OUTSOURCED AUTHORITARIANISM: THE COMMERCIALIZATION OF STATE CONTROL IN CHINESE MAYOR’S HOTLINES AND THE INTERNET-OPINION INDUSTRY

by

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Abstract

How is the market engaged in the grassroots governance of authoritarian China? My work addresses this question by exploring state-market collaborations in the industry of Internet control and the system of Mayor’s Hotline. Drawing on rich empirical evidence, including ethnographic observation, in-depth interviews, document analysis, my work finds that market actors are actively engaged in state control and government outsourcing is a critical mechanism promoting the state-market collaboration. I develop the concept of outsourced authoritarianism to describe the phenomena that authoritarian regimes rely on government outsourcing to incorporate private actors into the institutions of state control. My work detailed shows, by outsourcing the frontline control to private sectors, the tentacles of state control have touched a wider range of the social population. This finding challenges the traditional wisdom that authoritarian domination is monopolized by state actors and suggests a networked and multi-leveled understanding of authoritarian power. However, even though government outsourcing promotes the coordination between private actors and governments in the institutions of state control, it does not mean the profit motive of the market has been smoothly integrated into the control apparatus of the state. My evidence further demonstrates that outsourced authoritarianism also brings new governance problems. In both cases, the engagement of private actors proceeds through the mode of government outsourcing, which creates a dual-pressure structure under which frontline operators need to handle pressures from both the state and the market. I argue that this dual-pressure structure represents a special form of state-market complex within which the conflicting rationalities between authoritarian control and market profiting lead to dilemmas of governance at the grassroots level.
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# Table of Contents

Abstract ........................................................................................................................................ ii
Acknowledgements ....................................................................................................................... iii
List of Figures ............................................................................................................................... vi

Chapter 1 Introduction .................................................................................................................... 1
  1.1 Research questions .................................................................................................................... 2
  1.2 Main findings and argument .................................................................................................... 5
  1.3 Methodology and data .......................................................................................................... 9
    1.3.1 Site A: the system of Mayor’s Hotline (MH) ................................................................. 10
    1.3.2 Site B: the industry of Internet opinion ....................................................................... 12
  1.4 Chapter outline ................................................................................................................... 13

Chapter 2 Literature Review ....................................................................................................... 15
  2.1 China’s authoritarian toolkit and protest repression ............................................................... 15
  2.2 Economic privatization and authoritarian resilience ............................................................ 20
  2.3 Government outsourcing and neoliberal governance ......................................................... 22

Chapter 3 The commercialization of Internet-opinion management ......................................... 27
  Introduction .............................................................................................................................. 29
  Literature review .................................................................................................................... 32
  Methods .................................................................................................................................. 34
  Results ..................................................................................................................................... 34
  Conclusion ............................................................................................................................. 51
  References .............................................................................................................................. 55

Chapter 4 Neoliberal governance or digitalized autocracy? The rising market for online opinion surveillance in China .................................................... 59
  Introduction .............................................................................................................................. 61
  Chinese internet control: From censoring information to managing online opinion ............... 63
  Neoliberal governance, data politics and online opinion surveillance .................................... 68
  References .............................................................................................................................. 71

Chapter 5 Outsourced authoritarian governance: the privatization of Mayor’s Hotlines in China .... 74
  Introduction .............................................................................................................................. 76
  Theory ..................................................................................................................................... 78
  Case and Method ................................................................................................................... 82
  Governance Labour in the MH System ................................................................................... 85
Frontline Dilemmas ................................................................................................................. 96
Conclusion: the privatization of authoritarian governance .................................................. 100
References ...................................................................................................................................... 103
Chapter 6 The booming industry of Chinese state Internet control .................................... 108
State resilience .......................................................................................................................... 110
Monitoring Internet opinion for social stability ..................................................................... 111
Controlling Internet using for-profit agencies ...................................................................... 113
The commodification of Internet control .............................................................................. 114
The market mechanism ............................................................................................................ 116
China and the West: mirror image ......................................................................................... 116
Activist reaction: anti-surveillance strategies ....................................................................... 117
Neoliberal autocracy in a digital era? ..................................................................................... 118
Chapter 7 Conclusions ............................................................................................................ 119
Authoritarian resilience ........................................................................................................... 121
Third-party repression .............................................................................................................. 123
Global neo-liberalization ......................................................................................................... 124
Epilogue ....................................................................................................................................... 126
Appendix A Research Ethics Approval .................................................................................... 129
List of Figures

Figure 1: dual pressure structure .................................................................93
Chapter 1

Introduction

Despite controversy about the future, there seems to be a broad consensus that China’s economic success in the past decades has been a consequence of creating an increasingly market-oriented environment in which non-state firms have been able to survive and flourish.\(^1\) The rising private economy not only has a great impact on the Chinese economic sphere along but also serves as a key driver of China’s political and social transformation.\(^2\) Compared with the flourishing literature highlighting the economic influences of private sectors, we know little about to what extent and in what way the rising private sectors have influenced the state’s grassroots governance, especially its ability to address domestic dissent.

In fact, the commercialization of government is not a fresh topic in the literature on the governance of Western societies. Scholars believe that the widespread acceptance of neoliberal economics has restricted Western economic systems and political institutions;\(^3\) large-scale outsourcing has influenced democratic governance in the fields of social welfare, public education, national security, and even political campaigning.\(^4\) China’s reform is usually

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considered as neoliberal,\textsuperscript{5} but little systematic attention has been paid to how this paradigm shift has affected China’s governance. When critics warn that market involvement has eroded the essential values of democratic politics, we wonder whether market reforms have had a similar impact on authoritarian politics.

\textbf{1.1 Research questions}

Previous literature did not pay much attention to the commercialization of China’s grassroots governance. Neither did I. In my initial research proposal, rather than taking the commercialization of government as the object of my analysis, I put more emphasis on investigating the emotional dimension of the daily interaction between state institutions and the ordinary citizenry. I had wanted to make my doctoral work an extension of my master’s project in which I explored the emotional labour of China’s petition system. According to my previous research, the Chinese petition officials rely on face-to-face communication to neutralize protesters’ negative emotions, which are considered a threat against the regime’s social stability. Considering that Chinese authorities had begun to promote online petition or mobile petition, which operates without face-to-face contact, I was interested in exploring whether officials use emotional strategies to comfort petitioners via telephone or the Internet.

To explore this question, the initial plan of my research was to conduct ethnographic research in China’s Mayor’s Hotline system. The Mayor’s Hotline system is an official channel through which citizens can make direct phone calls and contribute criticisms, opinions, and suggestions concerning government policies and actions; municipal governments maintain responsibility for handling such calls.\textsuperscript{6} In other words, the system works as a hotline edition of the petition institution. Mayor’s Hotlines are usually directed by state agencies such as local petition offices


or municipal offices. This connection makes the system an appropriate case to examine whether 
my analysis of emotional labour in the petition system also makes sense in a system where the 
state-citizen interaction is proceeded by sound and voice rather than face-to-face communication. 

I first noticed the phenomenon of government outsourcing when I contacted a friend, who is a 
petition official, to inquire about more details related to the Mayor’s Hotline system. I had 
imagined that, if the Hotline System works as an extension of the petition system, it should be 
petition officials who are in charge of communicating with citizens by phone. Even though my 
friend may not work in the in-charge office, at least, I thought, he would know some colleagues 
working there. However, the officer friend told me that he did not know much about the Hotline 
System because his city’s call centre of had already been outsourced to business companies; he 
also told me that the people in charge of taking citizens’ calls are not officials at all. Then I 
realized that, in all Chinese cities, the operation of the Hotlines had been contracted out to for-
profit communication companies. To be more specific, at the end of the telephone line, it is 
professional call operators hired by for-profit companies, rather than officials or mayors, who are 
addressing citizens’ grievances, complaints, and suggestions. 

Although the outsourcing of call service is not unknown in the commercial field, it is 
academically unrecorded that outsourced call service also happens in the field of authoritarian 
governance. Outsourcing public service has gradually become a popular practice in Chinese 
politics. In 2000, the Chinese Ministry of Finance established an online platform⁷ to publish 
purchasing information of different government agencies. In an executive meeting of the State 
Council in 2013, Premier Li Keqiang listed purchasing services from the market as one of the key 

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missions for Chinese governments. In 2016, the State Council set up a special leading group office to standardize the subcontracting of government affairs.

My friend’s news about the outsourcing phenomenon in the Mayor’s Hotline system quickly caught my attention, and I excitedly shared with him the phenomenon’s potential theoretical novelty. My friend was not thrilled about my theoretical excitement: He told me that government outsourcing in China is nothing special because most technology-related government services have been contracted out to the market in recent years. Technology-related services? Recall I mentioned earlier that I had planned to study how officials use emotional strategies to comfort petitioners via telephone or the Internet. The Internet is a highly technology-related field. If outsourcing is an important part of the Hotline System, maybe it also plays some role on the Internet. I then searched the Internet with the keywords “outsourcing” and “Internet emotions”. As expected, I found a lot of media reports and bid information related to the outsourcing of Internet control. In other words, the surveillance of Internet information and the management of netizens’ emotions have also become a business that Chinese governments can purchase from private providers.

From this moment, my research focus began to shift because the outsourcing of government hotlines and Internet control implies a more important but barely mentioned fact: in China, government outsourcing is not limited to municipal work, such as street cleaning or landscape maintenance, but also is involved in some work of the party-state’s most authoritarian project—maintaining social stability. To be more specific, market involvement is now engaged in the Chinese party-state’ front-line governance over domestic dissent. Because previous literature has

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9 See at: [http://www.gov.cn/zhengce/content/2016-06/27/content_5085957.htm](http://www.gov.cn/zhengce/content/2016-06/27/content_5085957.htm).
not adequately discussed the connection between government outsourcing and authoritarian control, a series of questions quickly came to occupy my mind:

1. How is the market involved in China’s governance in the front line?

2. How do commercial employees replace government officials to deal with citizens’ complaints and suggestions?

3. How do local authorities interact with market actors on legitimacy-related issues?

4. What impact would the engagement of market actors bring to China’s state-society relationship?

5. What is the difference between the outsourcing of authoritarian governance and the outsourcing of democratic service?

**1.2 Main findings and argument**

This work addresses these questions by exploring the outsourcing practices in the industry of Internet control and the system of Mayor’s Hotline. By adopting the methodology of multi-sited ethnography, the findings of the study show that market actors are actively engaged in state control and, with the help of private actors, the tentacles of state control have touched a wider range of social population. In the case of Internet control, government outsourcing has transferred the digital repression into a special industry where government agencies can legally purchase surveillance software and other control services from technological companies and media organizations. With the help of these corporate actors who own advanced technological capacities and rich media resources, governments acquire the capacity to monitor and track the fast-updating online information, which they could not make it by manual surveillance. In the case of Mayor’s Hotlines, the Chinese municipal governments rely on communication carriers to operate their call centres and hire professional call operators to address citizens’ complaints. With the help of government outsourcing, the state obtains communication technologies and low-priced labor to
build a quasi-democratic system that could deliver public service on one hand and mitigate social conflicts on the other hand.

