaction with and payment for government services from mobile

⁷⁶ Mittelstaedt, Jean Christopher. “The grid management system in contemporary China: Grass-roots governance in social surveillance and service provision.” *China Information* 36.1 (2022): 3-22.

⁷⁷ Dirks, Emile. “Mass DNA Collection in the Tibet Autonomous Region from 2016–2022”. The Citizen Lab, 13 September 2022. <https://citizenlab.ca/research/mass-dna-collection-in-the-tibet-autonomous-region/>.

⁷⁸ Human Rights Watch. “China’s Algorithms of Repression: Reverse Engineering a Xinjiang Police Mass Surveillance App”. 1 May 2019. <https://www.hrw.org/report/2019/05/01/chinas-algorithms-repression/reverse-engineering-xinjiang-police-mass>.

⁷⁹ Knight, Adam Dominic. “Trust is good, control is better: Technopolitical visions and realities in China’s social credit system.” (2025); Brussee, Vincent. *Social credit: The warring states of China’s emerging data empire*. Singapore: Palgrave Macmillan, 2023. For a shorter introduction, see Brussee, Vincent. “China’s social credit score – untangling myth from reality”. MERICS, 11 February 2022. <https://merics.org/en/comment/chinas-social-credit-score-untangling-myth-reality>.

⁸⁰ MIIT and SASAC. 关于联合开展2026年度人形机器人与具身智能实景实训专项行动的通知 [Notice on Jointly Launching the 2026 Special Action Plan for Immersive Training of Humanoid Robots and Embodied Intelligence]. 3 June 2026. https://www.miit.gov.cn/zwgk/zcwj/wjfb/tz/art/2026/art_f291ccd3da4c47ce95741de63cc088e6.html.

⁸¹ Niu, Junyu et al. “Taking the pulse of digital government in China”. World Bank, 1 November 2019.

<https://blogs.worldbank.org/en/governance/taking-pulse-digital-government-china>.

⁸² China Daily. “AI “employees” help streamline city services in China”. 26 February 2025. <https://asianews.network/ai-employees-help-streamline-city-services-in-china/>.

devices. Like many European governments, authorities in China even make application programming interfaces (APIs) available to the public to share government data.⁸³

At the same time as the national informatisation strategy foresees the comprehensive upgrading of the economy through technology, the same is envisaged for infrastructure, urban environments, healthcare, social security and education. For example, China introduced a digital social security card in 2019 and a unified national service platform for social security the year after. By 2024, over a billion Chinese residents held a digital card, which is used for healthcare and pensions expenses, but also for verifying eligibility for discount travel rates⁸⁴. Many other such examples exist, ranging from the dozens of smart cities that are being developed, to pilot schemes to introduce humanoid robots into public services. Not all have been successful: China's digital currency, the e-CNY, has faced lacklustre take-up from individuals and businesses⁸⁵. One Guizhou county that has remained unnamed in public reporting invested 80 million RMB in seven smart city projects, of which six were shot down within a year and a half, and facilities constructed for their purposes were left idle⁸⁶. Integrating data from different sources and bureaucracies is hard, handicapping projects in even advanced localities such as Shenzhen⁸⁷. One study of 333 mobile smart city applications found that over half contained significant technical bugs, 44% did not meet citizen needs, and about a third delivered poor quality services⁸⁸.

The state is thus a significant customer of China's tech sector, but digitization efforts present paradoxes and uneven results. Aspirations are high, and there are numerous cases in which digitization has resulted in significant improvements in the public sector. Yet at the same time, duplication of efforts, data silos, incompatibilities and poor design have hamstrung efforts elsewhere. Perhaps, there is space for improvement and learning, and in line with its focus on performance legitimization and its developmentalist outlook, China's leadership will likely continue to explore new ways to "informatise" all areas of statecraft. However, even China's highly capable and centralized political system cannot easily overcome the challenges that plague large government IT systems.

⁸³ See, for instance, the Open Data portal by Zhejiang's Provincial Government: <https://data.zjzfw.gov.cn/dopServer/#/index>.

⁸⁴ Jingyi, Qin. "People's Republic of China: The Social Insurance Public Service Platform". International Labour Organization, November 2025. https://www.ilo.org/sites/default/files/2025-11/ILO%20Brief%20-%20China%20Unified%20SocSec%20Platform%20-%20final_1.pdf/.

⁸⁵ Chorzempa, Martin. "China gives up on state-backed digital cash: The US and Europe should take note—for different reasons". Peterson Institute for International Economics, 10 February 2026. <https://www.piie.com/blogs/realtime-economics/2026/china-gives-state-backed-digital-cash-us-and-europe-should-take-note>.

⁸⁶ ChinaNews. "7个项目停6个? 部分城市“智慧城市”项目为啥“投入即浪费”“ [Six out of seven projects halted? Why are some cities' "smart city" projects a waste of investment?]. 6 May 2026. <https://www.chinanews.com.cn/sh/2026/05-06/10616066.shtml>.

⁸⁷ Große-Bley, J., & Kostka, G. (2021). Big Data Dreams and Reality in Shenzhen: An Investigation of Smart City Implementation in China. *Big Data & Society*, 8(2).

⁸⁸ Zhang, B., Peng, G., Xing, F., & Chen, S. (2021). Mobile Applications in China's Smart Cities: State-of-the-Art and Lessons Learned. *Journal of Global Information Management (JGIM)*, 29(6), 1-18.

2.4 Conclusion

Taken together, China's digital governance is shaped by a persistent tension between informatisation – the ambition to deploy digital technologies to drive economic development, improve public services and strengthen state capacity – and cybersecurity, understood broadly as controlling the social, economic and political risks generated by technology. This produces a regulatory model that differs markedly from the EU's: highly centralised in political direction, but often iterative, targeted and experimental in practice.

China has developed extensive rules governing online content, personal data, algorithms and platforms, combining political control with genuine concerns over issues such as consumer protection, digital addiction, discrimination, algorithmic fairness and the protection of minors and elderly users. In several of these areas, China has emerged as an unusually ambitious and innovative regulator, although its regulatory interventions continue to face significant implementation and enforcement challenges. At the same time, the Chinese state is itself a major user of digital technologies, deploying them both to modernise public services and infrastructure and to enhance surveillance, policing and social control.

For European regulators, the implications are therefore similarly dual. Chinese technologies and regulations should not be understood solely through the lens of authoritarian control, as they may offer innovative approaches to shared challenges in platform and digital governance. China provides world-leading approaches including the establishment of the national algorithm registry, targeted interventions to address digital addiction, the establishment of required minor-modes for digital platforms, and much more. Yet the close connection between technological development, state capacity, security and sovereignty means that these technologies can also embed fundamentally different assumptions about the appropriate relationship between the state, companies and citizens. If not explicitly regulated, these embedded assumptions can travel with the technologies when exported to Europe, even where this is not explicitly required by China.

3. The Adoption of AI Technologies in Chinese Society

The adoption of artificial intelligence (AI) across Chinese society is usually read as a state project pursued over the heads of its citizens, with the costs left for them to absorb. The evidence points somewhere more nuanced, however. Beijing's case for AI is made to citizens rather than around them, resting on a promise of material improvement that is itself a public value. The State Council's 2025 "AI Plus" guideline opens by promising a leap in productive forces and a consequent change in production relations.⁸⁹

AI in China has a longer history than the present moment suggests. Its origins lie in cybernetics, taken seriously in the late 1950s as a possible substrate for socialist planning, then largely shelved until Deng Xiaoping's 1978 rehabilitation of science and technology. Institutional scaffolding followed, most durably the 863 Programme of 1986, a state fund for high-technology research that still shapes which laboratories get money. Acceleration came in the 2010s with Made in China 2025 and the State Council's 2017 plan, which set world leadership as a 2030 target; "AI Plus" followed in 2024 and acquired operational form in August 2025.⁹⁰

Where Chapter 1 traced the historical and ideological foundations of Chinese public values on technology, and Chapter 2 examined how these values shape state regulation and adoption, this chapter takes the analysis to the level of social practice – how citizens, firms and local governments actually encounter, use, and contest these technologies, and how the values described in earlier chapters surface in the lived experience of adoption.

It examines three application areas and their impact on an emerging set of public values. These values at stake are not exotic, but rather many of the same values under negotiation in European policy debates. What differs is the speed at which China is being made to answer for them. The three categories used here – agentic, embodied and generative AI – are rhetorical rather than a taxonomy. Agentic AI takes an instruction, plans a sequence of actions and executes them across other software with limited supervision. Embodied AI controls a physical body – industrial robot, humanoid, autonomous vehicle – by perceiving its surroundings and acting. Generative AI produces new text, image, audio or video from a prompt. In practice the three overlap substantially: OpenClaw is an agentic wrapper around a generative model, and the humanoids on Chinese factory floors run vision-language-action systems that are generative models with motors attached.

Each area also foregrounds a different stratum of the value-system described in Chapter 1. The agentic wave draws on reform-era tolerance of entrepreneurial experimentation. Embodied AI sits inside the Marxist-Leninist frame, where a robot on a factory line counts as production while a displaced driver's income does not. Generative AI activates older paternalist concerns with

⁸⁹ State Council 国务院, 《关于深入实施“人工智能+”行动的意见》 [Opinions on Deeply Implementing the "AI Plus" Initiative], 26 August 2025.

⁹⁰ Li Qiang, 《政府工作报告》 [Government Work Report], delivered at the Third Session of the 14th National People's Congress, 5 March 2025; Workplace and vertical-sector deployment volumes from the Ministry of Industry and Information Technology (MIIT): over 1,500 industry models across 700+ scenarios; Sectoral profiles via 36Kr, "DeepSeek"炸街" [DeepSeek "Breaks the Street"], <https://36kr.com/p/3153423481674497>.

moral protection. These three are not parallel stories but rather windows onto one value system at work.

One pattern holds across all three: adoption has often moved faster than governance, with the consequences of which have been absorbed locally rather than nationally. The values under pressure are therefore often negotiated in practice, long before they are named in policy.

3.1 Raising Lobsters: agentic AI and the politics of adoption anxiety

Of the three, agentic AI is where adoption has expanded furthest ahead of the central state, as well as where the gap between citizen behaviour and official policy became visible fastest in the first half of 2026.

On 6 March, close to a thousand people queued outside Tencent's Shenzhen headquarters carrying laptops and storage drives. They were there to have an open-source AI agent installed on their machines, free of charge, by Tencent Cloud engineers working from folding tables. Appointment slots ran out within an hour.⁹¹ The scene was viewed from outside China as evidence of unbridled enthusiasm. Inside China, it bordered on a feeling of moral panic. These scenes, repeated in several Chinese cities that month, offered a brief lens on to both the acceleration and apprehension surrounding AI adoption in China today. The tool was OpenClaw, an open-source framework that runs locally and calls an external language model to carry out tasks across other applications.⁹² OpenClaw is not a Chinese product, and has no Chinese founder, corporate owner nor state backing. Within roughly a hundred days of release it had become the most-starred software project in GitHub's recorded history.⁹³ Chinese users renamed the practice "raising lobsters", after the project's mascot, and paid installers appeared on Xiaohongshu and Xianyu within weeks.⁹⁴

What people did with their lobsters was often secondary to acquiring one. Installers reported clients arriving without a task in mind. Those who did put the tool to work used it for drafting, data processing, email triage and file management across a range of white collar occupations.⁹⁵ A group of civil servants in Shenzhen's Futian district announced they were running a

⁹¹ Yang Xiao 杨潇 et al., "火爆, 13家科技大厂抢着养龙虾 [Booming: 13 Tech Giants Rush to Raise Lobsters]", 36Kr, 9 March 2026, <https://36kr.com/p/3715653109200263>.

