



China's Surveillance Ambitions

Beijing's system includes a 'social-credit score' to monitor behavior, not just of individuals but of businesses too.

By Mirjam Meissner

(A slightly modified version of this op-ed was published in The Wall Street Journal, 1 August 2016.)

If you ask Americans and Europeans to name the biggest threats to their personal privacy, many might say Google or the U.S. National Security Agency. But as Western societies debate the legal limits for collecting and sharing data post-Edward Snowden, and as international companies work on encryption technologies to keep the state at bay and users at ease, a whole new surveillance game is under way in China.

These plans aren't widely understood in the West, but their contours are already clear. The government will try to link a large amount of public and private data, with the goal of building the world's first all-encompassing system of cybersurveillance. The consequences of this big-data-enabled, information-technology-backed authoritarianism will be far-reaching, not only for Chinese citizens and businesses but for anyone connected to a person or entity in China.

Already, we can see this in the creation of a so-called Social Credit System, the goal of which is to monitor individuals and companies based on a mix of information from financial institutions and law-enforcement agencies. Citizens now can expect that information from a diverse range of sources, such as employer evaluations, online shopping preferences or opinions expressed on social media, will be part of their social-credit score. The ratings will be made public and accessible online.

This isn't entirely unlike Western financial-credit scoring systems, where a low score makes it more difficult to rent a house or to obtain a loan. But surveillance systems in democratic countries usually focus on one set of data, and ownership of data is highly fragmented. China's system would link data used to evaluate financial activities with others that inform assessments of rule compliance and "socially responsible" behavior as defined by the Chinese leadership.

The system rewards "good behavior" and punishes "bad behavior." Rule breakers can be blacklisted and excluded from economic activities or denied access to public services. Reckless driving might lower their chances for a good job. And they might be unfriended on social media for fear of guilt by association.

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OPINION | COMMENTARY

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PHOTO: GETTY IMAGES/IMON IMAGES

By MIRJAM MEISSNER

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If you ask Americans and Europeans to name the biggest threats to their personal privacy, many might say Google or the U.S. National Security Agency. But as Western societies debate the legal limits for collecting and sharing data post-Edward Snowden, and as international companies work on encryption technologies to keep the state at bay and users at ease, a whole new surveillance game is under way in China.

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Already Chinese authorities have started test runs to evaluate the driving habits of professional drivers. And some online portals are reportedly awarding good social-credit scores with premium access, while denying services to those with inadequate scores.

This all-encompassing surveillance system will exist in a digital environment that feels familiar to many users, since it is operated by the same companies who run China's most famous internet platforms for shopping, social media, dating and gaming. The first apps for checking one's social-credit score are already on the market, and they fit seamlessly into China's common digital world.

But the social-credit system extends beyond Chinese citizens and companies. The leadership's intention is to strengthen political control over all economic and social activities in China. Our analysis of more than 40 government documents released since 2014 revealed that the system is meant to include every individual and institution doing business in and with China.

If you have an office or a factory in China, for example, the Chinese government will collect and evaluate vast amounts of data on your company and your employees. Since the social-credit system for companies is already fairly advanced in sectors such as electricity and transportation, corporate social responsibility as defined by Beijing might soon no longer be voluntary. And if your future business with China depends on your Chinese social-credit score, you may have no choice but to accept state scrutiny of all your business activities.

The challenges to implementing this system are significant, but not insurmountable. At least for now, China's leaders can count on popular support. Many Chinese worry about a loss of moral accountability due to their country's hasty economic and societal transformation. They see this system as part of a paternalistic effort to create a "civilized society." The inclusion of businesses adds to its acceptance among ordinary Chinese, who see it as an opportunity to expose corporate corruption and violations of labor and environmental standards.

Our research also shows that China's government-friendly technology companies, such as Alibaba, Baidu and Tencent, are willing to help solve the technological problems. It may seem ironic that these private companies, which once unleashed an information revolution in China, are now willing to share their cutting-edge technology and data analytics systems for political purposes. But in today's repressive political climate, they would otherwise risk losing business opportunities or becoming targets for political retribution.

China's tech companies, however, have yet another political task: they are expected to expand their activities to other countries. These companies are privately run, but their close connections to Beijing and its broader political goals should raise warning flags whenever they approach foreign markets.

Western entrepreneurs should be aware of the risks before they agree to strategic investments by Chinese entities and technology transfers to China in sensitive fields such as big data and credit scoring, and should at least limit them with the help of contractual safeguards. Western governments should make every effort possible to integrate China into international data-security agreements and standardization efforts.

Yet no amount of Western scrutiny will prevent Chinese tech companies from accessing many other markets around the world. They will be more than welcome by many authoritarian regimes, especially in Asia and in the Arab world. For leaders of such regimes, China's surveillance system isn't only acceptable, but highly attractive for strengthening social and economic control. Soon big-data authoritarianism won't be limited to just China.

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