While government outsourcing promotes the coordination between private actors and governments in the institutions of state control, it does not mean the profit motive of the market has been smoothly integrated into the control apparatus of the state. In both cases, the engagement of private actors proceeds through the mode of government outsourcing, which creates a dual-pressure structure under which frontline operators need to handle pressures from both the state and the market. In the industry of internet opinion, technological companies complain that the demand for information control has depreciated their technological innovation capacity because government clients want more channels to delete negative comments rather than more accurate tools for data mining. In the system of Mayor’s Hotlines, frontline call operators are trapped by the dilemma between the complex governance mission of the state and the huge cost-control pressure from the corporations. I argue that this dual-pressure structure represents a special form of state-market complex within which the conflicting rationalities between authoritarian control and market profiting lead to dilemmas of governance at the grassroots level.

The aim of this research is to explore the complexity of authoritarian power. In this research, states are understood as a central set of institutions from which political relations—including authoritarian rule-making and control of political violence—extend to cover a territory. In order to examine the complexity of authoritarian power, this research also adopts the state-in-society approach in which the state power is understood from two dimensions: (1) the image of coherent, controlling organization in a territory, which is a representation of the people bounded by that territory, and (2) the actual practices of its multiple parts. This approach reminds us that the state is constructed and reconstructed, invented and reinvented, through its interaction as a whole and

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of its parts with others. The state is not a fixed entity; its organization, goals, means, partners, and operative rules change as it allies with and opposes others inside and outside its territory.

Following this approach, my research narrows the focus down to the state-market interaction in authoritarian governance. Markets imply social spaces where repeated exchanges occur between buyers and sellers under a set of formal and informal rules governing relations between competitors, suppliers, and customers. In sociology, the research of markets not only focuses on the economic exchange among firms, individuals, and other organizations but also explores the cultural and social contexts where a certain market is embedded. In this research, the market is understood as a non-state institution in which exchange behaviors are driven by the profit logic.

Market actors refer to the non-state agencies whose main objective is to make a profit. As shown in my work, Chinese government agencies purchase control-related products from market actors so government actors, as consumers or buyers, become a part of the market. My research, therefore, contributes to the discussion of China’s state-market relations. As a classical research topic, state-market interactions sometimes are understood as the relationship between state intervention and economic systems. However, in this research, I focus on the micro-level dimension of state-market relations, which refers to the market exchange that occurs between the government agencies and the for-profit organizations which are not part of China’s state bureaucracy.

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This research develops the concept of *outsourced authoritarianism* to describe the phenomena that authoritarian regimes rely on government outsourcing to incorporate private actors into the institutions of state control. In this research, outsourced authoritarianism refers to a set of practices in which authoritarian governments purchase control-related service/product from market actors through a formal contractual agreement. Rather than describing one particular type of “hybrid” regime, outsourced authoritarianism is developed to generalize the practices and problems of a special type of state-market collaboration in authoritarian contexts. It brings into focus the actors, dynamics, and impact of outsourced authoritarianism by drawing comparisons with other market-engaged control practices in both authoritarian and democratic contexts.

The first feature of outsourced authoritarianism is the *commodification of state control*. Commodification is the transformation of things, services, people into market products that are valued for what they can bring in exchange. The process of commodification introduces an active marketing, branding, and selling strategy in which the control demand of authoritarian governments is developed, framed, and satisfied. One the one hand, the control practices must be commodified as tradeable goods. Previous literature shows that some authoritarian regimes rely on such as militias, vigilantes, and, party loyalists to repress protesters. Although governments may pay private actors for a control target, the providers’ repressive capacity is not transferred into the commodity that different government clients can freely purchase. One the other hand, the commercialized control behavior under this concept should be authoritarian. Although government clients sometimes purchase street cleaning, waste disposal, and even public transportation from private providers, the outsourced services do not distinguish the control demands between democratic states and authoritarian ones; they are the commodification of public service rather than that of state control.

The second feature of outsourced authoritarianism is the *legitimization of market engagement*. Legitimization refers to the generalized perception that the actions of an entity are desirable,
proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. This feature distinguishes my concept from those third-party repressions that happened under the radar. On the one hand, the engaged market actors are usually legitimate enterprises and formal organizations; on the other hand, compared with coercive repression, the engaged control practices are less violent and usually (framed as) legal in that country. In the industry of Internet control, China’s digital control industry is not illegal and informal. In the system of Mayor’s Hotline, the control of the state is also framed as public service provided by municipal governments.

The last feature of outsourced authoritarianism is the institutionalization of market-state collaboration. Institutionalization is the process by which originally personal norms, expectations, goals, and values tend to form a collective and repeated pattern to high-order political rulers. It distinguishes outsourced authoritarianism from other market engagements which are usually informal, sporadic, or incidental. In China’s Internet management system, government outsourcing is institutionalized. Government sectors at different levels are all buyers of surveillance products. In the system of Mayor’s Hotlines, all Chinese municipal governments have outsourced the operation of their call centres to the professional tele-companies. State-market collaboration is becoming a basic and necessary element of China’s formal system.

Previous literature believes that delegating state coercion to nonstate actors could help authoritarian rulers overcome domestic procedural barriers and skirt responsibility for negative consequences. But in outsourced authoritarianism, as collaborating with market actors serves for the operations of the state’s formal institution, citizens will still blame all negative results on the state. In this way, accountability removal cannot explain the state’s outsourcing action.

1.3 Methodology and data

My research employs the methodology of multi-sited fieldwork to study the market engagement of China’s state control. Multi-sited fieldwork refers to the strategic selection of one or more
locale(s) for ethnographic observation research.16 Unlike traditional cultural anthropology, sociological ethnography in and of complex societies rarely ever deals with a clearly bounded group in a single place17. Its research objects are derived from theoretical knowledge and questions. Therefore the field of sociological ethnography cannot be found somewhere out there but is constructed by the researcher. Moreover, a field for sociological ethnography is most likely not restricted to one observational site.

The topic of research of my study is composed of institutionalized practice and interpretation in relation to a highly theoretical concept—namely the outsourcing of authoritarian control and its implications and outcomes. In particular, I focus on the grassroots control of an authoritarian state: I analyze how government actors address domestic dissent in the front line. In consideration of the complexity of authoritarian politics, the field proper to explore such a topic is composed of a collection of forms of practice and institution, which may be found in different, but complexly connected sites. Therefore, I conducted multi-sited fieldwork on two sites of China’s dissent management: the Internet-opinion industry and the Chinese Mayor’s Hotline system. These are the two fields where governments address citizens’ disagreements, online and offline. The methods of data collection include field visits, participatory observation, semi-structured interviews, and document analysis.

1.3.1 Site A: the system of Mayor’s Hotline (MH)

Between 2015 and 2017, I spent five months doing fieldwork in two MH call centres in China. My data-collection methods include participatory observation, work shadowing, and interviewing. In the two sites in total, I conducted 64 semi-structured interviews with call centre employees (call operators, managers, and trainers) and in-charge government officials.


In the summer of 2015, I got access to the government hotline in DY, a medium-sized city in Shandong province. The DY Mayor’s Hotline (DYMH) has 30 seats and around 40 employees. DYMH was established in 2009, although it had not done a completed transition of privatization until 2014. During my visit, the director of the call centre was bothered by the disordered management caused by the reform: the increasing call volume came with decreasing service quality. At this site, I conducted one-month-long exploratory fieldwork in 2015, followed by two months of participant observation in 2016. During my visit, I conducted 24 semi-structured interviews with call operators, duty dispatchers, and administrative supervisors. In addition, the director assigned me an administrator account with which I could review all the call recording stored in the system and monitor the real-time interaction between citizens and any call operators; I also attended their morning meetings and quality inspection meetings, and the call centre provided me with the call-operator training documents by which I could study the organizational rules.

To verify the representativeness of the phenomena observed in DYMH, I attempted to observe another MH call centre with a well-organized outsourcing mode. In 2017, I got a chance to conduct two-month fieldwork in the Mayor’s Hotline of BP, a city with more than 21 million population in northern China. The BP Mayor’s Hotline (BPMY) has 500 seats and around 700 employees to guarantee it can address about 3 million citizen calls all year. Despite the size difference, the two call centres share a similar organizational division, which is made up of six sections.18 In my first month in BPMD, to achieve knowledge of the labor division of the call centre, I spent 1-4 days in each section to shadow its employees. In the second month, I turned

18 It includes: 1. reception section (which is in charge of answering calls and transferring calls into work orders); 2. dispatcher section (whose job is to dispatch work orders to corresponding government institutions); 3. quality-inspection section (that takes spot checks on all the recordings and work orders to guarantee service quality); 4. complaint section (that is set to receive the citizens’ complaints against call operators); 5. training section (that take the charge of training new employees and delinquent operators); 6. review section (whose job is to call back to citizens to check whether their requirements have been responded to.)
my focus to the reception group, the core part of all government hotlines. The BP call centre
provided me with a special headset, which had a splitter that allowed me to link with the
headphone used by a call operator; when I needed to observe how a call-operator worked, I could
sit beside this operator and use this device to listen to the conversation between citizens and the
observed operator. I used memos to record the conversations that interested me. In conjunction
with the observations, I also conducted 40 formal interviews and dozens of informal interviews
with employees working in different sections. As well, I also attended a four-day training
program in which trainers gave me all their teaching slides and recordings.19

1.3.2 Site B: the industry of Internet opinion
To understand the role of the market and non-state actors in the state management of the Internet
in China, I conducted a qualitative study on the growing industry of monitoring Internet opinion
in that country. Relying on my personal and professional connections, between 2016 and 2017 I
visited six for-profit agencies that provide online-opinion-management services to Chinese
governments. Two of them are run by the official Chinese media; the others are private
technology companies that work with big data. Following the principles of maximum variation
and information intensity, these companies are chosen by their characteristics such as high market
share, strong political influence, rich product line, or good industry reputation. During my visits,
the company managers not only provided me with detailed introductions to their business but also
used display screens to show me how their products work.