⁹² Li Xin, "'Raising Lobsters': How OpenClaw Became China's Hottest AI", Sixth Tone, 10 March 2026, <https://www.sixthtone.com/news/1018285>. The framework runs locally on a personal device, calls a language model through an API, and executes multi-step tasks across applications including browsing, code, email and file management.

⁹³ OpenClaw, "250,000 Stars: OpenClaw Surpasses React as GitHub's Most-Starred Software Project", openclaws.io, 3 March 2026, <https://openclaws.io/blog/openclaw-250k-stars-milestone>.

⁹⁴ "全民"养龙虾", 一场AI焦虑催生的生意 [Universal Lobster-Raising: A Business Born of AI Anxiety]", 36Kr, March 2026, <https://36kr.com/p/3717034661835523>. One Taobao seller booked more than three thousand paid installations in a single month at ¥100–¥1,500 each.

⁹⁵ On typical use cases – drafting, coding, summarisation of email and data, personal scheduling – see "AI开始打工了: 最新"龙虾排行榜", 谁最会干活? " [AI Has Started to Work: The Latest Lobster Ranking], 36Kr, March 2026, <https://36kr.com/p/3718639685793158>.

“government lobster” to triage citizen complaints and cut paperwork in permit applications.⁹⁶ The tool was not cheap to run, and by mid-March paid-uninstall services were trading on the platforms that had sold the installations a fortnight earlier.⁹⁷

The comedy of the uninstall economy masked something less funny. OpenClaw grants an agent standing access to a user’s files, credentials and messages, and most installations were configured by a stranger paid through a second-hand marketplace. A vulnerability disclosed in early 2026 allowed remote code execution on exposed instances, and researchers found tens of thousands of unauthenticated instances reachable across eighty-two countries.⁹⁸ Data security is in itself a public value, one that has been tested considerably through a series of high profile incidents in recent years.⁹⁹

Local governments moved to ride the agentic wave faster than any central agency. Within a single week, at least six districts and development zones unveiled subsidy packages aimed explicitly at OpenClaw users, with caps reaching 20 million RMB per entity per year in Hangzhou’s Xiaoshan district.¹⁰⁰ Shenzhen’s Longgang district named it explicitly – the “one-person company” – bundling office space, housing allowances and school enrolment with seed-fund equity.¹⁰¹ Five hundred and seventy-four applications arrived in the first twelve hours. This is the venture-capitalist mode of local industrial policy described in Chapter 2, applied to an open-source project rather than a chip fab.

This race should be read both as symptom and policy. Adoption is fuelled in part by what Chinese commentary has candidly documented as a fear of being left behind. By spring 2026 state media were describing OpenClaw as an “emotional amplifier” of this ‘keeping up with the Joneses’ anxiety.¹⁰² This fear is driven by government-issued “AI Plus” adoption targets, pushing

⁹⁶ For the Shenzhen Futian “government lobster” pilot, see Hubei Provincial Department of Economy and Information Technology, “AI龙虾为何爆火” [Why AI Lobsters Have Gone Viral], 10 March 2026, https://jxt.hubei.gov.cn/bmdt/rdjj/202603/t20260310_5889245.shtml.

⁹⁷ Estimates of heavy-use API costs run ¥3,500–¥5,700 per month. See “养龙虾，别被偷了家” [Raising Lobsters, Don’t Get Your House Burgled], China News Service, 12 March 2026, <https://www.chinanews.com.cn/cj/2026/03-12/10585552.shtml>; and “China’s OpenClaw Users Paid to Install Viral AI Agent. Now They Spend to Remove It”, South China Morning Post, March 2026, <https://www.scmp.com/tech/big-tech/article/3346397>.

⁹⁸ CVE-2026-25253 (CVSS 8.8). Exposure and registry figures per vulnerability disclosure and subsequent scanning reports.

⁹⁹ Yee, Isaac, “A hacker has allegedly breached one of China’s supercomputers and is attempting to sell a trove of stolen data”, CNN, 8 April 2026, <https://www.cnn.com/2026/04/08/china/china-supercomputer-hackers-hnk-intl>.

¹⁰⁰ “最高补贴1000万元：佛山、合肥、常熟、深圳出台政策支持‘养龙虾’” [Highest Subsidy ¥10 Million: Foshan, Hefei, Changshu and Shenzhen Issue Policies Supporting Lobster-Raising], 财联社 [Cailianshe], 11 March 2026, <https://caifuhao.eastmoney.com/news/20260311011707999626730>. The six were: Shenzhen Longgang (7 March, ten measures); Wuxi High-Tech Zone (9 March, twelve measures); Changshu (9 March, thirteen measures); Hefei High-Tech Zone (9 March, fifteen measures, compute vouchers up to ¥10 million); Hangzhou Xiaoshan (10 March, compute subsidies up to ¥20 million per entity per year); Foshan Chancheng (9 March, free deployment via China Telecom partnership).

¹⁰¹ Shenzhen Longgang District, 《支持OpenClaw&OPC发展的若干措施（征求意见稿）》 [Several Measures Supporting OpenClaw & OPC Development, Consultation Draft], 7 March 2026, summarised at https://www.sznews.com/news/content/2026-03/09/content_31969411.htm. The package combines free deployment for newly registered one-person company businesses, grants up to ¥2 million for international open-source contributors, equity investment up to ¥10 million from the district seed fund, and eighteen months of subsidised office space, housing allowances and school enrolment for the founder’s family.

¹⁰² Cui Shuang 崔爽, “创新谈 | AI可控，技术焦虑也需可控” [Innovation Talk: AI Must Be Controllable; Technological Anxiety Must Also Be Controllable], 科技日报 [Science and Technology Daily], 17 March 2026,

for seventy per cent penetration of intelligent terminals and agents by 2027.¹⁰³ Adoption is not the same as productivity, however. This tension connects a wider set of public-interest concerns: the future of professional work, the equity of access to AI tools across income brackets, and whether the gains from automation will accrue to citizens or accumulate at the top of the corporate stack.

These questions are yet to be fully answered in policy. In response to increasing coverage, however, on 8 May 2026 the Cyberspace Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology jointly issued *Implementation Opinions on the Standardised Application and Innovative Development of Intelligent Agents*.¹⁰⁴ The document defines the term by five capabilities and names nineteen priority scenarios. The *Opinions* invoke the August 2025 “AI Plus” guideline, presenting themselves as the operationalisation of a position already held rather than a response to the scenes seen in Shenzhen.

3.2 Snatching Rice Bowls: embodied AI and the local politics of displacement

Embodied AI is where the Chinese state has placed its largest industrial bet, yet also where the distance between strategic ambition and lived consequence is widest.

Images of Chinese robots have generated significant media interest in recent months and years. Inside state-owned Chang’an Automobile’s new plant in Chongqing, a production line turns out a car every sixty seconds, running with more than fourteen hundred robots, almost no people and very little light. Foreign coverage in early 2026 fixed on the phrase “dark factory”.¹⁰⁵ Chang’an’s own figures put the gains at twenty per cent higher efficiency, twenty per cent lower unit cost and nineteen per cent less energy.¹⁰⁶

https://www.stdaily.com/web/gdxw/2026-03/17/content_486490.html. The paper is the official organ of the Ministry of Science and Technology.

¹⁰³ State Council, Opinions on Deeply Implementing the “AI Plus” Initiative, 26 August 2025. The guideline sets penetration of new-generation intelligent terminals and agents above 70 per cent by 2027 and above 90 per cent by 2030, with 2035 framed in terms of socialist modernisation.

¹⁰⁴ Cyberspace Administration of China, National Development and Reform Commission and Ministry of Industry and Information Technology, 《智能体规范应用与创新发展实施意见》 [Implementation Opinions on the Standardised Application and Innovative Development of Intelligent Agents], 8 May 2026, https://www.cac.gov.cn/2026-05/08/c_1779979789523320.htm. The document defines an intelligent agent (智能体) as a system with five capabilities – autonomous perception, memory, decision-making, interaction and execution – names nineteen application scenarios across five directions, and commits China to the Agent Interoperability Protocol (AIP) as a national-standard target. On the citation of the State Council August 2025 “AI+” Opinions and the 25 April 2025 Politburo session, see the State Council Information Office Q&A of 8 May 2026, mirrored at https://www.hunan.gov.cn/zqt/zcjd/bmjd/202605/t20260509_33972756.html.

¹⁰⁵ “全球最大5G汽车工厂！长安汽车数智工厂正式揭幕” [World’s Largest 5G Automotive Factory: Chang’an Auto Digital-Intelligent Plant Officially Inaugurated], 重庆日报 [Chongqing Daily], 21 October 2024, https://cqrb.cn/jingji/zixun/2024-10-21/2058601_pc.html. The plant integrates 1,400+ robots and 650+ automated guided vehicles, and was jointly developed with Huawei and China Unicom.

¹⁰⁶ ““黑灯工厂”实现千人千车” [“Lights-Out Factory” Achieves One Thousand Workers, One Thousand Cars], Xinhua reproduction at Sina Finance, 6 November 2024, <https://finance.sina.com.cn/jjxw/2024-11-06/doc-incvachu2371678.shtml>. The 20%/20%/19% efficiency/cost/energy triplet is sourced to Chang’an corporate communications.

Industrial automation is happening at real scale in China; nationwide, it installed 295,000 industrial robots in 2024, fifty-four per cent of the world total, with its operational stock passing two million. Domestic manufacturers outsold foreign suppliers in their home market for the first time that year. Yet, diffusion still lags behind many other countries. Measured against the size of its manufacturing workforce, China has 166 industrial robots per ten thousand employees. That places it twenty-second in the world, behind South Korea at 1,220, Germany at 449 and a Western European average of 267.¹⁰⁷ Eight EU member states, the Netherlands among them, sit inside the global top twenty. The largest robot market on earth is still mid-table on penetration.

Seven Chinese robotics firms have passed 20 billion RMB in valuation, several of them founded within the past three years. Some of the demand underwriting those numbers is circular, however.¹⁰⁸ Local state-owned enterprises with equity in robotics firms, have been shown to form joint venture with that firm to build data-collection facilities that then buy the firm's robots. One prospectus listed government or state-affiliated entities as four of its top five customers, and auditors at a recent listing required related-party revenue to be stripped out. Unitree drew under a tenth of its 2025 revenue from industrial use, and more than seventy per cent from research buyers – other robotics companies, buying units to study. One data-collection facility that had bought 80 million RMB of robots resold part of the fleet to schools when the payback period stretched.

A similar disparity between hype and reality can be traced in the humanoid robotics space. Choreographed robots have become a standard feature of many media and PR occasions, bursting on to the national stage with dance performances at the 2025 CCTV Spring Festival Gala and returning in 2026 with nunchucks and a drunken-fist routine. Technological progress has, on the face of it, proved remarkable. UBTech's Walker S2 became the first humanoid able to swap its own batteries, advertised as a worker who never needs a shift change.¹⁰⁹ Unitree, the Hangzhou firm whose dancing robots perform at CCTV's New Year's Gala, shipped over 5,000 units in 2025, more than any US peer.¹¹⁰

Yet the announcement-to-delivery ratio across the industry tells a slightly less polished story. UBTech had delivered just 200 humanoids cumulatively by late 2025, and its own research director told *People's Daily* that the Walker S Lite at the Zeekr factory was operating at 20 per cent of human efficiency.¹¹¹ Some headline orders, Chinese business press has reported, come

¹⁰⁷ International Federation of Robotics, World Robotics 2025, and IFR press release on robot density, 8 April 2026. China: 166 industrial robots per 10,000 manufacturing employees, 22nd worldwide and 6th in Asia; Republic of Korea 1,220; Germany 449; Japan 446; Western European average 267; EU average 231.

