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Mohammed bin  
Salman and the  
Art of War

Kylie Moore-Gilbert

# Leviathan

## in Electric Sheep's Clothing

*Timothy Erik Ström*

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Leviathan in  
Electric Sheep's  
Clothing

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Paul Mitchell's  
latest book is a  
novel, **We. Are.  
Family.** (Midnight  
Sun Publishing). His  
poetry has received  
national awards  
and his collection  
**Standard Variation**  
(Walleah Press) was  
shortlisted for the  
2015 Adelaide  
Writers Week  
poetry prize.

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### Technology, debt and control in China's Social Credit System

Over the last few years, the Chinese government has been working on a colossal experiment in social control. The first public mention of this project was in mid-2014 in a document called 'Planning Outline for the Construction of a Social Credit System'. There the State Council, the chief administrative authority of the People's Republic of China, proposed the creation of a vast system of surveillance in which every citizen would be given a numerical score that indicated their trustworthiness. This system would be based on wide-reaching tracking of online and offline actions, all purchases, media engagement and social relations. All the information scraped off by this surveillance process would be centralised in a database and groomed by algorithms looking to extract patterns. These patterns would then be interpreted in a strongly normative way. Taken together, the algorithms would settle on a single number: the 'Citizen Score'. This score will have massive impacts on people's lives, with punishments and rewards once the system becomes operational. The State Council wants to make the Social Credit System compulsory for all citizens by 2020. Here's how the State Council puts it in the Planning Outline:

Accelerating the construction of a Social Credit System is an important basis for comprehensively implementing the scientific development view and building a harmonious Socialist society, it is an important method to perfect the Socialist market economy system, accelerating and innovating social governance, and it has an important significance for strengthening the sincerity consciousness of the members of society, forging a desirable credit environment, raising the overall competitiveness of the country and stimulating the development of society and the progress of civilization.

Sincerity and socialism, competition and civilisation, morality and markets: all mediated by networked computing machines. This vast surveillance system that will underpin the Social Credit System is not unique—Silicon Valley's tech titans have been developing its basic processes for decades; indeed, this is the secret of much of their profit and power. The key difference in China is

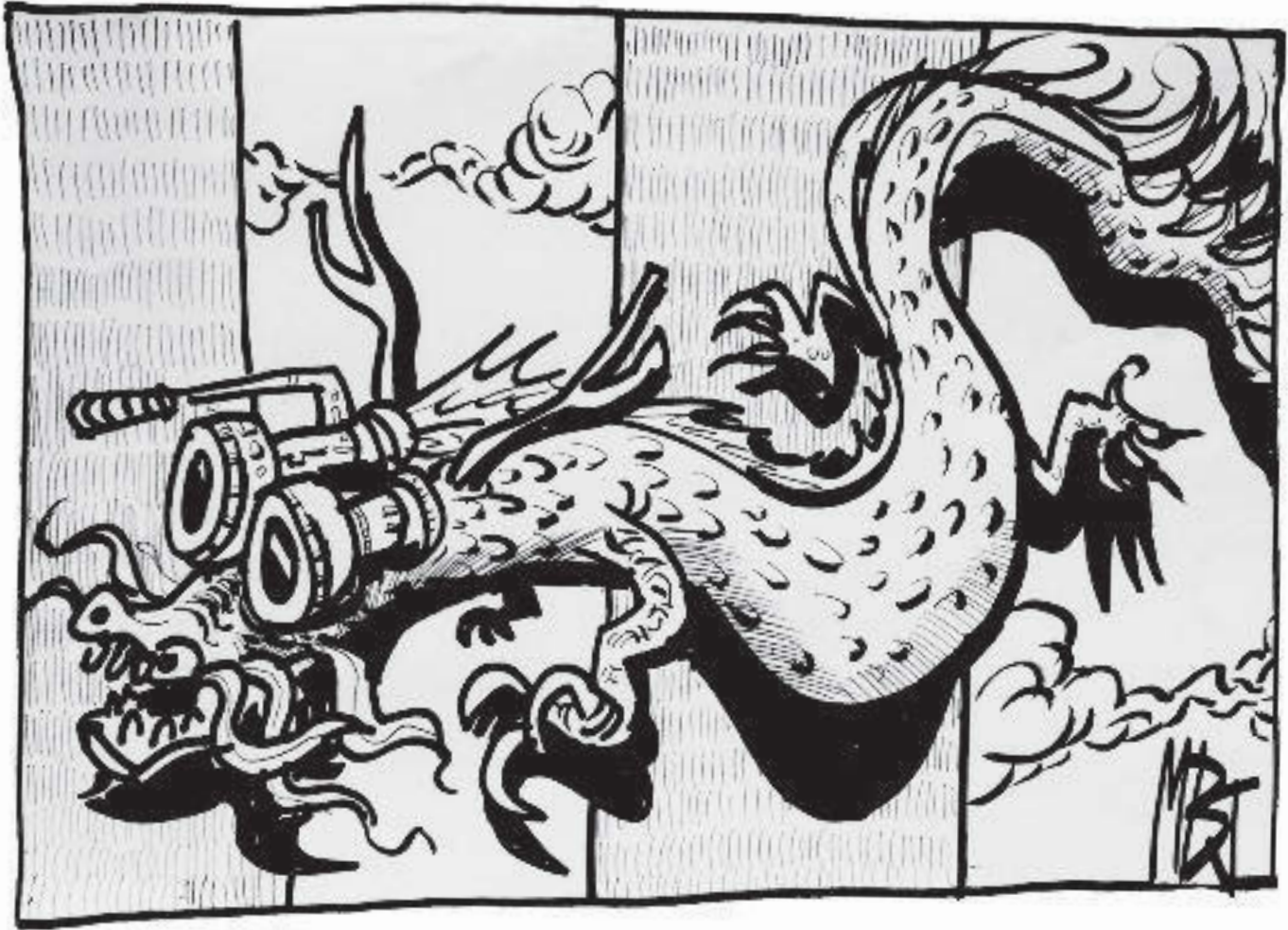
the active involvement of the State Council in taking centralised control of the system.