I conducted 35 interviews with 33 actors working in or with this industry. The interviewees were
not only company directors, product managers, salespeople, and online-opinion experts but also
included government officials whose job is to surveil and guide online opinion. Also, because

19 According to the confidentiality agreement, I cannot use previous recordings and internal statistics, while I am
allowed to use the model recordings they use to show new employees the difference between good service and bad
ones.
Chinese governments, collaborating with companies, now set up workshops to teach officials how to manage Internet discussion, I analysed 12 textbooks and five PowerPoint files used for official training, plus one syllabus provided by one of my interviewees, to learn how these workshops are run.

1.4 Chapter outline

I now outline the chapters of the dissertation to give the reader a foretaste of what I hope to accomplish. This dissertation adopts a manuscript thesis format. The main body of the dissertation includes three published academic articles, one under-review manuscript, and one published non-academic article.

Chapter 2 (literature review)

In Chapter 2, I review the literature on authoritarian control, economic privatization in authoritarian contexts, and neoliberal governance, which provides me with the theoretical tool for my research. I also point out why the current literature cannot fully explain the outsourcing phenomenon of in Chinese politics.

Chapter 3 (published academic article)

In Chapter 3, I present an ecology of the Internet-opinion industry, which identifies three main market actors whose competitiveness is deeply rooted in the Chinese political context and identifies three stages of state-market collaboration. I answer the question about how market actors are actively engaged in state control of the Internet in China by studying the emerging industry of Internet-opinion management in that country. I demonstrate that, in a digitised era, state control is not exerted by a monopolistic state actor. Instead, a multi-subject governance structure underlies Internet management in authoritarian contexts.

Chapter 4 (published academic article)
In this chapter, I point out that the discussion of China’s digital surveillance is narrowly understood as a form of political control by the authoritarian state on its citizens. The surveillance phenomenon there is only dealt with as an indicator of an antagonistic state-society relation under this regime so most people neglects the underlying policy changes and structural arrangements with which the Chinese government conducts its governance in the era of big data. Based on my research data on the industry of Internet opinion I demonstrate that we should understand the neoliberal root of China digital governance.

Chapter 5 (under-review manuscript)

In this chapter, I focus on the question about how the engagement of privatization impacts governance in authoritarian regimes? By presenting ethnographic data in two MH call centres, I argue that the outsourcing creates a dual-pressure structure shaping frontline governance; the engagement of privatization in authoritarian domination leads to the rationale conflict between the newly involved market rationality and the inherited tradition of state intervention.

Chapter 6 (non-academic article)

In this chapter, I explain how the cooperation between government sectors and for-profit data-service providers implies a structural shift of China’s repression. I argue that new constellations of the state’s relations with non-state agencies are being formed to build a more networked and multilevel mode of social control. This new mode both enhances the authorities’ capacity for handling the voluminous data of online expression and also increases the vulnerability of protestors who express dissent through the Internet.

Chapter 7: Conclusion

In the last chapter, I summarize my findings, outlines the contribution, and recommend paths for future investigators to follow.
Chapter 2

Literature Review

This research focuses on the outsourcing of China’s grassroots governance, a special phenomenon in which market engagement deeply blends into the state-society relation within an authoritarian context. Although usually considered separate spheres of society, state power and the market are closely intertwined in most regimes. In previous literature, notwithstanding the phenomenon of outsourced authoritarianism is rarely mentioned, many scholars have noticed that there exist various and complex state-market interactions in different political contexts. In this part, by reviewing the literature of protest repression, market reform of authoritarian regimes, and government outsourcing, I show the trajectory where I locate my contribution and why conventional wisdom is not enough to explain the government-outsourcing phenomenon in current China.

2.1 China’s authoritarian toolkit and protest repression

How authoritarian states to address citizen’s disagreement is one of the central questions in theories of authoritarian control. Traditional wisdom argues authoritarian regimes primarily rely on coercive force to enforce political order, undermine the opposition and survive in office.20 However, recent literature shows that, due to the fact that violent repression can be costly and can

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offer backfire, current authoritarian regimes have developed various non-violent strategies to constitute their control apparatus.

Over the last decades, in the name of maintaining social stability, China has developed a range of institutions and instruments to prevent, absorb, and repress people’s disagreement. Based on rich empirical data, the current literature has identified at least five types of methods as the main components of China’s authoritarian toolkit: hard repression, soft repression, information control, protest bargaining, and institutional absorbing. The first strategy of China’s state control is hard repression. It refers to the state using force to demobilize resisters. The most famous case of China’s hard repression is the crackdown on Tiananmen protestors in 1989. Today, although coercive repression is tightly constrained by the external pressure from the international society and the regime’s own legal and political institutions, Chinese local officials are not hesitant about turning to hard repression when faced with challenges, existential or otherwise. The second type of control strategy is soft repression. It refers to the state employing non-violent strategies to deter mobilization and silent dissents. The concrete strategies of soft repression include putting pressure on dissidents’ friends and relatives, cultivating pro-government civil groups, and regulating activism-related social organizations. The third one is information control. As the Internet and new media are becoming the mainstream tools for mass mobilization, authoritarian

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regimes have realized that information control in cyberspace is also important for social stability. The current literature shows that the Chinese state is not only equipped with a strong apparatus of digital surveillance and information censorship but also developed advanced technological tools to attack online dissents and spread pro-government information.27 The fourth one is protest bargaining. It refers to officials paying off protestors to exchange for social stability. As argued by Lee and Zhang, “dishing out the cash payments or other material benefits in exchange for compliance has become a patterned and routinized response to popular unrest.”28 The last strategy is institutional absorbing. During the past decades, China has also established a range of formal and informal conflict resolution institutions, including the courts, the petition system, the Mayor’s Hotline system, labour arbitration, grand mediation, and other civic participation channels to adsorb domestic dissent.29 These institutions not only deliver valuable information to the state but also prevent citizens’ disagreements transferring into public protests.30

Most studies on China’s control capacity is shaped by the theory of state repression. In the literature of contentious politics, repression refers to any action by another group which raises the contender’s cost of collective action.31 Although this classical conception considers repression as

a generalized anti-mobilization action, as pointed out by Fu, the current discussion has “tended to analyze the subject at the regime level.”32 It was believed that the state is the main actor of repressive behaviors and the indicators of repression should be those overt violent state behaviors such as harassment, surveillance/spying, bans, arrests, torture, and mass killing.33

Because a weak understanding of repression may lead to the ignoring of certain types of state-society interaction, recent literature has begun to re-broaden the understanding of repression. For example, Earl defines repression as a “state or private action meant to prevent, control or constrain non-institutional, collective action, including its initiation”.34 Boykoff considers repression as “a process whereby groups or individuals attempt to diminish dissident action, collective organization, and the mobilization of dissenting opinion”.35 In the Oxford Handbook of Social Movement, a briefer definition explains repression as “the governance of domestic dissent”.36

A broad concept of repression inspires researchers to notice the hidden repressor of civil society. Recently, a growing body of literature begins to highlight the role of non-state actors in the containment of public protest. For example, the rising industry of the private military since the end of the Cold War has led scholars to emphasize the role of corporate bodies in demobilizing social protest around the world.37 The privatization of the military reveals that the market

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32 Fu, 2018:28
mechanism could empower state actors to transform economic capital directly into the coercive force. Scholars on authoritarian regimes also realize that subcontracting out violence to nonstate or semi-official actors such as vigilantes, thugs, or paramilitary forces is becoming a popular choice for authoritarian governments to bolster their coercive capacity or to evade related responsibility.38

Although the existence of market actors in state repression has already been highlighted, there exist at least three blind points in current literature. First, in authoritarian politics, the market influence should not be limited to the involvement of private violence. Lee and Zhang remind us that even state actors will adopt the logic of market exchange to silence domestic dissent.39 Another recent study shows that state-society bargaining in some Chinese local governments is conducted via professional brokers whose objective is to make a profit from the transactions.40 These findings inspire us to emphasize the diversity and complexity of the market’s impact. Considering that the state-market collaboration, such as hiring thugs, is illegal and operates ‘under the radar,’ my research will pay more attention to a rarely examined puzzle in previous studies.

Second, while current studies highlight the role of the private sector in state repression, most research assumes that the market is a passive tool of governance. It considers the involvement of the market to be a unilateral command-and-control system rather than a bidirectional collaboration between state and capital. Previous literature has under-explored how the market is actively involved in state governance. To fix this blind point, my research will highlight the

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incentives and logic underlying market actors’ involvement and explore how the profit motive influences state-market collaboration.

Last, the development of digital technology is so new and has brought such a profound change to a traditional mass mobilization that the previous discussion on third-party repression has not yet considered its influence on the relationship between state and society. My research fills the vacancy by exploring how technological innovations promote the political engagement of private actors in a digital era.

2.2 Economic privatization and authoritarian resilience

As well as containing public protest, authoritarian regimes also need to address the challenge brought by the dramatically-changed economic institution and the newly-emerged social forces. Since the 1970s, economic reform, especially privatization, has swept most authoritarian regimes including China. The private sectors not only become an important part of these regimes’ national economy but also forms an invisible force influencing these countries’ political systems. During recent years, there is growing scholarly attention on authoritarian regimes’ state-business relations because people would like to know whether the continued economic change is leading to eventual political change.

The correlation between economic privatization and political democratization is one of the most studied topics in social sciences. A widely accepted opinion argues that private property and contract (as opposed to centrally organized economic direction) fundamentally advance the growth of democratic institutions.41 As posited by modernization theory, democracy is the consequence of social and cultural changes brought about through economic modernization.42

structuralist explanation of this theory is that the rise of the private economy comes with the emergence of the capitalist class and the middle class, who are expected to be an important push for political liberalization. Influenced by the theory of modernization, many scholars believe that the collapse of authoritarian rule during the “Third Wave” of democratization is the result of new social classes defending their commercial interests. When China launched the economic reform to allow the emergence of the private economy, observers speculated that, with the deepening of the economic transition, this regime would finally become democratic.