¹⁰⁸ Examples here taken from https://mp.weixin.qq.com/s/R2t4zdvcZmWj_HpTRJAXzg.

¹⁰⁹ “优必选 Walker S2 人形机器人实现自主换电” [UBTech Walker S2 Humanoid Achieves Autonomous Battery Swap], IT之家 reproducing UBTech announcement, 17 July 2025, <https://www.ithome.com/0/868/869.htm>. The hot-swap function is a single-demonstration capability and not certified for continuous deployment.

¹¹⁰ Unitree 宇树科技 news portal, accessed 2026, <https://www.unitree.com/cn/news/>, documents the 28 February 2025 CCTV Spring Festival Gala performance choreographed by Zhang Yimou. Unitree's STAR Market IPO prospectus, filed 20 March 2026, discloses 5,500+ humanoid shipments in 2025 representing a 32.4% global market share.

¹¹¹ On UBTech cumulative deliveries: “智元撞线5000台，人形机器人离规模商业化还有多远？” [As AgiBot Reaches 5,000, How Far Is Mass Humanoid Commercialisation?], 证券时报 [Securities Times], late 2025, <https://www.stcn.com/article/detail/3531117.html>. On the 20% efficiency admission by UBTech R&D director Jiao

from related parties of group companies, without specified delivery dates or volumes.¹¹² Most humanoids on Chinese factory floors, it turns out, are still hand-assembled.¹¹³ For the central state, embodied AI is not a public-relations asset but the centre of industrial strategy. Robotics ranks alongside biomanufacturing, quantum technology and 6G in the recommendations for the 15th Five-Year Plan.¹¹⁴ Premier Li's 2025 World AI Conference keynote made the framing explicit: embodied AI in deep integration with the "real economy" (see Text box 3).¹¹⁵ This framing is meant to signal which kinds of production count in the eyes of the Party, and by implication which workers' displacement is a dispensable byproduct of progress. Chinese scholars have argued the term is a deliberately constructed category, privileging material manufacturing over services on Marxist productive-labour foundations.¹¹⁶ The fragmentation that produced both national champions and overcapacity in the electric vehicle space is now forming again in robotics.¹¹⁷

Text box 3. The "Real Economy".

The "real economy" is not a neutral description of Chinese economic activity. It is a constructed policy category that partitions the economy into three: the *virtual* (finance and speculation), the *first real* (material production), and the *second real* (services). The partition rests on Marxist productive-labour foundations – the inheritance, by way of Soviet planning, of Marx's distinction between labour that produces surplus value and labour that lives off it. In this framing, finance and most services are not contributors to value but distributions of it.

Jichao: "探访人形机器人进厂"打工"之路" [Tracing the Path of Humanoid Robots into the Factory], 人民日报 [People's Daily], April 2025, reproduced at <https://m.sfccn.com/2025/4-23/xOMDE1MTNfMjAyNjExOQ.html>.

¹¹² "人形机器人逼近产业化关口, 谁在买?" [Humanoid Robots Approach the Industrialisation Threshold – Who Is Buying?], 经济观察报 [Economic Observer] via 36Kr, 2025, <https://36kr.com/p/3540115243315079>. The piece reports that some humanoid-robot orders originate from related parties of group companies without specified delivery schedules.

¹¹³ "对话优必选CBO谭旻: 我们为什么专心"进工厂"" [Dialogue with UBTECH Chief Brand Officer Tan Min], 21世纪经济报道 [21st Century Business Herald], 2025, reproduced at <https://www.stcn.com/article/detail/1610678.html>. Tan: "Most humanoid robots across the entire industry are still hand-assembled."

¹¹⁴ Li Qiang, 《政府工作报告》 [Government Work Report], 5 March 2025, full passage at CCTV News, <https://news.cctv.com/2025/03/05/ARTIre01AE5hwDFQ2tUy4z250305.shtml>. CCP Central Committee, 《中共中央关于制定国民经济和社会发展第十五个五年规划的建议》 [Recommendations for the 15th Five-Year Plan], adopted 23 October 2025 at the Fourth Plenum of the 20th CCP Central Committee, full text at https://www.spp.gov.cn/spp/tt/202510/t20251029_709755.shtml.

¹¹⁵ "李强出席2025世界人工智能大会暨人工智能全球治理高级别会议开幕式并致辞" [Li Qiang Attends Opening of the 2025 World AI Conference], State Council / Xinhua, 26 July 2025, https://www.gov.cn/yaowen/liebiao/202507/content_7033942.htm. Li: "AI's deep integration with the real economy is increasingly evident."

¹¹⁶ On 实体经济 (shí tǐ jīng jì) as a constructed analytical category, see the Chinese Social Sciences article reproduced at Chinese Social Sciences Net, https://www.cssn.cn/dkzgx/zgxp_zgshkx/2021nd10q/202208/t20220822_5479817.shtml, which partitions the economy into 虚拟 (virtual), 实体一 (material production) and 实体二 (services) on Marxist productive-labour foundations. For an elite-mainstream voice noting the gap, see Huang Qifan's January 2024 Peking University Guanghua New Year Forum address, reproduced at 21世纪经济报道 [21st Century Business Herald], <https://www.21jingji.com/article/20240108/herald/e9cade30661c09d8054b51887fe9447b.html>.

¹¹⁷ Lü Peng 吕鹏, "机器人能否接棒汽车, 成为下一个国民产业?" [Can Robotics Succeed the Automobile to Become the Next National Industry?], 冰川思想库 [Ice River Think-Tank], NetEase, 8 May 2026, <https://c.m.163.com/news/a/KSDC4I5U0519ADJ3.html>. Lü is a researcher at the Chinese Academy of Social Sciences AI Research Promotion Centre.

The political work the term does is to mark some sectors as foundational and others as derivative. Made in China 2025 institutionalised manufacturing upgrades as the centre of industrial policy in 2015. Xi Jinping’s 2024 “new quality productive forces” campaign placed technological innovation inside the same frame, treating it as a productive force alongside labour and capital. Raising output per worker is thereby presented as raising the productive forces themselves, which is a claim about the direction of history rather than about margins.

When Premier Li Qiang invokes the term in connection with embodied AI – “deep integration with the real economy” – the phrase signals which kinds of production count as part of the national project. Industrial robots in a Chongqing plant integrate *with* the real economy. Robotaxi drivers losing their incomes in Wuhan sit in the second real, where displacement is more easily framed as the cost of progress. The platform economy falls within the virtual category, which is part of why it has been de-prioritised and more heavily regulated.

The distributive cost of this bet has been absorbed not by national labour policy but by local administrations. In June 2024 a Wuhan ride-hailing company’s letter to the city government, accusing Baidu’s Apollo Go robotaxi of “snatching the rice bowls of the underclass”, went viral; Cailianshe reported that drivers’ incomes had fallen by roughly half.¹¹⁸ Fifteen months later the Wuhan transport bureau answered a provincial consultative proposal by capping the Apollo Go fleet to 433 vehicles.¹¹⁹

Automation also of course has the potential to create work, though questions around its quality and safety remain. The National Data Administration’s designated data-labelling bases sit in interior counties – Yonghe in Shanxi, Bijie in Guizhou, Mengzi in Yunnan – rather than in the coastal cities that own the models. The work is piece-rate and largely done by women, many of them rural mothers with no other local employer.¹²⁰ The pattern is old enough to have a name: qiandian houchang (前店后厂), front shop and back factory, the arrangement by which Hong Kong firms moved processing into Guangdong from the late 1970s.

These examples crystallise a familiar distributive question. The benefits of industrial automation accrue to the firm while the costs often fall on individuals – and absent any national mechanism for sharing the burden, the state finds itself arbitrating case by case, one municipal bureau at a time.

¹¹⁸ Wu Xin 武鑫, ““投放量多的地方接不到客人了！”被萝卜快跑抢了生意 不少武汉的哥“被迫”退出” [“Where Deployment Is Heaviest, Drivers Cannot Find Customers!” – Wuhan Ride-Hail Drivers “Forced” Out by Apollo Go], 财联社 [Cailianshe], 10 July 2024, <https://m.cls.cn/detail/1730337>. The underlying Wuhan Jianshe Bus Passenger Transport Company letter, dated 20 June 2024, is reproduced via Guancha, https://www.guancha.cn/economy/2024_07_11_741115.shtml. The phrase “snatching the rice bowls of the underclass” (抢夺底层人的饭碗) is from the letter itself.

¹¹⁹ 武汉市交通运输局 [Wuhan Municipal Transportation Bureau], “对省政协十三届三次会议第20250884号提案的答复” [Response to Provincial CPPCC 13th Term, 3rd Session, Proposal No. 20250884], 15 October 2025, https://jtj.wuhan.gov.cn/zwgk/zfxgkml/qtzdgk/jytabl/202510/t20251015_2660464.shtml. The Bureau: “Strictly manage existing fleet; suspend additions; commercial pilot strictly capped at 433 vehicles.”

¹²⁰ On the geography and conditions of annotation labour see Bingqing Xia and Tongyu Wu, “The platformisation tree in China’s AI data annotation ecosystem”, Big Data & Society (2025), and the ethnography of annotation work in Guizhou in World Development (2025).

3.3 Hollow Trees: generative AI and the governance of emotional life

If embodied AI is the state's primary strategic focus, generative AI has borne the brunt of its regulatory efforts.

Western observers were awakened to China's generative AI capabilities in January 2025 with the release of DeepSeek's R1 model. Financial markets reacted aggressively to the seemingly low cost of R1's launch, echoing the memory of Sputnik in the global race to develop Frontier AI.¹²¹ China's more durable contribution has been openness rather than raw capability. DeepSeek releases under an MIT licence and Alibaba's Qwen family under Apache, with many European laboratories now self-hosting these weights as a matter of routine. R1 is one of many large models to have gathered tens or hundreds of millions of users in China since 2025, alongside Doubao, Yuanbao, Kimi, Ernie and Qwen. A growing list of US tech companies, including Airbnb, Nvidia, Coinbase and Doordash, as well as countless startups, report that they are turning to more affordable Chinese models.¹²²

European discussion of Chinese AI regulation tends to default to censorship: content controls, the Great Firewall, the steering of mainstream values that Chapter 1 described. Much of the recent regulatory attention inside China, however, has prioritised issues related to public values such as addiction, emotional dependency and the welfare of users alone with an intimate technology. Here, China is world-leading: China's 2026 Provisional Measures on Human-like Interactive AI Services, listed in Chapter 2's Table 2, are the most aggressive companion-AI rules in any jurisdiction at the time of writing.

As in many countries, LLMs in the form of artificial human companions are increasingly helping people to fall in love, seek therapy and reconstruct deceased loved ones. AI companionship did not arrive with the DeepSeek wave. It goes back more than a decade, to Xiaoice, a chatbot spun out of a Microsoft research laboratory in 2014. In 2023 Xiaoice launched X-EVA, on which users build and converse with realistic clones of themselves, of celebrities and of the dead. ByteDance's Maoxiang and MiniMax's Xingye followed, reaching tens of millions of monthly users.