One of the main purposes of the Social Credit System is to enable more of China's 1.3 billion people to borrow money. The majority of people in China have limited or no credit history; hence, it is difficult for them to get a loan, and this is seen as slowing potential economic growth. In countries like Australia, credit-rating systems are entrenched and generally not controversial, or they are passively accepted. Payment histories are used to predict whether someone will repay their credit-card bill or whether they are eligible for a mortgage.

### Sincerity and socialism, competition and civilisation, morality and markets: all mediated by networked computing machines.

To develop a credit-rating system fit for the twenty-first century's 'Socialism with Chinese characteristics for the new era', the State Council licensed eight Chinese corporations to develop systems and algorithms for the Social Credit System. This outsourcing went to some of the biggest players in the Chinese tech sector, many of whom had already been developing aspects of the system. In July 2017 this process stalled, with the People's Bank of China pulling back on plans to license the firms. Regulators expressed concerns over potential conflicts of interest, with most of the worries focusing on the fact that the big tech firms are reluctant to share their data with rival platforms, thus making it difficult to establish a comprehensive score for people. Despite this change of tack, the government is still determined to go ahead with the project and much can be learned from developments thus far.

One of the most important of the original eight companies was Alibaba, a sprawling conglomerate with a market capitalisation of around US\$481



billion—around the same as Poland’s GDP. Alibaba introduced AliPay, a payment system that allows people to buy things offline and transfer money to other AliPay account holders. For example, if someone wanted to buy a bowl of rice porridge from a street vendor, they could use their smartphone to take a photo of a QR code, type in the amount—say 3 yuan—and hit go. Then, the vendor checks their phone, sees the money has been transferred, and the transaction is settled. Alibaba’s system is huge, overtaking PayPal back in 2013 as the world’s largest mobile payment platform. These kinds of practices are part of the uneven global drive for a ‘cashless society’. Financial corporations have a particular interest in pushing governments to phase out cash. Cash is something of a public utility, and every use of it for a transaction is, for techno-finance, a missed opportunity to profit from increasingly fine-grained surveillance of consumer habits and predilections.

Under Alibaba’s umbrella lies Ant Financial Services Group, and beneath that Sesame Credit, one of the State Council’s prospective licence holders. Some of the potential infrastructure of the Social Credit System has been developed through Sesame Credit. Alibaba has not revealed the ‘complex algorithm’ used to reduce people to a single number. It has, however, revealed a number of factors that are taken into consideration in this black-box process. Credit history and fulfilment capacity are central, with the algorithms going over people’s payment histories and ability to service debts. Behaviour and preferences are implicated, with the algorithms drawing conclusions about people according to their actions. Algorithms might note a person’s

shopping habits and see them as a measure of their character. For example, if someone spent money on alcohol or violent computer games, the software could be programmed to see this as a sign of irresponsibility, which could lead to a lower score. Other factors such as exercise regimes or the hours that people spend on the internet could be taken on board.