However, notwithstanding the great impact brought on China’s economy, the rising private sectors do not lead to the expected democratization of this regime. Recently, a growing body of literature has questioned the modernization theory by showing that authoritarian regimes have adapted to the changing economic and social environment created by privatization. On the one hand, evidence shows that systematic interaction and patron-client relationships exist between economic and political elites in authoritarian regimes. By incorporating the growing private entrepreneurs into the political system or create a reciprocal connection between the bureaucracy and the private sector, authoritarian regimes own the capacity to address the social tensions created by rapid economic transition. One the other hand, scholars also point out that private entrepreneurs lack a common basis for identity and interaction. In China, class formation has not occurred among private entrepreneurs and is unlikely to in the near future. In this sense, there

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is a little chance that private entrepreneurs would be mobilized as a united force to change the regime.

These studies contribute to the understanding of state-business relations in China. It also provides an inspiring perspective to think about why authoritarian power could survive in the transition from a planned economy to a market economy. Nevertheless, this body of literature pays too much attention to the role of private entrepreneurs. Scholars may neglect the influence of the private economy on other aspects of China’s politics if they equate the impact of economic reform with the impact of the rising private entrepreneurs. Moreover, as the most discussion is based on challenging the theoretical assumption of ‘no bourgeoisie, no democracy’, little attention has been paid to what institutional change the privatization has actually brought to authoritarian politics.

2.3 Government outsourcing and neoliberal governance

As well as creating a rising group of private entrepreneurs, privatization should also be considered as a reform project which offers authoritarian regimes with an alternative governance strategy: government outsourcing. Both the privatization of former public industries and the outsourcing of public services have been considered as the hallmarks of neoliberal economic strategies to increase the role of markets and reduce the role of the state in the economy.48 However, in the studies of post-communist countries and authoritarian regimes, privatization usually refers to various economic policies that transfer enterprise ownership from the state to private hands. Only in Western democracies is privatization mainly referred to as the shift in domestic governance–government contracting public service to private providers.49 In this sense,

we should consider privatization as a set of practices covering a great range of ideas and policies in both the field of industry and the area of public service.

Government outsourcing refers to the phenomenon whereby a government contracts out the production of a service to a private firm while retaining the responsibility for planning and financing the service. Advocates believe that at least three reasons exist for why contracting out service is better than providing it in-house: (1) Outsourcing leads to a more cost-effective choice for governance. Competition arising from bidding procedure leads to reduced service costs or improved service quality. It solves governments’ fiscal pressure and provides citizens with better service; (2) Privatization protects freedom and autonomy by reducing government involvement. The proponents of the “shrinking government” believe that contracting out public service to non-state actors can not only limit the increasing government employment but also limit its excessive intervention; and (3) Government outsourcing empowers society by increasing pluralism in local governance. Through outsourcing, not only do people have more choices in public service, but non-state actors such as private forms or civil society also get access to the policy process. In this sense, outsourcing is not only a pragmatic alternative for the government, but it also contains reformative values that promote democratization.

Currently, it is disputed whether privatization necessarily leads to a positive outcome for governance. Critics point out that several conflicts exist between democratic governance and government privatization. First, the involvement of private sectors changes the accountability relations between governments and citizens; outsourcing not only provides entities with

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opportunities to contract their responsibility but also brings the risk of replacing elective accountability for economic efficiency. Second, the democratic values inherent in public services may not be adequately addressed by the economic efficiency calculus of markets; the emphasis on market rationality may marginalize other non-economic values such as freedom, justice, and equality, which are also important for maintaining democracy. Third, the expectation that ‘competition brings good service’ may be crushed by the pervasive market imperfection in political fields. In the real world, the public interest may be vitiated by various interference factors such as non-transparent competition, weak monitoring mechanisms, and ill-defined service.

Although the implication of outsourcing remains controversial, no one would deny that the discussion in democratic contexts presumes the existence of a relatively well-specified set of public goals. “Such public goals are broadly accepted as legitimate because they have emerged from democratic processes, deliberation by acknowledged experts, or assertion by recognized authorities”. With clear and accepted public goals, at least the overt task for government outsourcing is to pursue those ends as efficiently and effectively as possible.

However, compared with Western democracies, authoritarian regimes usually have different governance missions due to their distinct accountability mechanisms, legitimation pressures, and state-society relations. Although the democratic understanding of outsourcing has limited

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56 Feigenbaum and Henig, 1994,187
exploratory power in authoritarian cases, nevertheless, when governments of different regimes share similar public goals, the current theoretical insights still work. Some scholars, for example, argue that outsourcing in China’s education and social welfare systems represents expanding public participation, which was rarely seen in the single-party country where participation is restricted to limited members.\(^{58}\) However, in those fields where the priority of authoritarian governance is different from the democratic ones, the situation is different. Recent studies have found that although privatization reform in authoritarian countries transforms state-owned media into profitable enterprises, it does not change their media’s nature of being ideological apparatuses for state control.\(^{59}\) Even though media organizations now are less dependent on government subsidies and can generate financial support directly from the market, media practices are serving the interests of political and business elites while suppressing and marginalizing opposing and alternative voices.\(^{60}\) Scholars usually use the term ‘state-market complex’ to highlight the murky encounter between state power and capital interest.\(^{61}\) Ma explains: “The development of the market with the blessing of the state is constructing a hybrid of overt conflicts but structural coexistence between the two.”\(^{62}\) However, state-market interaction is a complex process. Ma’s explanation pays much attention to the integration between the state and the market but overlooks how the so-called ”overt conflict” between the two may also structurally impact authoritarian governance. Considering that recent empirical studies on authoritarian cases

(especially China) pay more attention to how the state harness the market forces to strengthen its control, I think the contradictory nature of the state-market complex is underdeveloped.
Chapter 3

The commercialization of Internet-opinion management

This chapter examines how market actors are actively engaged in state control of the Internet in China by studying the emerging industry of Internet-opinion management in that country. It argues that by relying on the market, authoritarian states are able to turn advanced technology into a repressive tool, which makes it more difficult for their citizens to use the Internet to mobilise. This chapter also introduces the three mechanism of outsourced authoritarianism: commodification, legitimisation, and institutionalisation. By presenting the ecology of China’s Internet surveillance industry, this chapter how government outsourcing has become an institutional part of China’s Internet control.
The commercialisation of Internet-opinion management: How the market is engaged in state control in China

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Abstract
This article examines how market actors are actively engaged in state control of the Internet in China by studying the emerging industry of Internet-opinion management in that country. It presents an ecology of this industry, identifies three main market actors whose competitiveness is deeply rooted in the Chinese political context and identifies three stages of state-market collaboration. This article sheds light on how the rise of big data has strengthened state capacity for Internet control. It provides original evidence for how the profit motive drives Chinese data companies and media organisations to seek active involvement in the institutional construction of Internet-opinion control. This article also contributes to the literature on repression and contentious politics. It demonstrates that by relying on the market, authoritarian states are able to turn advanced technology into a repressive tool, which makes it more difficult for their citizens to use the Internet to mobilise.

Keywords
Authoritarian regime, China, information and communications technologies, Internet control, surveillance

Introduction
How traditional authoritarian regimes maintain their resilience under the impact of technological innovation has become one of the most important topics in the current social sciences (Deibert and Rohozinski, 2011; King et al., 2013; Kyriakopoulou, 2011; Mackinnon,
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This article examines how market actors are actively engaged in state control of the Internet in China by studying the emerging industry of Internet-opinion management in that country. It presents an ecology of this industry, identifies three main market actors whose competitiveness is deeply rooted in the Chinese political context and identifies three stages of state-market collaboration. This article sheds light on how the rise of big data has strengthened state capacity for Internet control. It provides original evidence for how the profit motive drives Chinese data companies and media organisations to seek active involvement in the institutional construction of Internet-opinion control. This article also contributes to the literature on repression and contentious politics. It demonstrates that by relying on the market, authoritarian states are able to turn advanced technology into a repressive tool, which makes it more difficult for their citizens to use the Internet to mobilise.

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Introduction

How traditional authoritarian regimes maintain their resilience under the impact of technological innovation has become one of the most important topics in the current social sciences (Deibert and Rohozinski, 2011; King et al., 2013; Kyriakopoulou, 2011; Mackinnon, 2011; Morozov, 2011; Moss, 2018; Pallin, 2017). Indeed, the political ramifications of digital technology are not determined solely by state actors or citizens. Mobilising citizens relies on the platforms run by giant Internet companies such as Facebook and Twitter. State agencies also rely on corporate bodies to control the flow of information (Han, 2018; King et al., 2014). Hitherto, the primary
focus of social science research has been on the digital control exerted by state agencies, while paying little attention to the role of non-state actors in authoritarian control of the Internet.

China is considered to be one of the authoritarian regimes most experienced in developing sophisticated strategies to address the challenges brought about by the Internet. Much evidence has shown that Chinese governments not only use technological means to censor Internet information but also adopt administrative and legal means to restrict citizens’ freedom to use information and communications technology (ICT) (Creemers, 2017; Han, 2015; Jiang, 2010; Mackinnon, 2011; Yang, 2011). While it was recently revealed that purchasing commercialised data-analytics services to control Internet opinion is becoming a regular and requisite expenditure of Chinese governments (Hou, 2017), we know little about how state and non-state actors collaborate.

This article argues that a lively market has developed in China, where for-profit organisations are selling various data products and related services to help governments monitor online information and guide Internet discussion. It is in this market that a unique type of business has emerged, called the Internet-opinion company (IOC). The IOCs are profit-driven organisations that trade in data and professional services intricately linked to Internet-opinion management. Using advanced technical capacity and rich media resources, IOCs not only provide data-based software to help governments monitor online information but also develop a series of products such as online-opinion reports, training programmes, robot commentators and other public relations services to help government clients eliminate anti-government information and boost pro-government opinion.

This article examines how market actors are actively engaged in state control of the Internet in China by studying the industry of Internet-opinion management there. Using qualitative methods, it presents the ecosystem of this industry, in which citizens’ online expression is systematically
monitored, analysed and guided. It identifies three main market actors whose competitiveness is deeply rooted in the Chinese political context.

This article also argues that, in a digitised era, state control is not exerted by a monopolistic state actor. Instead, a multi-subject governance structure underlies Internet management in authoritarian contexts. On one hand, through the market, the state integrates new digital technology, such as big data and new media, into the basic configuration of state repression. On the other hand, rather than being passively obedient to the administrative order of the state, non-state actors are actively engaged in state control of the Internet.

Based on the data, I identify three stages of state-market collaboration: (1) commodification, (2) legitimisation and (3) institutionalisation. Through commodification, for-profit companies transform complex digital technologies into client-oriented products that government clients can easily purchase and use. Legitimisation is the process by which the state and market actors make Internet-opinion control an ideologically legitimate and realistically necessary form of business. In the last stage, the participation of for-profit agencies is institutionalised as the basic configuration of state governance.