As in other countries, these platforms have triggered widespread concern. On 19 January 2024 a Taiwanese music producer, Bao Xiaobai, posted a video of his daughter Feli, who had died three years earlier at twenty-two, reconstructed on X-EVA from a seventeen-second clip.¹²³ Within weeks Taobao sellers were offering the same service for twenty yuan, and a national argument

¹²¹ This repricing may have been premature. Deepseek's disclosed figures describe the marginal cost of a single training run, not the cost of building the capability behind it. SemiAnalysis has put the cumulative hardware spend of High-Flyer, DeepSeek's parent, well above 500 million dollars, and no published figure includes staff, prior research or failed runs. See <https://newsletter.semianalysis.com/p/deepseek-debates>.

¹²² Ruwitch, John, "American AI is expensive. Some startups are turning to cheap Chinese models", NPR, 15 July 2026, <https://www.npr.org/2026/07/15/nx-s1-5886476/startups-cheap-chinese-ai-models>.

¹²³ 三联生活周刊 [Lifeweek / Sanlian], "包小柏"复活"女儿" [Bao Xiaobai "Revives" His Daughter], <https://www.lifeweek.com.cn/h5/article/detail.do?artId=221433>. Bao's daughter Feli died in 2021 at twenty-two; voice and likeness reconstructed from a seventeen-second clip and posted 19 January 2024.

began about who has the right to bring back the dead. The *Beijing News* editorial board wrote that AI had challenged the substrate by which people recognise reality itself.¹²⁴

A parallel pattern surfaced in mental health. By early 2025 Chinese press was reporting young people using DeepSeek as a “tree hollow”, somewhere to put feelings that had nowhere else to go. A Shanghai psychiatrist quoted in *The Paper* called the chatbot an electronic sticking plaster: useful on some wounds, useless on others.¹²⁵ The context is a country with an estimated 190 million people carrying diagnosable disorders, fewer than one in ten of those with depression in treatment.¹²⁶ The adoption of generative AI in China is not just a story of productivity, but rather also of the routing of emotional support to people for whom human alternatives are unavailable.

The government’s response has blended content restriction with algorithmic regulation. In July 2023 seven ministries jointly issued the Generative AI Services Measures, setting out a registration regime and a stated principle of “inclusive and prudent” supervision.¹²⁷ By March 2025, 346 services had been filed nationally.¹²⁸ The AI-Generated Content Labelling Methods of March 2025 require both a visible label and a machine-readable marker on synthetic text, image, audio and video.¹²⁹ The aim is to mark the seam between the human and the synthetic, on the assumption that private use can be governed as long as that seam stays visible.¹³⁰

Firmer measures follow where labelling fails. In June 2025 the Shanghai Cyberspace Administration summoned the Yuewen Group over its Zhumengdao app for what regulators call *cabian* (擦边) content, material that stays deliberately just inside the permissible line.

¹²⁴ 北京日报 [Beijing Daily], “清明将至，”AI复活亲人”您能接受吗？” [Qingming Approaches: Can You Accept AI Resurrection of Relatives?], 29 March 2024, <https://news.bjd.com.cn/2024/03/29/10733826.shtml>, on the families of Coco Lee, Godfrey Gao and Kimi Qiao publicly objecting to unauthorised AI-revival videos. 新京报快评 [Beijing News editorial], “用AI”复活”亲人，为何是一件值得担忧的私事” [Why Using AI to “Revive” Relatives Is a Private Matter Worth Worrying About], <https://m.bjnews.com.cn/detail/1681212599169438.html>.

¹²⁵ 澎湃新闻 [The Paper], “心理医生谈DeepSeek” [A Psychiatrist on DeepSeek], February 2025, https://www.thepaper.cn/newsDetail_forward_30260007. Xu Hua, deputy director, Shanghai Mental Health Center, uses the “电子创口贴” [electronic Band-Aid] framing; the 21-year-old user’s “树洞” [tree hollow] line is from the same piece.

¹²⁶ 光明日报 [Guangming Daily], “推动心理咨询行业健康发展” [Promoting the Healthy Development of the Psychological Counselling Industry], 25 April 2024, https://m.gmw.cn/2024-04/25/content_37285203.htm. Figures cite Huang Y. et al., *The Lancet Psychiatry* (2019).

¹²⁷ 《生成式人工智能服务管理暂行办法》 [Interim Measures for the Management of Generative AI Services], 13 July 2023, https://www.cac.gov.cn/2023-07/13/c_1690898327029107.htm. Seven issuing bodies: Cyberspace Administration of China (CAC), National Development and Reform Commission (NDRC), Ministry of Education, Ministry of Science and Technology, Ministry of Industry and Information Technology, Ministry of Public Security, and National Radio and Television Administration.

¹²⁸ Cyberspace Administration of China, “关于发布生成式人工智能服务已备案信息的公告” [Notice on Publication of Filed Information for Generative AI Services], 8 April 2025. 346 services nationally as of 31 March 2025. Provincial figures: Cyberspace Administration of Shanghai (157 cumulative, 3 April 2025); Cyberspace Administration of Beijing (217 cumulative, 3 March 2026).

¹²⁹ 《人工智能生成合成内容标识办法》 [Methods for the Identification of AI-Generated Synthetic Content], 7 March 2025, https://www.cac.gov.cn/2025-03/14/c_1743654684782215.htm. Four issuing ministries: CAC, MIIT, Ministry of Public Security, and National Radio and Television Administration. In force from 1 September 2025. The mandatory national standard GB 45438-2025 was issued separately by the State Administration for Market Regulation and the Standardization Administration of China on 28 February 2025.

¹³⁰ Zou Xiaoxiang 邹晓翔 (Director, Information Research Institute, China Cyberspace Research Institute), “专家解读 | 给人工智能生成合成内容贴上数字标识” [Expert Interpretation: Affixing Digital Markers to AI-Generated Synthetic Content], [cac.gov.cn](https://www.cac.gov.cn), 5 September 2025. The four-link loop: 源头标识-分发审核-传播核验-用户声明 [source-labelling – distribution-review – transmission-verification – user-declaration].

Interventions and platform-side changes since the start of 2025 have cut monthly downloads of companion apps by roughly eighty per cent in about half a year. In July 2026, the central government moved to ban some forms of AI companionship entirely.¹³¹

3.4 Conclusion

This chapter has traced three episodes of AI adoption in Chinese society, each carrying a metaphor from Chinese-language coverage: raising lobsters, snatched rice bowls, tree hollows. Each phrase carries a snapshot of the hopes and concerns attached to the rollout of AI in China – white-collar anxiety about agentic tools, the displacement of drivers and factory workers by automation, and an emotional reliance on generative models in the absence of mental health infrastructure.

In each case adoption has moved at a speed the central state has worked to keep up with. OpenClaw went from open-source release to national phenomenon to defined regulatory category in ninety days. Humanoid robots became a spectacle on Chinese factory floors before they became a Five-Year Plan target. Companion chatbots accumulated the emotional substrate of millions of users before labelling rules arrived to contain the fallout. Each tells a story of dynamic interaction between state and society in the production and popularisation of emerging technologies.

This chapter has examined three application areas as adoption stories, but each has also been a story about public values – the autonomy of work, the equity of access to social infrastructure, the integrity of grief and shared reality. These values are not exotic. They are the same values Chapter 1 identified as central to European policy debate. What is distinctive is the speed at which they are being negotiated, and the institutional vocabulary in which Beijing has chosen to respond. As will be described in the next chapter, the tools and techniques of Chinese AI adoption are exporting to Europe. So, increasingly, are the public values questions that they raise.

¹³¹ Chen Yiru, “China Bans AI Romantic Partners, Virtual Relatives for Minors”, Sixth Tone, 21 July 2026, <https://www.sixthtone.com/news/1018790>

4. Chinese Social Technologies are Reshaping European Life

This section analyses the entry of Chinese social and digital technologies into European markets and societal infrastructures. By mapping these platforms, we examine how they actively restructure both online and offline social realities of European locals, permanent residents, and the Chinese diaspora. This section treats everyone living in Europe as being part of Europe's ongoing development and considers Chinese social and digital technologies to be both those used by Chinese people, those developed in China, and those with heavy investment from Chinese companies. In doing this, it uses emerging social and cultural trends to understand the values associated with Chinese technology, to track how Chinese technologies do or do not travel, and to understand the impact of China in European social spaces.

The section first maps out the platform landscape, following this the company XHS and its governance values are explored. The section then uses three case studies - New Chinatowns, Chinamaxxing, and ecommerce – to examine the impact of Chinese technologies in Europe.

4.1 The Platform Landscape

This section offers a reference landscape of the core Chinese social and digital infrastructures entering European markets. Tables 3 through 5 detail applications anchoring the daily lives of the Chinese diaspora alongside Chinese-backed services actively capturing the broader European public.

Table 3. *Chinese platforms used by the Chinese diaspora.*

Platform	Primary Function	Target European Audience	Strategic Impact & Alignment
Xiaohongshu / Rednote	Social Search & Lifestyle	• Chinese diaspora • Culturally curious locals • Highly gendered (74% women, metropolitan)¹³²	• Globally accessible social guidebook bridging domestic and foreign environments. • Localized community knowledge. • Rolling out an "invisible" split-traffic system architecture for global users.¹³³

¹³² Qiangua. "2026 "Active Users" Research Report (Xiaohongshu Platform)". Accessed 23 August 2026. <https://www.qian-gua.com/information/detail/3332>.

¹³³ Team, The Tech Buzz. "RedNote Splits Chinese and Global Users as Expansion Accelerates". Accessed 21 June 2026. <https://www.techbuzz.ai/articles/rednote-splits-chinese-and-global-users-as-expansion-accelerates>.

Weixin / WeChat	Super-App & Infrastructure	• Chinese users globally • Non-locals operating in China	• Enclosed digital ecosystem managing finance, messaging, and peer-to-peer commerce. • <i>Weixin</i> (domestic) and <i>WeChat</i> (international) split traffic.¹³⁴
Douyin	Short Video	• Chinese public & diaspora	• Mass cultural reach. • TikTok sister app. • Restricted to domestic users; split from TikTok.
Bilibili	Video Sharing & Live Streaming	• Subculture/Tech youth • Geek, nerd, anime demographics	• Domestic Chinese equivalent to YouTube, but more geek culture focused. • Usable globally, but community features anchored to mainland China.
iQiyi	Long-form Studio Produces Video	• Chinese consumers • Emerging European base	• Centralized streaming hub exporting Chinese shows. • Pursuing international market collaborations.¹³⁵
Weibo	Microblogging	• Elite & legacy diaspora cohorts	• Experiencing declining influence within China. • Still important, but legacy research tools prioritise it more than its cultural relevance (see also, X).

¹³⁴ “One App, Two Systems: How WeChat Uses One Censorship Policy in China and Another Internationally”. The Citizen Lab, n.d. Accessed 21 June 2026. <https://citizenlab.ca/research/wechat-china-censorship-one-app-two-systems/>.

¹³⁵ Shackleton, Liz. “Viu & iQiyi International To Launch Streaming Bundle In Southeast Asia – APOS”. Deadline, 17 June 2026. <https://deadline.com/2026/06/viu-pccw-iqiyi-international-bundle-southeast-asia-1236958104/>.