Social relations between friends online are also a factor in determining a person’s score. Sesame Credit gives points for sharing what they call ‘positive energy’ online. Announcing publicly on social media how great China is or how well the economy is going can lift one’s score. Social relations are also significant, as a person’s score is connected to their friends’ scores. So, if you are friends with someone with a high score who is always posting wonderful things about the status quo, that will likely reflect well on you. Conversely, you do not want to associate with a dissident. Alibaba maintains that there are no penalties for friends making negative comments, but it is not hard to imagine this trajectory. Indeed, this possibility played out in science fiction in ‘Nosedive’, the first episode of season three of *Black Mirror*.

Penalties are set to come into force once the system becomes mandatory in 2020. The system is being designed to punish people if they break trust. The planning document summaries its intention thus: it will allow ‘the trustworthy to roam everywhere under heaven while making it hard for the discredited to take a single step’. This translates into an elaborate system of



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automated carrots and sticks. Thus far, while it is a voluntary opt-in system, it's all carrots: a system of social control gamified into a series of enticements. Alibaba gives instant loans to anyone whose points get to a certain level (as long as the credit is spent on its products). Achieve a slightly higher score and you can get a loan to spend anywhere. Get a higher score again, and you will be fast-tracked for a visa to visit Europe.

This system of gamification can even extend to one's love life. One of the eight companies selected to develop the Social Credit System infrastructure is Baihe, China's biggest online-dating company. The dating app teamed up with Alibaba to allow its users to show off their good credit ratings. Baihe promotes people with good credit scores, giving them a better standing on its website and thus increasing their chance of getting a date. Zhuan Yirong, Baihe's vice-president, explains: 'A person's appearance is very important. But it's most important to be able to make a living. Your partner's fortune guarantees a comfortable life'

It might be all carrots at the moment, but a system of sticks is also being assembled. In 2016 the State Council's General Office released a policy document elaborating the effects of having a low Social Credit Score. The document is quite detailed, with wide-reaching proposals on how to punish those deemed untrustworthy by the algorithm. To mention just a few of the proposals, it suggests that a person with a low score be restricted in their ability to receive government subsidies or support. A low score would also make renting a property or finding a job more difficult. The document specifically forbids a person with a low score from being employed in high management, finance, the legal sector or the military, or as a civil servant, and would disallow membership of the Party. Low-scoring people will be the focus of more intensive police surveillance and frisking. The document recommends 'restrictions on conspicuous consumption', including catching trains and aircraft, visiting hotels and restaurants, sending children to high-fee schools, and building

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or renovating houses. In its clunky bureaucratic language, the policy document states:

All levels' Party and units are encouraged to use name list information concerning persons subject to enforcement for trust-breaking, integrate it into their own areas, professional scope and business activities, and implement credit supervision, warning and punishment over persons subject to enforcement for trust-breaking.

The State Council's dys/utopian vision is shot through with the rhetoric of trust, with the system being conceived as an apparatus designed to enhance trust and sincerity. The concept of trust evokes a combination of confidence, reliance, dependence and hope. However, when computing machines automate and quantify trust in order to make it legible for governments and corporations, the social basis of trust is undermined. Abstracted from its roots in ordinary social life, it comes back into social organisation as a techno-scientific process that radically enhances forms of social control.

As noted, one aim of the Social Credit System is to get more people to be able to borrow money, with the Citizen Score being a key factor in determining someone's ability to access credit—or, to say the same thing differently, their ability to get into debt. This inversion is significant, for it helps to tease out the shifting power relations in play. When someone gets into debt they make a promise to devote part of their future to repaying this debt, with interest. On the other side of this relation is the creditor, who gets a guaranteed income stream from the interest—profit from usury.


The State Council worries that China's consumer economy is underfinanced, and it is looking to prop up spending via debt. There are some parallels between this situation and the massive increase in debt following the large-scale use of credit cards in the United States in the 1980s. This led to spiralling household debt, which, for a time, effectively served to cover stagnating wages by introducing new contradictions into the economy. Of course, this debt explosion created more financial instability, as we saw in the global financial crisis (on that note, US credit-card debt just topped US\$1 trillion for the first time since 2008). Debt mechanisms also serve as systems of social control, so the 'Social Debt System'—as it could easily be called—combines mass surveillance, gamified corporate loyalty programs and debt peonage. As these credit/debt relations spread, it is clear on which side of the divide lies the real power. In October a joint notice issued by the Publicity Department of the Communist Party of China Central Committee, the Supreme People's Court and the China Banking Regulatory Commission advised authorities across the country that they must establish a debtors list. Debtors are to be listed on online platforms as a punishment for their dishonesty.