This article also sheds light on how the rise of big data has strengthened state capacity for Internet control. It provides original evidence for how the profit motive drives Chinese data companies and media organisations to become actively involved in the institutional construction of Internet-opinion control. In addition, it demonstrates that by relying on the market, authoritarian states can mould advanced technology into a repressive tool, markedly increasing the difficulty for their citizens to mobilise using the Internet.

Last, this article contributes to the research on surveillance studies. Although current research reports that modern surveillance is generally conducted through the links among governments, state agencies and corporations (Ball and Snider, 2013; Hayes, 2012; Lyon and Topak, 2013), few
case studies explain how this collaboration operates. The three forms of state-market collaboration introduced above constitute an explorative framework for studying the industrialisation and institutionalisation of digital surveillance in contemporary authoritarian contexts.

This article introduces the industry of Internet opinion and establishes a theoretical structure within which to study the involvement of the market in state control in the digital age. The first section reviews the literature on the role of the market in state control. The result section introduces Chinese Internet-opinion management and the key market actors. The article then describes the three forms of state-market collaboration before making its concluding remarks.

**Literature review**

Although usually considered separate spheres of society, state power and the market are closely intertwined in most political contexts. Even though the function of the market in moderating social disorder was highlighted by early theorists (Piven and Cloward, 1971), recent literature pays more attention to the significance of political structures and states’ repressive strategies in shaping protesters’ mobilisation (McAdam, 1996; McAdam et al., 2003). However, the rising industry of the private military since the end of the Cold War has led scholars to realise that corporate bodies are playing an increasingly active role in maintaining social order around the world (O’Brien, 1998; Singer, 2002).

This research reveals the fact that the market could empower state actors to transform economic capital directly into coercive force. It has also led scholars of authoritarian regimes to focus on the involvement of non-state actors in domestic repression. For example, Moss (2014) points out that Jordanian governments rely on third parties such as thugs and accredited groups to repress domestic dissent. Chen (2017) and Ong (2018) capture the phenomenon of local Chinese officials hiring thugs to carry out social control.
While these studies highlight the role of non-state agencies in state repression, the cooperation between state agencies and non-state actors is, in most cases, illegal, operating ‘under the radar’. We cannot judge whether the recruitment of non-state force is deliberate institutional state behaviour or just incidental. In addition, because the development of ICTs is so new and has brought such a profound change to traditional mass mobilisation, the current discussion on third-party repression has not yet considered the influence of ICTs on the relationship between state and society.

Along this line, surveillance studies provide more insights into the institutional involvement of for-profit agencies in state control. For instance, Hayes (2012) noted that information technology conglomerates such as IBM, Dell and Verizon have become key players in the development of state surveillance systems. The work by Lyon and Topak (2013) shows that the involvement of transnational corporations and intergovernmental organisations promotes the development of electronic identification systems, which strengthen state control over citizens’ digital identification.

Because digital information now travels through cables and spectra that are owned and operated by numerous private and public institutions located in many legal jurisdictions, effective state control of cyberspace will not be realised without bringing third-party intermediaries – including private companies, public institutions, hosts and services – into consideration (Deibert and Rohozinski, 2011). As shown in recent case studies, Russia has sought to gain control through direct state ownership of Internet companies (Pallin, 2017); China not only employs administrative and legal means to require Internet companies to build self-censorship systems but also uses market means to hire a ‘50-cent army’ for opinion guidance (Deibert and Rohozinski, 2010; Han, 2015; Mackinnon, 2011).

While authoritarian regimes increasingly rely on the market and non-state actors to control society, most research assumes that the market is a passive tool of governance. It considers the
involvement of the market to be a unilateral command-and-control system rather than a bidirectional collaboration between state and capital. Current research has not fully explored how the market is actively involved in the system of state control.

**Methods**

To understand the role of the market and non-state actors in the state management of the Internet in China, I conducted a qualitative study on the growing industry of monitoring Internet opinion in that country. Relying on my personal and professional connections, between 2016 and 2017 I visited six for-profit agencies that provide online-opinion management services to Chinese governments. Two of them are run by the official Chinese media; the others are private technology companies that work with big data. Following the principles of maximum variation and information intensity, these companies are chosen by their characteristics such as high market share, strong political influence, rich product line or good industry reputation. During my visits, the company managers not only provided me with detailed introductions to their business but also used display screens to show me how their products work.

I conducted 35 interviews with 33 actors working in or with this industry. The interviewees were not only company directors, product managers, salespeople and online-opinion experts but also included government officials whose job is to surveil and guide online opinion. In addition, because Chinese governments, collaborating with companies, now set up workshops to teach officials how to manage Internet discussion, I analysed 12 textbooks and five PowerPoint files used for official training, plus one syllabus provided by one of my interviewees, to learn how these workshops are run.

**Results**

*The industry of Internet opinion: demand and actors*
In 2013, a report titled ‘The Business of Internet Opinion: Help Officials Read the Internet’ pushed the industry of Internet opinion to the foreground in China. It argues that outdated surveillance methods delay governments’ response to online debate, and this situation prevents them from efficiently controlling the spread of anti-government information and maintaining social stability (Zhang and Du, 2013). The demand for advanced surveillance promotes the business of Internet control. According to historical information posted on the Chinese government procurement platform (www.ccgp.gov.cn), the earliest piece of Internet-opinion business can be traced back to 2008. A bid-winner notice shows that the government of Ningbo city spent RMB 32,000 on purchasing software for Internet-opinion surveillance from Barfoo Software, an IOC established in Guangzhou in 2007. On its website, Barfoo introduces itself as an intelligence-intensive enterprise with a long and close history of cooperation with governments of different levels and public security agencies. The site states that only four contracts related to Internet-opinion surveillance were awarded between 2008 and 2009, while in 2017, there were more than 400 pieces of bidding information and contract briefings referring to Internet-opinion services. As a salesperson for an IOC told me,

In recent years, for a local government, purchasing an online-opinion surveillance platform is not a big deal. It is similar to buying a new set of computers or new office software. It is very normal and usual. The government just needs to sign a purchase order and reach an internal agreement. . . . It is necessary to have a piece of surveillance software. You have a problem if you do not have one.

Ten years ago, purchasers of Internet-opinion services were limited to municipal governments and public security departments, but today, various government departments at every level are involved in this market.

Government’s need for online information. Although the popularity of purchasing surveillance services is driven by Chinese governments’ increasing need to capture fast-updated online
information, a more direct administrative force, which makes almost all government departments embrace this business, can be found in the policies issued by the central government. Since 2006, the Chinese General Office of the State Council has issued a series of directives making Internet-opinion surveillance a standard part of government business at all levels. For example, in the No. 8 document for 2007, which is also the government’s work plan for that year, the state council office demands that government departments increase their methods for collecting and analysing public opinion for emergency management.5

In the No. 26 document for 2012, the state requires all government departments to make response plans before they release any information that could stimulate public debate.6 In 2016, the state council office issued the No. 61 document, which was specifically aimed at regulating the public-opinion work of government agencies.7 This document requires that when government information is posted to the Internet, the affected agencies must give their official feedback within 24 hours. Because of this demand for such a quick response, government officials believe that traditional manual surveillance cannot guarantee them enough time. As a propaganda official working in the municipal government of Shandong told me,

My supervisor does not require us to buy [the surveillance system]. We need it. Using human labour to monitor is limited. We have only several officials here. Twenty-four hours of staring at the screen cannot capture much information. Some information is not easy to be noticed in time. The first time you find a piece of information is not special. But just a few minutes later, it may be affixed to the top post. This situation always happens.

The central government’s administrative requirement trickles down to put direct pressure on front-line officials. Governments’ increasing demand to collect Internet information quickly lays the foundation for the industrialisation of online-opinion surveillance. In 2009, when the state issued a policy clearly encouraging government agencies to outsource their data collection to
private companies, the state-market collaboration in digitised Internet control achieved its administrative legitimacy.

Although the party state has issued many policies to emphasise the significance of public-opinion work, it did not clarify its definition of public opinion until 2016. In the No. 80 document of 2016, the state gives a clear explanation of what kind of public opinion governments should collect:

Government agencies should focus on the following information: information related to the party state’s important decisions and policies, media reports that are in the citizens’ interest and that may have a big influence, information that receives attention from the public and may impact the government’s image and credibility, information related to the reaction to big emergency events and natural disasters, rumours that have a negative impact on social order and the national interest.

We can see that this document lists nearly all the politicised information on which governments should focus. Actually, according to my interviews, in their front-line work, government clients operationalise ‘Internet public opinion’ into ‘all the information that has a potentially negative impact on government image’. Therefore, Internet opinion in this context refers to any opinions, comments and news that include information related to governments. The sales director of a data company gave me a more detailed explanation:

For government clients, the most important type of Internet opinion is online information related to their leaders. If a system can capture all pieces of information that include their leaders’ name, it is a pass. The second type of information is more about different clients’ administrative jurisdiction. For example, for a provincial tax bureau, if it comes to light that some tax officers are being very rude to citizens, this is something that is within their jurisdiction. For clients in the
public security system, if a post says that some police officer is treating citizens in a bad manner, it also falls within their jurisdiction.

Because leaders’ scandals and officials’ misconduct will lower the government’s image, this kind of information receives more attention in Internet-opinion work. Moreover, since local governments may be blamed for their inability to maintain a stable social order, online information about controversial events such as a vicious crime, serious traffic accident or dramatic civil dispute also fall into the category of sensitive online-opinion information, even though no government employee is involved. Thus, government agencies must keep an eye on almost everything that is happening in or related to their jurisdiction, and the management of Internet opinion becomes the management of all online information and its potentially negative impact. As summarised by a vice-president of an IOC,

The essence of this industry [of online-opinion management] is crisis management. You will notice it soon. In the digital age, governments want to find out something to make online information controllable and make their ideology work more effectively. Can this industry solve the problem? It cannot. If you ask me what our government really wants, I can tell you [it is] ‘Discover it, find it, and then kill it’. So simple, right? Don’t you feel this is problematic? . . .

When all government clients need to do is just ‘Discover it, find it, and kill it’, all companies will just follow this path to do their business. For data companies, [their work becomes] how to quickly find out [negative information] and how to quickly kill it. For PR companies, [their work becomes] how to find negative information and then how to help governments eliminate it. The whole market, with all its products and services, follows this logic. Everyone is thinking about the three directives.