Table 4. *Chinese-owned or invested services active in Europe.*

Platform / Category	Primary Function	Target European Audience	Strategic Impact & Alignment
TikTok	Short Video Entertainment	• Broad European public¹³⁶ • Relatively minimal Chinese diaspora	• Mass cultural reach. • Shared architecture with Douyin, divergent algorithms and features.¹³⁷
Ecommerce (<i>Temu, Shein, Joybuy, Aliexpress</i>)	Digital Retail & Agile Supply Chain	• European consumers • Cost-conscious households	• Connects Chinese factories directly to Western buyers. • Previously leveraged legal loopholes (e.g., the now abolished €150 duty exemption).¹³⁸
Gaming Industry (<i>Tencent, NetEase, miHoYo</i>)	Mobile & Global Gaming Ecosystems	• European gamers • Global youth subcultures	• Sprawling infrastructural footprint (e.g., Tencent stakes in Epic, owns Riot). • High-engagement monetization mechanics. • Popular titles include Genshin Impact, Black Myth: Wukong, and Marvel Rivals.

Table 5. *Global platforms with Chinese users.*

Platform / Category	Primary Function	Target European Audience	Strategic Impact & Alignment
Instagram	Western Visual Social Media	• Chinese diaspora • Non-Chinese locals	• A "dual-platform habit" among Chinese users; political on Instagram, cultural on XHS.¹³⁶

¹³⁶ E.g.: "China Deviants (@china_deviants) • Instagram Photos and Videos". Accessed 21 June 2026. https://www.instagram.com/china_deviants/.

Telegram	Encrypted Messaging	• Activists, dissidents, coders, & shadow networks	• Both an uncensored refuge for anti-CCP activism¹³⁷ AND a highly unregulated, illicit Chinese-language groups (e.g., Driving School group¹³⁸).
WhatsApp	Instant Messaging	• European locals & diaspora	• Functional utility for cross-cultural communication.
Reddit	Online Communities & Forums	• Chinese dissidents, dual-users, & subcultures	• Hosts politically critical communities (e.g., the feminist "Goose Group") fleeing state surveillance;¹³⁹ preserves free speech despite minor Tencent investment (~4%).
X (Twitter) &	Microblogging &	• Dissidents, intellectuals, & independent China observers	• X remains vital for uncensored info (e.g., Teacher Li¹⁴⁰).
Substack	Newsletters	• Professionals, intellectuals, & independent China observers	• Deeper analysis related to China has shifted from X to Substack; Substack includes non-Chinese experts (e.g., Bill Bishop) and internal voices (e.g. Zichen Wang).¹⁴¹
Facebook & LinkedIn	Functional Western Utilities	• Specific generational and professional diaspora niches	• Facebook is restricted to older, established diaspora cohorts.

¹³⁷ Telegram. “【李老師不是你老師】官方電報”. 20 June 2026. <https://t.me/s/lilaoshibushinilaoshi?before=43740>.

¹³⁸ Dw.Com. “Germany: Man Found Guilty in Pelicot-Style Rape Case”. Accessed 20 June 2026. <https://www.dw.com/en/germany-man-found-guilty-in-pelicot-style-rape-case/a-76775746>.

¹³⁹ Chen, Caiwei. “China’s Banned Online Communities Have Found a New Home on Reddit”. Rest of World, 21 June 2023. <https://restofworld.org/2023/reddit-china-online-communities/>.

¹⁴⁰ X (Formerly Twitter). “李老師不是你老師 (@whyoutouzhele) on X”. Accessed 20 June 2026. <https://x.com/whyoutouzhele>.

¹⁴¹ Bishop, Bill. “Sinocism | Bill Bishop | Substack”. 17 June 2026. <https://sinocism.com/>; Wang, Zichen. “Pekingnology | Zichen Wang | Substack”. 13 June 2026. <https://www.pekingnology.com/>.

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- LinkedIn operates strictly as a professional corporate networking utility.

4.2 Xiaohongshu in comparative perspective: New platform, new values?

4.2.1 Platform use cases

This section examines the values of Chinese social media platform, Xiaohongshu, which has become one of the most used platforms amongst the Chinese diaspora. XHS has evolved from a 2013 PDF shopping guide for mainland travellers visiting Hong Kong into China's premier social search infrastructure.¹⁴² It functions as a digital guide for many, and it is one of the first applications opened when Chinese get off the plane in Europe.¹⁴³ For non-Chinese users, it often serves as an alternative gateway to Chinese social media. XHS rose to prominence internationally after the January 2025 TikTok Refugee incident, when users resisting the American push to ban TikTok flooded to XHS in defiance.¹⁴⁴

In interviews, staff members defined the service as a "search engine" rather than merely a "social media platform," and social search does indeed form the core of XHS and of how many users interact with it. XHS's core philosophy is to guide users through life, with user-generated content serving as a repository for navigating daily life both within and outside China. The XHS algorithm pushes posts based on an analysis of the content itself, not on follower count, meaning accounts with few followers can still have an outsized impact.

XHS operates on a distinct "place-based" and "search-based" algorithmic mechanism that prioritises user geolocation. Content distribution in any given area is partly driven by what an individual's immediate geographic neighbours are searching for and engaging with. This nudges local users toward the same content, reinforcing community interaction. Because the aggregate user base across Europe is smaller than that of a single Chinese tier-one city like Shanghai, the European "neighbourhood" on XHS often extends beyond a single city or country, becoming instead a pan-European XHS network.

¹⁴² China, Tech Buzz. "The Rebirth of Xiaohongshu". Substack newsletter. Tech Buzz China Insider, 17 February 2023. <https://techbuzzchina.substack.com/p/the-rebirth-of-xiaohongshu>.

¹⁴³ Gastel, Tanya Van. "From Cultural Clout to Edutainment, China's Xiaohongshu Is the Top App for Chinese Travelers | Jing Daily". 22 September 2023. <https://jingdaily.com/posts/xiaohongshu-chinese-travelers-ugc>.

¹⁴⁴ Hawkins, Amy. "Chinese Rival App Xiaohongshu Is Overwhelmed by 'TikTok Refugees' in US". Technology. The Guardian, 18 January 2025. <https://www.theguardian.com/technology/2025/jan/18/chinese-rival-app-xiaohongshu-is-overwhelmed-by-tiktok-refugees-in-us>.

4.2.2 Platform Strategy

While WeChat anchors communication within private, insular, invite-only chat groups, XHS is public-facing, searchable, and globally accessible. One of XHS's unique selling points is a system in which follower count matters less: if a user with very few followers creates a piece of content that resonates deeply with audiences, it can still spread widely. The platform can then algorithmically amplify that specific post, and it also enables brands to amplify the content of ordinary users. This system bypasses large accounts (influencers) in favour of leveraging users who are seen as more trustworthy by their peers. While XHS does support its high-follower accounts through community managers who work with them to create content for XHS initiatives, the platform still encourages these accounts to participate in the same initiatives as regular users.

Table 6. *Xiaohongshu versus competitors.*

Metric/Attribute	Meta/ByteDance	Xiaohongshu Model
Primary Traffic Driver	Accounts with massive followings.	Small accounts with <10,000 followers control traffic.
Monetization Logic	Profit-through-views (Clickbait / Impressions).	Profit-through-collaborations.
Algorithmic Weight	Account authority and historical follower volume.	Individual post-performance evaluated on content metrics.
Corporate Footprint	Massive global workforce; rigid corporate matrix.	Lean organizational architecture; small international footprint.

To capture the influx of non-Chinese corporate entities following the 2025 "TikTok Refugee" migration, the platform accelerated its global commercial footprint. XHS's global marketing and advertising division expanded from a team of roughly five personnel in November 2024 to more than forty by June 2025. This was part of an attempt to market global brands to Chinese consumers through XHS.¹⁴⁵

In terms of values, XHS foregrounds autonomy, human dignity, and equal treatment, supported through the public dissemination of information globally. The platform attempts to provide greater autonomy for its users through guides, supports locality through a locality-focused algorithm, encourages educational content through system-wide initiatives, and strives to treat users equally regardless of follower count. In doing so, XHS moves away from paternalism and toward a more facilitative form of governance, providing resources, signalling priorities, and creating conditions for users to act, rather than directing outcomes.

While XHS is moving toward a nascent form of decentralisation, the values discussed in Chapters 1 and 2 mean that true decentralisation remains impossible for a domestic Chinese platform. What XHS does highlight is a desire for locality-focused, community-driven social worlds, a value that XHS employees also appear to share. XHS may well be the Chinese social

¹⁴⁵ Li, Emma. "Why Luxury Brands Are Turning to Xiaohongshu | Jing Daily". 24 May 2025. <https://jingdaily.com/posts/why-luxury-brands-are-turning-to-xiaohongshu>.

media platform with the greatest value-overlap with Europe: it is invested in supporting and educating its user base, and it is increasingly collaborating with European institutions.

4.3 Chinese technologies reshaping European cities: The emergence of "New Chinatowns"

4.3.1 Düsseldorf as an Algorithmic Urban Hub

At a community level, social media platforms like XHS and instant messaging services like Weixin play an important role in helping global Chinese communities and companies produce "New Chinatowns" (NCTs).¹⁴⁶ These emerging spaces operate as dynamic, digitally supported hubs of Chinese capital, lifestyle, and culture. Social media serves as foundational infrastructure for these localities; fixing capital in place, lowering investment barriers, sharing information on local governance, and channelling Chinese investment through users.

This section explores this trend through the case of Düsseldorf, Germany, which since 2020 has become a case study in how Chinese social media catalyses the growth of NCTs.¹⁴⁷ Previously a hub of Japanese business and culture, Düsseldorf has since become a premier destination for Chinese investment and culture.¹⁴⁸ Its 2026 "China Week," for example, features forty-six events on the calendar.¹⁴⁹

On XHS, Düsseldorf is widely recommended both as a city break destination and as a potential home. This visibility drives foot traffic to a city with a growing Chinese professional community, while also putting the city on the radar of Chinese investors worldwide. Digital visibility thus creates a self-reinforcing feedback loop that supports Düsseldorf's transformation: a highly visible cultural infrastructure appeals to the tastes of Europe's young Chinese diaspora, within a commercial environment that is welcoming to non-local business partners and relatively affordable. These foundations, once circulated on social media, encourage independent businesses and creative entrepreneurs to relocate. Their investment, in turn, generates more social media content and more visitors. XHS's values and strategy (discussed above) align well

¹⁴⁶ Dumarais, Julien. "Little Wenzhou : The Hidden Chinatown of Marais in Paris". MY MARAIS PARIS | Votre Guide Du Marais, Le plus Beau Quartier de Paris, 19 January 2025. <https://mymarais.paris/en/temple-republic-bataclan/Little-Wenzhou--the-hidden-Chinatown-of-the-Marais-in-Paris/>; London Now. "The London Borough Being Dubbed the Capital's "New Chinatown"". 25 January 2026. <https://www.london-now.co.uk/news/25793862.london-borough-dubbed-capitals-new-chinatown/>; Vittles. "The Vittles Chinatowns Project". 15 November 2024. <https://www.vittlesmagazine.com/p/the-vittles-chinatowns-project>; Zhang, Jing. "A New Chinatown? How East London Became the Beating Heart of a New Cultural Renaissance". LUXE/DETOUR, 18 October 2025. <https://luxedetour.com/east-london-chinatown/>; Lee, Elizabeth, and Tina Trinh. New York's Newest "Chinatown": Young, Hip and Dog-Friendly. 2024. <https://www.voanews.com/a/new-york-s-newest-chinatown-young-hip-and-dog-friendly/7633416.html>.

¹⁴⁷ Raghav, Krish, Yan Cong, and Carwyn Morris. "How China's Hottest Social Media App Turned Düsseldorf into a Foodie Destination". Rest of World, 4 April 2023. <https://restofworld.org/2023/xiaohongshu-users-make-duesseldorf-destination/>.