While this Social Debt System can be seen as a frightening prospect, this is not to encourage a



‘naughty China’ perspective. Similar technocratic systems of social control exist under the US model, albeit with different patterns. Plainly, Google, Facebook, Amazon and the other Silicon Valley tech titans have a similar girth of surveillance, as do the National Security Agency, National Reconnaissance Office, Central Intelligence Agency, Defense Intelligence Agency and other such organisations, while Wall Street’s financial predations are infamous.

Fredric Jameson has described the market as ‘Leviathan in sheep’s clothing’. Playing with that evocative metaphor, the US

tech companies like to project themselves as benevolent and neutral—they wear electric-sheep costumes, all cuddly and trustworthy. Occasionally, as with the Edward Snowden leaks, we glimpse the terrible eye gazing out from all that synthetic wool. In China it’s a different pattern, with the state taking a direct and driving role in constructing a technocratic control apparatus. Here Leviathan does not need a cuddly sheep costume. Either way, the message from the beast is the same: you will pay your debt, and you will conform. 

# ‘Australia’s Shame’

## Confirmed

*John B. Lawrence*

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### Problems in the NT legal system compounded the suffering of Don Dale’s Aboriginal detainees

On Friday 17 November 2017 the Royal Commission into the Protection and Detention of Children in the Northern Territory (RCPDCNT) produced its findings and recommendations. I believe it accurately records that we are a lesser country than we once were, and indeed that this diminishment exposes a country in general moral collapse.

It was the 133rd Commonwealth royal commission in Australian history. Only two previously had dealt directly with Aboriginal issues: the 1974 Commission into Land Rights established by the Whitlam government, which led to the *Land Rights (Northern Territory) Act 1976*, and the Royal Commission into Aboriginal Deaths in Custody (RCIADIC), from 1987 to 1991, which examined, through ninety-nine Aboriginal deaths in custody, the gross overrepresentation of Aboriginal people in custody.

Despite the RCIADIC’s 339 recommendations, many designed to reduce Aboriginal imprisonment, that imprisonment rate has now doubled. The proportion of Aboriginal deaths in custody has also increased, from one in seven to one in four.

#### Mass incarceration: ‘Australia’s Shame’

The ‘systemic and shocking failures’, in the words of the RCPDCNT final report, of the NT juvenile justice system occurred within a jurisdiction that has one of the highest imprisonment rates on the planet. The country with the highest is Seychelles, which jails 738 people per 100,000; the second highest is the United States, ‘Land of the Free’, which has an imprisonment rate of 666 per 100,000; England’s rate is 146 and Australia’s 168. Within Australia,

Western Australia has the second-highest rate at 339. The Northern Territory jails a staggering 923 people per 100,000, and 86 per cent of those prisoners are Aboriginal. Of NT juveniles imprisoned, 97 per cent are Aboriginal.

Against such an astonishing backdrop, the Royal Commission pursued its terms of reference for just over a year. Over the fifty-four public sitting days, it heard evidence from more than 200 local, interstate and overseas witnesses.

#### Findings and recommendations

In the end, there was little controversy as to the findings and recommendations. The findings confirmed the *Four Corners* exposé of the NT juvenile justice system as a shameful disaster: Aboriginal children were deliberately abused and mistreated by prison staff and senior bureaucrats who, as their legal guardians, knew about the indecent and unlawful conditions children were being kept in.

The recommendations addressed in the main a system that had gone backwards, and which now needs to be brought back to basics: treating wayward and damaged children with humanity, decency and professionalism in appropriate facilities. In many respects, this would be a return to Australia as it was thirty years ago.

It would be remiss not to remind readers what the conditions and treatment were for these children. The present symbol of Australian justice in the wider world is the picture of Dylan Voller shackled to that restraint chair with a spit hood over his head. Forget Blind Lady Justice. Until the NT system is rectified and the people responsible are brought to account, ‘The Boy in the Chair’ will remain that symbol.

#### Jake Roper

In August 2014 an Aboriginal boy from Tennant Creek named Jake Roper was a detainee at Don Dale. On 6 August 2014 he was placed in isolation in a cell in the Behaviour Management Unit (BMU). The remaining four cells held five other Aboriginal boys. The BMU was a concrete bunker with five small cells and an adjacent courtyard. Jake’s cell was 3 metres by 2 metres with steel bars, iron mesh and a small Judas hatch through which he received his meals.