In most state-issued policies, the management of Internet opinion is framed in ideologically legitimate discourse, such as making government more transparent and dealing with emergencies more efficiently; however, government agencies have a strong need to recognise and eliminate
negative information. The industrialisation of Internet opinion shows that government agencies are seeking market actors to help them achieve these goals. To understand this industry, we need to understand what kind of companies, and with what capacity, can help government agencies conduct the surveillance and elimination of Internet information.

Types of IOC operating in this market

The data show that three types of corporate body own the biggest market share in this space: technology companies, IOCs owned by the Chinese official media and agent IOCs.

Technology companies. These companies adopt data technologies such as web spiders, cloud computing and sentiment analysis to monitor, collect and analyse the flow of information in cyberspace. The company mentioned above, Barfoo Software, is one of the most well-known technology companies in the market. According to an industry analysis report, in 2013, 93 companies that owned Barfoo’s original surveillance software were registered in the software-copyright system of the Chinese Ministry of Industry and Information Technology (Lai, 2013). Most data-based surveillance systems on the market are developed by this kind of IOC.

As acknowledged by the director of another well-known technology company, Founder Electronics (www.founder.com), the original model for surveillance software was based on the survey software developed by the US Department of Homeland Security and Autonomy Corporation (Zhang and Du, 2013). This type of software can collect unstructured data about public opinion and process it into visual graphs for future analysis and prediction. With the development of big-data technology, technology companies have developed rich product lines to meet governments’ need for information surveillance and opinion guidance. At the same time, government clients can choose either the ‘on-premises’ model or the ‘software as a service’ (SaaS) model of surveillance service.
IOCs owned by the official Chinese media. The Chinese media have gone through the reform of marketisation (Stockmann, 2013). While the official media, such as People’s Daily and China Youth Daily, are still under the supervision of the state, they need to address market competition by finding a new profit model. The expansion of the Internet has delivered a new business opportunity. Media organisations such as Xinhua News, China Daily, People’s Daily and China Youth Daily have started their own online-opinion-surveillance agencies.

Among them, the People’s Internet Public Opinion Office is the most well known; it relies on the resources of People’s Daily and People’s Daily Online. Since 2012, this agency has taken advantage of the funding received from People’s Daily and Securities Times to transform itself into a value-added information-service company whose primary business is monitoring, estimating, forewarning, managing and repairing online opinion. As of 2012, this business earned revenue of approximately US$29 million, which represents the second-biggest source of income for People Daily Online (Liu and Cao, 2012).

Early on, because media-owned IOCs lacked enough technical capacity to develop their own surveillance software, they had to outsource the data analysis to professional companies or universities. Now they mainly rely on their own media resources and rich experience in interpreting central-government policies to produce analytical reports. An analyst who has experience of both working in a media-owned IOC and a data company explained the following:

The two types of IOCs produce reports with different analytical depth. Regular analysts in data companies just rely on the statistical data; senior analysts in media organizations can dig out something different. They are specialists. They can link one Internet-opinion event with the whole political climate.
This argument is also justified by interviewed officials. One of them complained that his leaders preferred media IOCs’ reports because the word choice and writing style of media reports were more similar with those of government documents.

In addition, media organisations can use their media channels to help government clients directly address negative information. Technology companies complain about this competitive advantage; for example, a director of a technological IOC whom I interviewed told me the following:

Some media find that they can be referee and player at the same time. They are rascals. They publish an article [which includes negative information against some governments] and find that the governments are afraid of the [negative article]. These governments would spend money and find companies to do the PR work, so the media [think], ‘I might as well do this myself’. They find a client and tell them, ‘I will sell you a newspaper, and this is worth 50,000 RMB’. Why is it so expensive? ‘If you buy this newspaper, I can give you free service’. What service? ‘If negative information appears about you, I will help you work it out’. It is blackmail. They are playing the game indecently. ‘This newspaper is only worth 2 rmb, and I ask for 50,000. If you refuse to pay this, OK, I will let the negative news be published tomorrow’.

Another salesperson said that because official media such as People’s Daily have huge political influence on local governments, running their own IOCs gives them a competitive advantage in the market. An online-opinion analyst working in a media-owned IOC admitted that this situation exists and that his employer also uses blackmail to sell surveillance software to local governments. Another product manager of a media-owned IOC told me that official media organisations send their reporters to local governments to sell surveillance products. Local governments rarely refuse these reporters because, by purchasing their surveillance software, local officials can keep on close terms with the official media. Using the media’s influence to market their products does pose some risk for media-owned IOCs. As the analyst at the media organisation explained,
Considering that you represent *People’s Daily, China Youth Daily, or Xinhua News*, you cannot cross the line too much. For example, if these official media companies blackmail you for an unacceptable price, you can sue them. You will win the case. No doubt.

We do not know whether any local government would choose to sue an official media outlet instead of keeping on good terms with it. We can only say that the collaboration between media organisations and local governments has some grey areas.

*Agent IOCs.* The third type of IOC in this industry is special because it operates as an agent, or intermediary. The agent IOCs’ competitive advantage comes from having a special relationship with the Chinese government that is not transparent or freely competitive. Many government agencies prefer to outsource their business to companies or individuals with whom they are familiar. Business people with strong personal ties to government leaders enter this market for this reason. Because their companies lack enough technological capacity and media resources, they purchase a mature system from a technology company and label it as their own brand. This approach is called the ‘original equipment manufacturer’ (OEM) model of surveillance service.

For government clients, the OEM model helps them avoid potential risk because some IOCs have apparently sold government-related data to Western countries. Outsourcing surveillance work to a familiar partner is a strategy that avoids this situation. Many government officials prefer face-to-face communication, but most technology companies are located in big, sometimes distant, cities such as Beijing or Shanghai. The OEM model solves this problem by empowering local agent IOCs with a certain business autonomy. Although using this model makes it hard for technology companies to ask a higher price for their systems, they can increase their profit by selling their products to more clients using agent IOCs. For all these reasons, the popularity of the OEM model is soaring, and one interviewed IOC salesperson believed that there were over 1000 agent IOCs in China.
The above three types of IOC are the main players in the industry of online-opinion management. But other types of organisation also exist. For instance, some government sectors establish their own institutions to monitor Internet information. Different from for-profit agencies, these institutions mainly provide services to the organisation to which they belong. In addition, some universities set up online-opinion centres to seek cooperation with governments.

There is a growing trend for various types of IOC to cooperate with each other to gain more market opportunity. For example, data companies may cooperate with universities to increase their capacity for report writing. According to my observation, media organisations now also attempt to increase their technical capacity by cooperating with technology companies and hiring more data engineers. This typology of IOCs helps us understand what resources are incorporated into the state control of the Internet using the market. Having established the significance of technological capacities and media recourse in the market for Internet-opinion work, the article will focus on the specific forms of cooperation that exist between IOCs and government agencies.

Three stages of state-market collaboration

Previous studies have shown that authoritarian states employ advanced technological methods to suppress Internet dissent (Deibert and Rohozinski, 2011), but we know little about how this occurs. This article argues that the market is one critical mechanism for this suppression. Based on my analysis of the popular surveillance services and my interviews, there are three stages of state-market collaboration promoting the politicisation of new technologies: commodification, legitimisation and institutionalisation.

Commodification. Commodification is the basic level of state-market collaboration. In political economy, commodification is ‘the process of transforming things valued for their use into market products that are valued for what they can bring in exchange’ (Mosco, 2009: 127). I argue that the exchangeability of commodities is the foundation of state-market collaborations. Although new
technologies (e.g. computers, sensors, biometrics, video lenses and softwares) are central for state surveillance (Marx, 2016), these technologies are not automatically implanted into the configuration of the state control. The emphasis on commodification can help us capture the process during which these surveillance technologies are transformed into objects of trade that state actor can directly purchase and use.

In this article, commodification refers to the process by which companies use various technologies and resources to develop surveillance commodities that meet the government’s needs. In the case of China, a data-driven system of Internet-opinion surveillance is the very type of product that every IOC wants to provide to government clients. Based on web-crawler technology, this type of system is designed to quickly grasp data with certain features from targeted sources. It then uses data-processing technologies such as text clustering, semantic recognition and sentiment analysis to filter and classify the captured information into the required format. When government officials check the surveillance results using their client’s software, all the data have been organised into a digestible, quantitative index. As an example, one major company, Istarshine, now advertises the following:

*Online Opinion Secretary* is the top Chinese cloud platform for Internet-opinion surveillance. The surveillance scope covers news, forums, tieba, blogs, weibo, weixin, videos, app, print media, and other types of Internet media. The platform adopts the technology of big data, the mode of SaaS, and AI [artificial intelligence] to collect, store, and analyse a large amount of Internet-opinion data. It can help government and companies handle their Internet-opinion information accurately, comprehensively, and in a timely manner. It also improves the clients’ opinion-response capacity and helps them solve conflicts and manage their relations with the public. This product can be used on PCs and other mobile devices.
With the help of this system, governments capture their desired Internet information within several minutes and quickly discern its communicative characteristics, such as re-post number, view amount and emotional tendency.

In addition to offering general surveillance systems, IOCs provide targeted surveillance services to help governments control the online activity of particular citizens, such as petitioners and protestors. As advertised by Istarshine,¹⁶

The key-figure monitoring system is an SaaS platform aimed at monitoring key figures and sensitive speech on social networks. Through advanced technologies such as big data and AI, this system can find cyber-subversives and construct a scientific portrait of them to help governments control online opinion, investigate crime, and maintain social stability.

Using data-portrait technology and other related methods, this service not only focuses on those individuals whose identity information is already known by governments but also helps government services identify potential risk. A project manager told me that his company is working on a project with a provincial government to identify those social media accounts that post anti-government information more frequently than others. With the help of these services, called online commentators, governments separate potential online dissenters from average netizens and prevent public discussion of government from turning into public protest; this is a new type of proactive repression.

To help government clients manage these online commentators more efficiently, some data companies develop a special system to monitor and evaluate their work. While some literature reports that the Chinese government strategically uses astroturfing¹⁷ to influence public discussion (Han, 2015; Miller, 2016), it is rarely mentioned that market actors do the same. One of the IOCs I visited had developed a special digital commentator to help governments post pro-government information. Its sales director told me that the need for this product was coming
mainly from the propaganda and public security systems and that the central government’s quantified requirement for pro-government commentary was the most direct impetus for this business.

To address the pluralisation of online expression, the party state in China has gone beyond simple censorship and shifted towards a more subtle control of information by employing innovative propaganda tactics such as deploying paid commentators (Han, 2018). The commodification of commentator services increases the state’s capacity in the competition for online discourse.