¹⁴⁸ Landeshauptstadt Düsseldorf. "Nordrhein-Westfalen und Düsseldorf weiterhin gefragt bei chinesischen Unternehmen." Accessed 23 August 2026: <https://www.duesseldorf.de/medienportal/pressedienst-einzelansicht/pld/nordrhein-westfalen-und-duesseldorf-weiterhin-gefragt-bei-chinesischen-unternehmen>.

¹⁴⁹ Visit Düsseldorf. "Chinawoche 2026." Accessed on 23 August 2026: <https://www.visitduesseldorf.de/erleben/veranstaltungen/chinawoche>.

with this dynamic, and its location-based recommendation algorithms further encourage the growth of urban hubs such as Düsseldorf's NCT.

Table 7. *Evolution of diaspora network connectivity.*

Network Metric	WeChat Era	Xiaohongshu Era
Network Visibility	Enclosed, private, invite-only messaging groups.	Publicly searchable, indexable, and location-focused nodes.
Organizational Basis	Legacy associations.	Location-based algorithmic recommendation.
Market Reach	Within pre-existing social networks.	Pan-European and global connection.

4.3.2 Cultural connection and displacement

The development of Düsseldorf as an NCT hub highlights the community- and user-focused values that XHS supports, alongside its encouragement of public interaction. These values promote clustering effects that draw locals, businesses, and visitors from across Europe together in an NCT.

That said, the Düsseldorf NCT operates within a competitive urban environment. While the NCT supports Chinese communities, this can have negative effects on other cultural groups, such as Düsseldorf's Japanese community. Chinese visitors do support Japanese businesses too, with Japanese culture an important draw, but there is a growing trend of Chinese capital buying out businesses and venues formerly run by the Japanese community, and some new businesses selling Japanese cultural products are themselves run by Chinese investors. Businesses that can leverage the Chinese social media ecosystem have a clear advantage in this market. Furthermore, seconded Chinese workforces (e.g. Huawei) with high housing allowances are skewing house prices in areas around Düsseldorf. So while Chinese communities benefit from this ecosystem, non-Chinese communities can become victims of gentrification and displacement.

Chinese social media systems are designed for Chinese users and built around the needs of Chinese communities. While XHS may represent values that push back against paternalism and encourage autonomy and community-building, these systems remain relatively closed to non-Chinese users, even where real-name registration isn't required. When closed systems become central to the ongoing development of an area, they breed inequality. While XHS represents a move away from insular WeChat groups and encourages public engagement in ways that are reshaping Düsseldorf, the network topology built on Chinese platforms shifts when exclusion comes into play, favouring Chinese businesses and capital over other communities.

4.4 Chinese cultural power for European audiences: Chinamaxxing

4.4.1 Chinamaxxing roots and drivers

“Chinamaxxing” is a contemporary digital and cultural trend in which youth integrate modern Chinese lifestyle practices, conveniences, and aesthetics into their daily routines.¹⁵⁰ This trend reflects how social technologies circulate idealised visions of China, prompting young Europeans to emulate these lifestyles and, in some cases, to question Western societal priorities.¹⁵¹

Text box 4. “Maxxing”.

The term “maxxing”, originating from online gaming optimization (“min-maxing”), has evolved into a framework for lifestyle hyper-optimization (“looksmaxxing”).¹

Chinamaxxing is driven by:

- **Everyday Practicality:** Integrating functional Chinese knowledge, including traditional Chinese wellness practices.
- **Material Consumerism:** High visibility of new technologies, material culture, and urbanism triggers material envy.
- **Socio-Political Disillusionment:** Curated digital feeds of hyper-modern Chinese infrastructure serve as a counter-cultural escape from inequality, stagnation, and deteriorating infrastructures.¹ These images call into question decades old narratives of a dangerous authoritarian China.

The momentum behind Chinamaxxing emerged through several 2025 events: the January 2025 “TikTok refugee” migration to XHS, iShowSpeed’s Chinese tour in March,¹ and the viral April catchphrase, “*you met me in a very Chinese time of my life.*”¹ Unlike top-down cultural phenomena like the South Korean *Hallyu* wave, Chinamaxxing focuses on ordinary daily life.¹ It is an organic cultural reflection on China’s development that bypasses official state public relations while still affected by the political economy of China.

Chinamaxxing circulates in Western ecosystems (Instagram, YouTube, TikTok), is partially seeded by content from Chinese ecosystems (Douyin, XHS), and is shaped by content moderation (see 2.2.1). As a result, it operates across a complex matrix of ideological values and platforms.¹⁵² In Europe, this most often results in a fairly mundane appreciation of Chinese culture (comparable to existing appreciation of Japan or South Korea), but in rarer cases it can manifest as an anti-establishment critique of the European status quo, one that presents Chinese political values as not merely a benign alternative to Western ones, but a superior one.

¹⁵⁰ Tooze, Adam. “Chartbook 446 Soft Power with Chinese Characteristics? Notes on Chinamaxxing.” Substack newsletter. Chartbook, 8 May 2026. <https://adamtooze.substack.com/p/chartbook-446-soft-power-with-chinese>.

¹⁵¹ Bachulska, Alicja. “Chinamaxxing: Beijing’s new source of soft power”. European Council on Foreign Relations, 23 April 2026. <https://ecfr.eu/article/chinamaxxing-beijings-new-source-of-soft-power/>.

¹⁵² Roberts, Margaret E. *Censored: Distraction and Diversion inside China’s Great Firewall*. Princeton University Press, 2018.

In terms of content, Chinamaxxing is rooted in meme cultures that engage with contemporary aesthetics and the (in)conveniences of modern urban life.¹⁵³

4.4.2 A moderated story: China as an aesthetic

Chinamaxxing relies on "*China as an aesthetic*:" a depoliticized vision of China used as a medium to discuss other subjects.¹⁵⁴ Algorithmic feeds showcase frictionless urban convenience, automation, and affluent lifestyles, decoupling Chinese consumer culture from the conditions that produce it.

Chinamaxxing is entangled with content regulation (2.1) and it has four interlinked mechanisms:

- 1) **Content Moderation:** Content circulating on Chinese social media is moderated to a relatively high degree, with greater moderation for public content. Content moderation mechanisms tend to remove content that shows China's negatives.
- 2) **Content Creation:** Content is created with content moderation in mind, to avoid content removal certain topics are avoided. Furthermore, content that shows a positive vision of China might be promoted. This creates what we describe as "encouraged content" (2.1.1). For professional content creators who make high production value content, encouraged content is a cost-benefit analysis so creators play it safe.
- 3) **Content Pool:** The pool of potential content that can be consumed is skewed due the above mechanisms, producing an imbalanced vision of China. More complex and nuanced content exists, but it might be difficult to find or may use coded language.
- 4) **Content Mobility:** Those who seek to share "authentic" or interesting information about China to global audiences make use of the sanitised content pool, meaning that shared content is skewed towards encouraged content. Content mobility may have both apolitical and political rationales, but regardless of the rationale the content pool is already impacted by moderation.

Importantly, Content Mobility occurs on non-Chinese platforms using content and ideas partially seeded from Chinese platforms.

This content often excludes themes such as:

- The hyper-competitive corporate environment (*neijuan* or involution).¹⁵⁵

¹⁵³ Instagram. "AnthroDorphins by Elemental Productions on Instagram: "Why Is Everything so Chinese Right Now ??? - - - #chinacore #internetculture #anthropology #digitalculture #china"" . Accessed 12 April 2026. <https://www.instagram.com/anthrodorphins/reel/DTf-F6mkrvO/>.

¹⁵⁴ Instagram. "The Soundgeist on Instagram: "How Is Everyone Doing? #morrissey #pulpband #deafheaven #thesmiths"" . 3 July 2025. https://www.instagram.com/the_soundgeist/p/DLqgmUKKsr4/.

¹⁵⁵ Liu, Yi-Ling. "China's "Involution" Generation". Cultural Comment. The New Yorker, 14 May 2021. <https://www.newyorker.com/culture/cultural-comment/chinas-involution-generation>.

- Gruelling "996" work cycles (9 AM to 9 PM, 6 days a week).¹⁵⁶
- The "lying flat" (*tangping*) counter-culture.¹⁵⁷
- Soaring domestic youth unemployment.¹⁵⁸

Finally, while Chinamaxxing content is produced by a wide set of people, there is also a clear set of hard-left, pro-China content creators using Chinamaxxing to critique Western political systems.¹⁵⁹ While these content producers are probably not be financially supported by the Chinese state, the Chinese state and Chinese companies have made use of Western influencers for image making.¹⁶⁰

4.4.3 Policy implications and the failure of digital containment

Due to content moderation within China and Chinamaxxing's reliance on online representations of China, through Chinamaxxing we begin to see the values discussed in Chapters 1 and 2 have tangible impacts on non-Chinese communities. While this is a nascent process, it suggests that the information European citizens consume about China has fundamental imbalances in it due to restricted information flows.

Protectionism and outright bans are counter-productive, as demonstrated by the "TikTok Refugee" event. Instead, they would likely accelerate counter-cultural desire. Rather than banning Chinese content, effective policy should pivot toward comprehensive and radical contextualisation of China. Regulatory and educational institutions must offer a holistic representation of China. This would acknowledge genuine technological advancements while also discussing labour exploitation, structural inequalities, and civic restrictions underpinning its consumer ecosystem.

¹⁵⁶ Xiaotian, Li. "The 996.ICU Movement in China: Changing Employment Relations and Labour Agency in the Tech Industry". *Made in China Journal*, 18 June 2019. <https://madeinchinajournal.com/2019/06/18/the-996-icu-movement-in-china-changing-employment-relations-and-labour-agency-in-the-tech-industry/>.

¹⁵⁷ Brossard, Marine. "Lying Flat: Profiling the Tangping Attitude". *Made in China Journal*, 8 January 2023. <https://madeinchinajournal.com/2023/01/08/lying-flat-profiling-the-tangping-attitude/>.

¹⁵⁸ Wu, Xinyi. "China's Youth Unemployment Crunch Deepens as Record Graduation Season Looms". *South China Morning Post*, 21 April 2026. <https://www.scmp.com/economy/china-economy/article/3350813/chinas-youth-unemployment-crunch-deepens-record-graduation-season-looms>.

¹⁵⁹ Instagram. "@chinacollectuals on Instagram: 'Something in the Air Rn Frfr'"'. 29 July 2025. <https://www.instagram.com/chinacollectuals/p/DMSXjlwPoWs/>; Instagram. "@chinacollectuals on Instagram: 'Something in the Air Rn Frfr'"'. 24 August 2025. <https://www.instagram.com/chinacollectuals/p/DMSXjlwPoWs/>; Hioe, Brian. "Hasan Piker's China Visit Marshalls the Cliches of Western Leftist Orientalism". *New Bloom Magazine*, 14 December 2025. <https://newbloommag.net/2025/12/15/hasan-piker-trip-china/>.

¹⁶⁰ Romo, Vanessa. "Shein invited influencers on an all-expenses-paid trip. Here's why people are livid". *NPR*, 30 June 2023. <https://www.npr.org/2023/06/30/1184974003/shein-influencers-china-factory-trip-backlash>.

4.5 Hyper optimised ecommerce and European retail: Shein, Temu, Joybuy

4.5.1 Divergent Business models

This section explores how Chinese ecommerce companies with different strategies replicate China's hyper-competitive ecommerce ecosystem globally. This is a market expansion away from an over-competitive Chinese market. While Western companies have made use of Chinese manufacturing for decades, local Chinese companies are increasingly able to offer factory-to-doorstep supply chains in Europe that by-pass Western intermediaries through AI-assisted ecommerce.