Legitimisation. Legitimisation is the second stage of market engagement; it is the process by which market actors collaborate with the state to make the industrialisation of digital surveillance (seem to be) morally and ideologically legitimate. As defined by Suchman (1995), legitimacy refers to a generalised perception that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions. Focusing on legitimisation can help us understand how our perception of surveillance is remoulded by not only the state but also the market.

To achieve legitimacy, social actors can attempt to identify their actions with symbols, values or institutions which have a strong base of social approval (Dowling and Pfeffer, 1975). For example, most countries frame the expanded state surveillance with the values of defending national security and fighting against crime. In China, even though public support for Internet control is not really necessary under the authoritarian regime, state and market actors still have to connect their actions with the existing moral system and ideological discourse to gain the public’s passive acquiescence. As an official told me,

If you work in a government agency, you would understand our government does not want to harm people. Our governments make new policies to benefit people, at least to benefit the interest of most people. However, in the cyberspace, people’s emotions are easily influenced. If there are
irrational comments who criticize governments, they will get many cheers. The conflict between officials and the public has existed in the Chinese society for a long time. We need some guidance [to fix this situation]. If there is no [Internet-opinion] guidance, both government credibility and state image would be damaged.

Because purchasing Internet-opinion services with government funds serves the state project of social governance, this industry needs to question whether the industrialisation of Internet surveillance is an appropriate way to promote citizens’ welfare.

In my research, when introducing the various services they provide for their clients, most interviewed salespeople of IOCs emphasised that all these products are developed for positive propaganda and opinion guidance, goals that can help the state ‘purify’ cyberspace and increase government credibility. More importantly, rather than just borrowing terms from Chinese official ideology, IOCs are actively involved in producing a new set of terms and knowledge to whitewash the industry.

One example of the new knowledge produced by IOCs is the theory of ‘two opinion fields’. As introduced by textbook published by People’ Daily Internet-Opinion Centre (2011), this theory argues that the party-state’s official propaganda is the mainstream opinion field, while the new media platforms are the civil opinion field. The industry of Internet-opinion management builds a bridge linking the two fields. This theory depicts online-opinion management as a mechanism benefitting state-society communication rather than an Orwellian tool of social control.

The process of legitimisation also relies on the collaboration of state and non-state actors. First, through official documents and leaders’ speeches, the state provides the basic ideological foundation for the practice of Internet surveillance. Second, driven by the state-controlled academic system, educational institutions actively engage in the theorisation of Internet-control knowledge. Since 2008, Internet opinion has become one of the most popular topics for
academics applying for national social-science funding. Also, many universities have established their own research agencies to produce surveillance products and Internet-opinion reports (see Note 9). With their involvement, the industry of Internet control achieves the endorsement from the academia. Third, IOCs, especially those owned by the media, also play a critical role in the process of knowledge construction.

With their rich experience of report writing in the party-state system, official media such as People’s Daily and Xinhua News have a natural advantage because their analysts can expertly use ideological discourse to embellish their business. As explained by an interviewee working in a media-owned IOC,

Our agency was one of the first agencies to run an Internet-opinion business in China. When we began the business, most competitive companies and governments knew little about it. We played the role of torchbearer for the domestic market. We set up many training programs and opened a special channel on our website to propagate this business. We tell people we understand Internet opinion, and then we can deal with it in an appropriate way.

Earlier news reports of online-opinion analysts are mostly based on the introduction of Internet-opinion services to the marketplace by the official media. Even though government clients are now well acquainted with this business, media organisations continue to spread related knowledge through their media channels, such as official websites and public WeChat accounts. Moreover, IOCs set up training programmes and publish textbooks to educate officials about how to effectively collect Internet opinion. Knowledge of Internet opinion is also transferred to a special type of product, a process that bonds commodification to legitimisation.

Institutionalisation. The final step in market involvement is institutionalisation, the deepest level of collaboration between state actors and for-profit agencies. Institutionalisation is the process by which originally personal norms, expectations, goals and values tend to form a collective pattern
by which interactions and communications are regulated and structured (Heijden, 1997). An important metric of institutionalisation is the embedding of practices and categories in routines and logics of action that are then largely unquestioned (Colyvas and Jonsson, 2011). I use this term to highlight that market engagement becomes such an integral part of government that the collaboration between governments and companies could achieve the status of being unquestioned as the basic configuration of the state-control system.

In politics, one feature of institutionalisation is the connection of a repeated pattern of activity to higher-order political rules (Friedland and Alford 1991). In today’s China, IOCs are attempting to achieve this connection by enriching their product lines. According to my observation, some IOCs were promoting a new office automation (OA) system, an Internet-management tool that packages a command platform, surveillance software, and a simulation system with services such as expert suggestion and analytical reporting. A product manager explained that [OA] starts as a concept. For most government clients, the internal procedure for reporting an Internet-opinion crisis is not clear. It gives us a chance. How can we make every government sector collaborate more efficiently in the management of Internet opinion? In the past, when the work was conducted by one sector, it did not know what happened in other sectors. If a traffic accident attracts the public’s attention, not only the traffic bureau should respond to the public, but also the police. Every department has to submit its suggestions and plans. We create a communicative tool to organise different sectors and help leaders coordinate them easily. If they address this accident successfully, we make this case a model. Our final plan is that all the historical cases should be included in the library. Firefighters do fire drills. There is no Internet-opinion drill. We can use the cases and historical data to help governments do the drill. The software can simulate the real timeline based on a historical, online-opinion event. It has the real breakpoint and time-point spread. . . . What should you do at a certain time point? Does your response plan work?
The attitude of this product manager implies that the process of institutionalisation can be driven by market actors’ commercial ambitions. Through developing new business modes, IOCs actively attempt to forge their collaborations with governments into an internal part of administration.

Legitimisation and institutionalisation are virtually synonymous (Suchman, 1995). In the legitimisation stage, official documents, textbooks and training materials describe what different government sectors should do to strengthen cooperation to manage cyberspace. But in the institutionalisation stage, by developing a related management tool, IOCs help governments increase their ability for interdepartmental cooperation. I call it institutionalisation because IOCs attempt to become the pivot among government sectors, with their products becoming the hinge in the government administrative network. The involvement of market actors becomes the basic institutional configuration of state control.

Institutionalisation is not dominated solely by state actors. Rather than being passive contractors, IOCs are seeking a long-standing involvement with the routine of government work. As one salesperson said, companies actively ferret out the real need, which clients may not know themselves:

Regular clients do not know what they need. We dig out their real demand. . . . We arrange business for our clients rather than asking clients to buy our products. For example, if there is a terrorist attack in Xinjiang, the police only know that they are going to prevent the spread of the terrorists’ violent videos. They do not know how to do this. The company makes video-analysis software and provides this service to the police.

While we are not sure whether the salesperson could really ‘dig out’ clients’ real demand, the quotation clearly shows that it is the profit motive driving IOCs that promotes collaboration to the institutional level. The profit motive, the market and authoritarian domination are interwoven into a multi-agency network of governance, putting citizens’ online expression under its control.
Conclusion

Using a qualitative exploration of the policies, products and actors in the Internet-opinion industry, this article argues that Internet control in contemporary China is not monopolised by state actors. Technology companies, media organisations and agent companies are the important, but rarely studied, non-state actors that contribute to the state’s increasing capacity for information surveillance and opinion manipulation. The industrialisation of Internet-opinion management reveals that the market is encouraging the state to incorporate digital technologies, media resources and other social forces into a new panoply of control.

This study contributes to the literature on third-party repression in authoritarian contexts. Compared with previous studies describing the informal intervention of non-state actors (Chen, 2017; Moss, 2014), it shows that the involvement of non-state actors in the industrialisation of Internet-opinion control in China is becoming increasingly institutionalised as an integral part of authoritarian domination. Migdal (1994) reminds us to ‘focus on the state’s incorporation of existing social forces as it injects new social organisation, resources, symbols, and force into one arena, thereby enabling it to appropriate existing social forces and symbols to establish a new pattern of domination’ (25).

This article provides a theoretical, three-stage framework for describing how this incorporation of social forces is being carried out in the digital era. Through commodification, market actors transform technical capacity and media resources into exchangeable commodities; through knowledge production, the involvement of the market achieves moral and ideological legitimacy; finally, market actors and their services are fused with the structure of government administration, and institutional incorporation is achieved. These three stages are interdependent and usually proceed simultaneously, ultimately blurring the boundary between state and market in contemporary authoritarian regimes.
The second theoretical implication centres on the debate around the social impact of ICTs. While this article presents evidence that the development of ICTs strengthens the state’s capacity for Internet control and shrinks the space for online expression, it does not argue for technological determinism. That stance ‘underestimates both the role of social factors in shaping the technology, and also the variety of social contexts that mediate its use’ (Lyon, 1994: 9). This article focuses on the social contexts binding technological innovation to authoritarian domination.

The Chinese political and social contexts underpin the development, direction and main features of the Internet-opinion industry. In China, party policies set the approach for product development by the technology companies. The opaqueness of the government market creates an environment where agent IOCs can thrive. Moreover, the political context gives the official media irreplaceable competitive advantages in this market. All the features of the Internet-opinion industry reveal that the political impact of ICTs is socially shaped.

Finally, this study contributes an important non-Western case to the discussion of the expansion of big-data surveillance around the world. It also elaborates how cooperation between state and market promotes digital surveillance both locally and globally. Most innovations, such as database-based information-surveillance services and micro-targeted marketing, have been developed in Western countries (Bennett, 2015) and widely adopted in political campaigns and commercial marketing (Andrejevic, 2011; Wood and Ball, 2013). My findings show that similar products and services have expanded into non-Western regimes.

However, trends originating in the Western experience are not always universal. In Western democracy, a popular query about the adoption of commercialised surveillance in politics finds critics of neo-liberal governments, who argue that the consumerization of the political transforms rational citizens into unthinking customers (Bennett, 2015; Pierre, 1995). This approach does not apply in the Chinese context because state-market collaboration benefits the powerful party state,
and citizens have no alternative means of expression. And because Internet-opinion work is part of the party state’s ambitious project of social civilisation (Yang, 2017), the marketisation of state surveillance cannot be understood as a variation of the Westernised ‘security industry’ (Crampton, 2015; Hayes, 2012). This difference reveals the diverse ways in which the global surveillance industry is expanding.