The overarching strategy splits along distinct value lines: dominating the low-end via cross-border, addictive consumerism (Shein, Temu) versus mounting an infrastructure-heavy, integrated, and high-end push into Europe (Joybuy).

In recent years the following Chinese ecommerce systems have entered the European market:

- **Shein:** Practices relentless, real-time algorithmic trend-scaling and flexible supply chain adjustments. It prioritizes volume-driven market penetration over sustainability, while strategically investing in its €200M Circularity Fund to move up the value chain and self-insulate against European regulations.¹⁶¹
- **Temu:** Practices high-frequency emotional shopping. It treats shopping as a gamified dopamine loop akin to digital gambling. It uses a direct-to-factory pipeline that undercuts local alternatives.
- **Joybuy:** Prioritises a high-quality, integrated sales system, with supply chain sustainability for premium Chinese manufacturing and local Chinese goods. It positions itself a high-quality antidote to chaotic, low-tier ecommerce.

4.5.2 Value trade-offs: cost vs. compliance

Shein and Temu operate on a shared race to the bottom philosophy, optimised to leverage Chinese industrial networks. This framework has several features:

- **Dazzle With Choice:** Shein and Temu manage to create systems that overstimulate consumers with vast choices that outstrip the offerings of other retailers. A core business model is releasing massive volumes of new products to find a single viral hit. Across markets, Shein maintains a real-time catalogue of over 500,000 models,¹⁶² while

¹⁶¹ "SHEIN Launches €200 Million Circularity Fund in the UK and the EU and Commits to Investing €50 Million in Broader ESG Efforts | SHEIN Group". 10 July 2024. <https://www.sheingroup.com/newsroom/shein-launches-eur200-million-circularity-fund-in-the-uk-and-the-eu-and-commits-to-investing>.

¹⁶² BBC News. "Shein: The Rise and Rise of a Fashion Giant". 7 June 2024. <https://www.bbc.co.uk/news/articles/cp991n2v0m2o>; Fasan, Marc. A Curse for Europe's Industry and the Wrong. 9 January 2026. <https://www.strategie-plan.gouv.fr/files/files/Publications/2026/2026-01-09%20-%20PDV%20Fast-fashion/HCSF-2026-POINTDEVUE-Fast-fashion-ENG-10fevrier12hFINALfeb.pdf>; Matsakis, Louise, Meaghan Tobin, and Wency Chen. "How Shein Beat Amazon at Its Own Game — and Reinvented Fast Fashion". Rest of World, 14 December 2021. <https://restofworld.org/2021/how-shein-beat-amazon-and-reinvented-fast-fashion/>; Amis. "Quand

releasing over 1.3 million styles a year; in comparison, some of the largest European competitors release up to 25,000 styles a year.¹⁶³

- **Prioritising Cost Over Safety:** Trade loophole exploitation and poor labour conditions seem to be operational choices. While the previously exploited small parcel tax-loophole has been closed,¹⁶⁴ Temu was recently fined €200M through the DSA for failing to “identify, analyse, and assess the systemic risks of illegal products being offered on its platform”,¹⁶⁵ while children’s clothes have contained toxic substances.¹⁶⁶
- **Consumer Psychology:** Platforms offer hyper-affordable upfront pricing that masks a steep long-term financial and environmental burden, from pollution to low “cost per wear”.¹⁶⁷

As discussed in Chapter 3, these corporate ecosystems value artificial intelligence as a tool for immediate commercial extraction. This drives automated localisation:

- **Utilitarian Localisation:** AI tools translate listings and automate customer service scripts to eliminate cross-border operational friction. This offers benefits to vertically integrated companies like Joybuy.¹⁶⁸
- **Algorithmic Repackaging:** Generative tools synthesise marketing assets, altering aesthetics and models to match regional preferences.

4.5.3 Taking over global retail?

Returning to values, as highlighted in Chapter 1, corporate actors must balance political responsibilities against the need to make money. Corporations follow the state, but they retain agency. The development of Chinese ecommerce shows how, even within a paternalistic environment where human dignity and equal treatment matter, an extremely competitive and human capital-intensive industry can still thrive in relatively unregulated ways. Making money

la mode surchauffe.” June 2023. <https://www.amisdelaterre.org/wp-content/uploads/2023/06/decryptage-fast-fashion-vdef.pdf>.

¹⁶³ Al Jazeera. “The Cost of Shein’s Fast Fashion Disruption”. Accessed 21 June 2026.

<https://www.aljazeera.com/podcasts/2022/11/25/the-cost-of-sheins-fast-fashion-disruption>.

¹⁶⁴ Armstrong, Ashley, and Philip Stafford. “UK Retailers Call for £2.60 Small Parcels Charge to Close Customs Loophole”. UK Retail Industry. Financial Times, 27 May 2026. <https://www.ft.com/content/670e31f8-d243-46aa-b628-3c10d981d043?syn-25a6b1a6=1>; Malingre, Virginie. “EU is targeting small parcels from Shein, Temu and other Chinese e-commerce sites”. Economy, European Union. Le Monde, 28 March 2026. https://www.lemonde.fr/en/economy/article/2026/03/28/eu-is-targeting-small-parcels-from-shein-temu-and-other-chinese-e-commerce-sites_6751885_19.html.

¹⁶⁵ European Commission. “Commission fines Temu €200 million for breaching the Digital Services Act”. “Accessed 23 August 2026: https://ec.europa.eu/commission/presscorner/detail/en/ip_26_1178.

¹⁶⁶ Bharade, Aditi. “Some of Temu’s Children’s Clothes Contained up to 622 Times the Legal Limit for Toxic Substances, South Korean Authorities Say”. Business Insider. Accessed 20 June 2026. <https://www.businessinsider.com/temu-children-clothes-contained-622-toxic-limit-seoul-2024-11>.

¹⁶⁷ Jo, Grace. “The Psychology Of Ultra-Fast Fashion”. Baptist World Aid Australia, 4 January 2026.

<https://baptistworldaid.org.au/2026/01/05/the-psychology-of-ultra-fast-fashion/>; Fasan, Marc. A Curse for Europe’s Industry and the Wrong. 9 January 2026. <https://www.strategie-plan.gouv.fr/files/files/Publications/2026/2026-01-09%20-%20PDV%20Fast-fashion/H CSP-2026-POINTDEVUE-Fast-fashion-ENG-10fevrier12hFINALfeb.pdf>.

¹⁶⁸ Marr, Bernard. “How Chinese Retailer JD.Com Uses AI, Big Data & Robotics To Take On Amazon”. Forbes. Accessed 21 June 2026. <https://www.forbes.com/sites/bernardmarr/2018/08/03/the-amazing-ways-retailer-jd-com-uses-ai-big-data-robotics-to-become-the-global-e-commerce-leader/>.

matters and is encouraged, and that can run contrary to other public values. State and business objectives now seem to be aligning, with companies encouraged to expand overseas and find success away from China's competitive domestic sphere.

China's ecommerce companies seek to leverage their experience and networks in China to disrupt external markets, and, unsurprisingly, profit appears to be their main value. They currently leave both American giants like Amazon and local retailers vulnerable: Temu and Shein hollow out the low-end bargain sector, while Joybuy systematically targets the high end. The factory-to-door funnel further disrupts the physical retail industry in apparel and technology – sectors already struggling to cope with online retail. In the process, environmentally wasteful business practices become normalised, with many goods designed for obsolescence. While it is difficult to say what values these companies represent beyond profit, what they do not represent becomes clear: environmental sustainability. And as with AI, we see here that the public values embedded in digital technologies are linked to a range of value systems, most notably, values relating to the environment.

4.6 Conclusion

The public values visible in Chinese social media and technology as they go global offer an important window onto China's public values. We should not dismiss the international component simply because it is not "in China." Instead, we should treat these findings as significant precisely because China is a global actor, and the values it demonstrates globally are Chinese values. Arguably, examining values outside of China can even highlight nuances that get lost in the noise domestically.

The XHS case shows how the values of a for-profit corporation can, within reason, sit at odds with mainstream political values in China. While XHS plays by the rules of the game – practising content moderation, following regulatory expectations – the platform is more facilitative than paternalistic. Its affordances promote autonomous users who seek equality and human dignity around the world. It is, as of writing, the only large-scale, public-facing Chinese social media platform operating simultaneously within and outside China.

XHS's location-based algorithms prioritise algorithmic proximity over physical distance, catalysing rapid clustering effects. One effect of this is the emergence of a community-driven values system, in which the online values of the platform and its users regularly have material impacts offline. Another is XHS's role in supporting the emergence of NCTs: supported by its algorithmic logics, Chinese communities are able to reshape European geographies. This is a collective effort, but the catalysing nature of social media can turn nascent communities into rapidly expanding NCTs. This process, however, also produces inequalities, including displacement and the social exclusion of non-Chinese speakers.

Both Chinamaxxing and XHS demonstrate the capacity of Chinese social media to produce material consequences outside China, with content moderation shaping how this occurs. Banning these services would likely prove counterproductive; since Chinamaxxing narratives prey on a lack of nuanced understanding of China, the more effective response is more

knowledge, not less. China's successes and failures must be contextualised for new generations, otherwise, skewed narratives that merely appear authentic will continue to spread.

Finally, the ecommerce landscape exposes divergent ideologies within corporate China. A race-to-the-bottom mentality prevails in certain sectors, while others, such as Joybuy, aim to offer a more premium experience. Yet while the Joybuy model competes on similar terms to existing players like Amazon, Temu and Shein have the capacity to further hollow out European retail in ways that disregard environmental and local sustainability altogether.

5. Conclusions and Recommendations

This report assessed the extent to which values present in Chinese political, economic and social circles affect the development of its digital technology sphere. The following section first lists the direct findings of the research, divided between governance on the one hand and socio-economic questions on the other. Second, it identifies the impact of these developments on European and Dutch concerns. Third, it provides several recommendations to policymakers to effectively engage with China's emergence as a major originator of digital technologies.

The central thread of these findings, implications and conclusions is that “China” and its digital technologies should not be essentialised nor seen as a monolith. The Party and State systems embody around 100 million people, and a wide range of political, social, economic and regional interests. China's state, economy and society have undergone tremendous change over the past few decades, to which everyone has had to adapt. In all walks of life, there is a continuous need to make sense of and learn to engage with developments in technologies, business models, diffusion and adoption. These create new opportunities as well as challenges, often co-evolving with shifts in certain values over time.

To be sure, China's *longue durée* history and culture matter, particularly at the state level. Yet resorting to Confucianism or Daoism to understand present-day China is about as useful as explaining Dutch realities through the lens of Christianity. They are not unimportant, but they are part of a broader environment contextualising Chinese behaviour shaped by many layers of ideological values and pragmatic interests. After all, Chinese companies and individual Chinese citizens do not have fundamentally different values from their counterparts elsewhere. Companies pursue profit and market share. Citizens appreciate access to increasingly convenient digital goods and online services, but are wary about exploitation by businesses, perhaps as users, perhaps as workers.

5.1 Research findings

1: Tech governance

- **There are obvious and fundamental value differences between the Chinese tech governance system and Europe.** Where Europe is liberal, process-oriented and pluralist, China's Leninist polity is paternalist, goal-oriented and monist. The Party leadership, in the end, will not tolerate the emergence of a technological sphere it cannot control. At the same time, it sees technology as essential to steering China's society and economy towards a better future.
- **Nevertheless, at a more granular level, China and Europe align on specific regulatory concerns,** such as protecting personal information from corporate abuse, maintaining fair competition in the platform economy, and the protection of vulnerable groups. Similarly, the Chinese government is very concerned about the cybersecurity of an increasingly connected economy and society.

- **Beijing's regulatory approach is evolving.** Although censorship and information control remain central to Chinese digital governance, Chinese regulators are now addressing a far broader range of social and economic policy issues. They are also developing new governance architectures. Instead of adversarial regulatory interventions, Beijing is exploring multi-stakeholder tools for AI that provides both a degree of predictability for businesses and an ability for government to shape the development of AI technologies and applications.
- **Increasingly the preferred regulatory instrument is visibility, not restriction.** Government authorities wish to gain greater insight into technology developments, not necessarily quash them from the outset. For AI, this includes, amongst others, definitional regimes (the intelligent-agent definition with five capabilities and nineteen scenarios), registration regimes (346 generative AI services filed by March 2025), mandatory labelling (the AI-Generated Content Labelling Methods in force from September 2025), and "inclusive and prudent" supervision.
- **Chinese AI adoption is moving faster than governance can characterise it.** OpenClaw became the most-starred software project in GitHub's recorded history within 100 days of release; humanoid robots became spectacle inside Chinese factories before they became Five-Year Plan targets; companion chatbots accumulated emotional substrates for tens of millions of users before the 2025 labelling regime took effect.
- **Local government, not the central state, functions as the operational unit of Chinese AI policy.** The six-city subsidy wave for OpenClaw in March 2026, the Wuhan transport bureau's 433-vehicle cap on Apollo Go robotaxis, the Shenzhen Futian district's "government lobster" pilot – distributive consequences are absorbed municipally, with central guidance following.
- **The frontier of Chinese AI regulation is increasingly user welfare, not speech.** The 2026 Provisional Measures on Human-like Interactive AI Services constitute the most aggressive companion-AI regulation in any jurisdiction at the time of writing, addressing addiction, emotional dependency, and self-harm intervention obligations on providers.
- **Adoption is generating public-interest pressures that policy has not yet named.** Across the three application areas, four values are visibly under negotiation in practice: the autonomy of work (agentic AI), livelihood and the equity of who bears displacement costs (embodied AI), emotional welfare and the integrity of grief (generative AI), and the substrate of shared reality (synthetic content across all three).

2: Social and European adoption

- **The structural core of diaspora digital life has shifted from enclosed networks to public, decentralised social search platforms.** Xiaohongshu (XHS) has structurally displaced the private, invite-only chat architecture of the WeChat era by introducing a public-facing, searchable interface where organic content performance and small

accounts (<1,000 followers) control traffic distribution rather than legacy accounts and large follower accounts.

- **Location-based platform algorithms are actively reorganising physical urban geographies with displacement effects.** By prioritising algorithmic proximity over physical distance, Chinese social technologies render separate European cities "digitally adjacent". This channels capital, migration, and tourism into coordinated nodes that build "New Chinatowns" (such as Düsseldorf) in ways that reproduce online demographics. These can support Chinese business clusters but might have displacement impacts on other communities.
- **"Chinamaxxing" is a grassroots movement leveraging "China as an aesthetic" that has soft power potential supported by domestic Chinese censorship.** Driven by critical 2025 digital inflection points like the "TikTok refugee" migration, Chinamaxxing leverages frictionless urban convenience and material consumerism to project a sanitized, pro-CCP narrative that systematically screens out domestic systemic frictions like *neijuan* (involution), "996" work cycles, and youth unemployment.
- **Generative AI is a pragmatic tool for immediate commercial extraction and localisation.** Corporate ecosystems deploy AI to automate customer service scripts, bypass cross-border bureaucratic friction, and algorithmically repackage generic factory outputs with localised aesthetics to effectively mask overseas origins. For expanding social media companies, they offer a method of onboarding non-Chinese speaking users while continuing censorial regimes.

5.2 Implications for Europe and the Netherlands

- **As China continues its technological development and march up the value chain, European exposure to Chinese digital technologies will continue to increase.** This technology will be designed primarily in line with Chinese governmental priorities and directions, regulations and technical standards. In other words, the values that European governments should be concerned with first and foremost are those held by the Chinese Communist Party.
- **However, the standard "digital authoritarianism" frame undercounts what is most policy-relevant about Chinese technology governance.** A frame restricted to censorship and surveillance misses many other areas in which China is grappling with issues similar to Europe, such as labour displacement, gig economy welfare, anti-competitive behaviour by platform firms, and the plethora of challenges emerging from AI. Beijing's attempts to respond to these issues, in combination with the speed of tech diffusion and adoption in China, mean that the country is rapidly becoming a laboratory for new approaches to technology governance, which carries direct implications for European policy.
- **The Chinese governance toolkit is substantively different from the EU AI Act's, and the difference is worth analytical attention rather than dismissal.** Definitional

regulation, registration regimes, mandatory labelling, the “quick, small and flexible” approach to regulation and the “inclusive and prudent” supervisory posture are real instruments deployed at scale. They do not replace the EU's risk-tiered approach but offer comparative cases that European policy work has not yet engaged with substantively.

- **The distributive consequences Chinese cities are encountering now are forecasts of European ones.** The Wuhan robotaxi case shows what happens when an industrial bet on automation meets the workforce it displaces. The Shanghai mental-health case shows what happens when generative AI fills the gaps in an underfunded care system. These are conditions European jurisdictions will increasingly face.
- **The companies driving Chinese AI adoption are already operating in Europe.** UBTech's Netherlands base, AgiBot's botsharing.eu rental platform across 17 European countries, Apollo Go's Lyft partnership (Germany / UK) and PostBus partnership (Switzerland), DeepSeek's general availability – the chapter's case-study firms are present in European jurisdictions through partnerships, distribution agreements, open-weight models, and direct consumer-app downloads.
- **Public values travel with the technology, whether or not they are named explicitly.** The design assumptions, regulatory legacies, and value-stratum decisions baked into Chinese AI products do not stop at the point of export. When a European company deploys a Qwen model, when an Italian user downloads DeepSeek, when an AgiBot is rented into a German warehouse – the Chinese context arrives with the product. The significance of this will vary with the specific product or service at issue, and requires a nuanced response.
- **The standard “authoritarian surveillance” lens discounts the community-driven value systems driving platform adoption.** Dismissing these technologies purely as top-down instruments of state control misses how modern platforms like XHS successfully resolve structural and community anxieties for global citizens by acting as authentic, peer-to-peer repositories for navigating European life. They emerged from a competitive Chinese social media environment by offering something unique that hyper-extractive alternatives did not.
- **Public values and state moderation imperatives travel with the technology stack.** The dual-app structures deployed by Weixin/WeChat and now by XHS enforce bifurcated data governance models. This model helps platforms expand domestic moderation and censorship imperatives globally while presenting a friction-free interface to international users. Yet they offer a global option for Chinese users who still desire continuity into their digital lives.
- **Chinese ecommerce expansion into Europe is deeply split between high-volume consumer extraction and asset-heavy logistical integration.** The “race to the bottom” model (Shein, Temu) values absolute disintermediation, gamified dopamine loops, and hyper-overproduction at the expense of regulatory and safety compliance, whereas vertically integrated platforms (Joybuy) leverage infrastructure investment strategy to offer high-quality alternative. Both models disrupt European commercial norms.

- **Blunt geopolitical containment strategies and platform bans are counter-productive.** The 2025 "TikTok Refugee" event proves that regulatory prohibition threats do not halt digital exploration; instead, they accelerate desire and drive younger European demographics into alternative, less-understood Chinese digital spaces. Users lack the nuanced understanding of Chinese society to contextualise what they see.
- **Factory-to-doorstep supply chain models hollow out European retail.** By combining extreme disintermediation with AI-assisted logistics, gamified systems, and a lack of adherence to local governance norms, these models bypass Western corporate intermediaries, leaving traditional sectors vulnerable to systemic market takeover.

5.3 Recommendations

- **Name, prioritise and provide credible defences for public interest values most clearly affected by technological adoption in a country-agnostic manner.** In Europe, US technologies have been adopted by default, while Chinese-origin tech has often been subject to distrust. For Europe to assert strategic autonomy, it needs to develop its own framework of values that it can credibly and coherently uphold in the technological sphere in relation to any outside actors. Such values must not only address traditional concerns such as civil and political rights, but must also address, amongst others, the future of work, access to increasingly tech-centric social infrastructure, the emotional and psychological impact of AI and the substrate for a shared human reality.
- **Establish and maintain a cross-cutting dialogue about technology with Chinese counterparts, focused on establishing a mutual understanding on fundamental value-related issues, and on how they affect perceptions on technology flows between Europe and China.** When it comes to technology-related concerns, such as national security and industrial or developmental policy, the Chinese and European ecosystems often depart from significantly different worldviews or visions of technology, meaning that specialized dialogues run the risk of talking past each other. A more fundamental form of engagement is therefore necessary, that allows a better mutual understanding of these deeper factors, before moving to specifics.
- **Build sustained, comparative analytical capacity on Chinese technology governance as a substantive policy object.** Dutch ministries and EU bodies should fund continuous translation, monitoring and substantive analysis of Chinese policy and regulatory output. The default posture should be comparison, not dismissal – particularly at the welfare-regulation frontier where China is moving ahead of EU jurisdictions. For example, the 2026 Provisional Measures on Human-like Interactive AI Services represent the most advanced regulatory response to companion-AI harms in any jurisdiction. The EU should study this as a comparative case for ongoing AI Act implementation and future revisions – not as Chinese exotica. At the very least, it should recognise that China is taking seriously the task of diagnosing technology's impact on human well-being and developing considered responses. This does not mean Europe should ignore or overlook the obvious and often fundamental differences in technology

governance. However, rather than reactive, defensive or protectionist rejection, European policy must provide comprehensive contextualisation that acknowledges genuine technological advancements while systematically exposing underpinning labour exploitation, structural inequalities, and civic restrictions.

- **Treat AI-driven workforce displacement as a near-term European policy question, not a long-term one.** The Wuhan case shows what happens when automation arrives faster than redistributive institutions can adapt. Dutch and EU labour, welfare and industrial policy should anticipate displacement effects within the current planning horizon, particularly in sectors where Chinese embodied AI is being deployed at scale (logistics, automotive, transport).
- **Update Dutch and EU procurement, market governance and product safety regimes to evaluate AI products against European public values in a country-neutral manner.** Particularly in welfare-sensitive domains: companion AI, embodied AI in workplaces, and generative AI in mental-health and education applications. This is not a recommendation for blanket restriction, but for substantive comparative assessment at the point of market entry or deployment.
- **Update product-safety and market-surveillance regimes to aggressively penalise trade loophole exploitation.** Regulatory bodies must actively counter the "race to the bottom" e-commerce model by enforcing strict compliance metrics under the Digital Services Act (DSA), ensuring that systemic hazardous safety violations incur market-exclusory penalties. This is increasingly done in China, but Chinese companies in Europe seem to skirt regulations leading to fines that are a slap on the wrist.
- **Establish municipal tracking mechanisms to understand how Chinese social technologies redirect local capital, tourism, and labour migration.** European urban planning and local economic bodies must understand how algorithmically driven Chinese business clusters impact local communities. There is also the capacity to greatly enhance and support new businesses here, but pain points and success stories need to be understood.
- **Mandate transparent, continuous algorithmic auditing of Chinese platforms operating dual-system architectures.** European digital oversight bodies must ensure that split-traffic platforms explicitly isolate European user data from domestic Chinese governance structures and prevent the global importation of state-directed information filtering. All algorithmic systems operating in Europe need to be accountable, regardless of their origin.