The three-stage framework provided in this article should be seen as an explorative framework, enabling us to compare how surveillance products are developed, how the legitimacy of surveillance is achieved and how surveillance configuration is institutionalised in different contexts. This framework allows us to understand the various norms and complex dynamics driving the development of the contemporary surveillance industry.

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**Supplemental material**
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Notes

1. I asked interviewees to name the companies that they believe are representative or important in the industry. I find that most suggestions are focused around those companies with the high market share, strong political influence, rich products or good reputation. I, therefore, seek access to the companies with these features and finally achieve the visit opportunity to six of them.

2. Interviewee information and sample interview questions are attached as supplementary materials.
3. The related description of surveillance and surveillance product in these files were collected as
textual data and then were combined with interview data for open coding (data-driven coding). I
used the software MAXQDA for the coding work.

4. My interviewees told me that this company is still one of the most popular Internet-opinion
companies in the market today.


6. See http://www.gov.cn/zwgk/2012-05/17/content_2139583.htm

7. See http://www.gov.cn/zhengce/content/2016-08/12/content_5099138.htm


9. See http://www.gov.cn/zhengce/content/2016-11/15/content_5132852.htm

    sts&catid=20

11. For example, the Ministry of Industry and Information Technology established its own
    Internet-opinion centre in 2010. See: http://iporc.etiri.com.cn/about.html

12. For example, cooperated with the Ministry of Education, Beijing University of Posts and
    Telecommunication establishes a public-opinion research centre to monitor the information on

13. For example, Istarshine has established a cooperative relationship with Peking University.

14. The interviewed managers from media-owned IOCs admit that they are hiring more data
    engineers to fix their competitive weakness. As well, the recruitment ads posted by media-owned
    IOCs also verify this statement. An example can be at: http://yuqing.people.
    com.cn/n1/2017/0210/c209043-29072471.html

54
15. See www.istarshine.com/index.php/category/view?id=8


17. Defined by Wikipedia as ‘the practice of masking the sponsors of a message or organization (e.g., political, advertising, religious or public relations) to make it appear as though it originates from and is supported by a grassroots participant(s)’.

18. Some authoritarian governments also declare that their Internet-surveillance policies serve to protect the religious order and moral values of their societies (Akgül and Kırlıdoğ, 2015; Østbø, 2017).

19. According to the online search engine for the National Social Science Fund (fz.people.com.cn/skygb/sk/), there are 84 national projects on the topic of Internet-opinion management.

20. For example, Nanjing University established the NJU-Goonie Centre in 2009; Tsinghua University established the Zhengwei Internet-opinion Research Centre in 2012.

21. See news.ifeng.com/mainland/detail_2013_09/05/29354452_0.shtml; media.people.com.cn/n/2013/1003/c40606-23100210.html

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Chapter 4

Neoliberal governance or digitalized autocracy? The rising market for online opinion surveillance in China.

This chapter locates the market engagement of China’s Internet surveillance in the global wave of neoliberalization. It identifies the similarities that exist between neoliberal marketing and authoritarian politics. Theoretically, this chapter explores the question about to what extent and in what form authoritarian political rules and neoliberal marketing logic would assimilate the other in this process. It argues that China’s surveillance phenomenon implies that a neoliberal form of
governance which aims at monitoring and guiding public sentiment is taking shape in authoritarian China.
Abstract

Much recent attention referring to surveillance practice in China has been paid to Chinese authorities’ authoritarian strategies like hiring online inspectors and building the internet firewall. While this focus meets the conventional imagination of a non-democratic regime, it neglects the underlying policy changes and structural arrangements with which the Chinese government conducts its governance in the era of big data. My ongoing study demonstrates there has appeared a market through which various for-profit institutions are selling data services to help the governments conduct domestic governance in China. Through purchasing internet information surveillance systems, which are based on technologies like data mining, sentiment analysis and cloud computing, most Chinese local governments have incorporated the surveillance of public online opinion into their daily work. This phenomenon implies that a neoliberal form of governance which aims at monitoring and guiding public sentiment is taking shape in authoritarian China.

Introduction

Surveillance has attracted significant public attention, especially since the highly controversial 2013 disclosure by Edward Snowden. The rise of literature on surveillance not only empirically displays various forms of surveillance practice around the world but also provides expansive theoretical possibilities to locate the changing role and various mechanisms through which surveillance, as the “central feature of modernity” (Lyon 1994: 37), shapes human subject and social order. In China, along with the increasing number of netizens and the rising popularity of social network, the media and academia also have begun to focus on the surveillance phenomenon in this authoritarian context. Authoritarian strategies, such as hiring online
inspectors, building the internet firewall, and censoring online opinion have become the focus of this attention; digital surveillance is considered a new tool for the Chinese party state to repress civil society. In this literature, China is depicted as evolving into the modern equivalent of ‘Big Brother’ equipped with a ‘digitalized totalitarian weapon’ (Liu 2016; Petricic 2017). While the findings of previous research partially display Chinese authorities’ strategies of dealing with challenges brought by the development of ICT, their dystopian depiction of the non-democratic regime neglects the underlying policy changes and structural arrangements with which the Chinese government conducts its governance in the era of big data.

Current empirical studies on surveillance tend to divide into two branches. On the one hand, there exist many theoretical issues available to frame various surveillance practices in Western contexts; their focus includes not only the impact of surveillance on democratic development but also topics such as neoliberal marketing, racial inequality, and privacy rights (Bennett 2015; Ball 2009; Crampton 2015). On the other hand, when academia talks about surveillance in the context of China, the discussion of surveillance, which is narrowly understood as a form of political control by the authoritarian state on its citizens, is only dealt with as an indicator of an antagonistic state-society relation under this regime. This distinction in the literature compresses the space of dialogue through which we can integrate various surveillance practices across different regimes; moreover, it leads to a barren theoretical imagination for empirically studying surveillance in China.

Based on the data of my ongoing study of online opinion surveillance in China, in this article I argue that a market has appeared through which various for-profit institutions are selling data services to help the different levels of government in China conduct domestic governance. I also provide a preliminary introduction about the market for online opinion surveillance in China. After briefly contrasting online opinion management in Chinese politics with similar data-driven surveillance in business marketing and Western democracy, I conclude by suggesting a set of
broader theoretical considerations, including possible connections among authoritarian repression, neoliberal marketing, and surveillance.

Chinese internet control: From censoring information to managing online opinion

Since the early 1990s, internet use in China has grown at a tremendous pace: the number of China’s online users, the world’s largest, hit 668 million in 2015 (Xinhua 2015). Traditional wisdom would suggest that the internet and new media technologies will lead to liberation by promoting civil society and by making autocratic control by the government more difficult (Aman and Jayroe 2013; Diamond 2010; Kalathil and Boas 2010). How authoritarian China is dealing with these challenges has drawn much attention. On the one hand, there is much literature proving that the internet provides a new space for the Chinese people to express political discontent, which is hard to channel in the traditional way (Hassid 2012; Qiang 2011; Tong 2015; Yang 2009, 2014). On the other hand, more work has appeared recently showing that the authoritarian state has begun to include the internet in its governance toolkit (Brady 2006; Harwit and Clark 2013; Mackinnon 2011; Stockmann and Gallagher 2011; Sullivan 2014). It seems that the latter issue receives more attention from academia as it demonstrates the authoritarian resilience of China through the dimension of digital politics.

While abundant evidence shows that the Chinese government intentionally restricts internet speech and manipulates people’s online discussions (Chen, Pan and Xu 2016; King, Pan and Roberts 2016; Stern and Hassid 2012; Tong and Lei 2012), scant literature provides systematic empirical data about how the practice of censorship and manipulation operates. In this sense, online opinion surveillance remains a phenomenon: we already know about its existence although we lack sufficient information about its working mechanism. According to some leaked documents and Chinese domestic reports, the Chinese state has hired numerous netizens as online
inspectors, who are usually called the ‘Fifty-Cent Army (五毛党)’ (paid by the government) or ‘official internet opinion analysts (舆情分析师)’ to both monitor and guide online public opinion. These sources of information depict internet inspectors as people who receive a salary from the government, sit in front of their PCs gathering public opinions on microblog sites, and compile reports for the decision-makers; some of them are even required to pose as ordinary netizens as they strategically post positive information in order to ‘neutralize’ the negative comments made by critics about the authorities (The Economist 2016). Although this depiction simplifies the complexity of the online public-sentiment management conducted by the Chinese party state, it does indicate that the Chinese authorities not only strictly regulate the internet against users’ expression of dissent by setting agendas and blocking information, but they also attempt to guide and control people’s opinions and sentiment based on surveillance of their online opinion. Some recent research has disclosed the inspectors’ basic working strategies and provided us with an estimation of the number of these state commentators (Han 2015; King, Pan and Roberts 2016; Miller 2016). However, because the manipulation of public opinion remains a sensitive topic in China, most current analysis on this issue can only rely on leaked documents and textual or behavioural data collected from the internet to infer the government’s action. We lack a systematic examination of the institutional background, principal participators, and governance technologies underlying the phenomenon of the surveillance of online opinion in China. The rising market for online opinion surveillance

Most existing research automatically considers Chinese online opinion surveillance as highly sensitive and confidential; however, my work shows that the surveillance and guidance of online public opinion in the Chinese political field is not so secretive that we must rely only on leaked internal documents. In fact, we can use standard methods, for example interviewing people who work as online opinion analysts, to uncover and depict Chinese internet surveillance.
Through purchasing surveillance software and related data services, Chinese governments at
different levels (such as provinces, cities, districts, central government) have incorporated the
surveillance of online public opinion into their daily work. The abundance of tendering
information publicized on the governmental procurement website1 implies that buying
commercialized data-analytics services to monitor online public opinion is becoming a regular
and requisite expenditure of local and central governments. An internet opinion analyst told me:

In recent years, for a local government, purchasing an online opinion surveillance platform is not
a big deal. [It] is similar to buying a new set of computers or new office software. It is very
normal and usual. The government just needs to sign a purchasing note and reach internal
agreement(内部通过). There is no big issue. It is necessary to have a set of surveillance software.
You are problematic if you do not have one.

In fact, the need for monitoring online opinion can be tracked back more than ten years. Since
2006, in official administrative documents, the party state has highlighted the importance of
collecting and analyzing public opinion for the prevention of possible social conflicts (General
Office of the State Council 2006). Furthermore, in 2016, the central government issued an official
administrative notification demanding that local governments at all levels construct a quick-
response, working mechanism to monitor, analyze, and respond to internet public opinion related
to governmental affairs (General Office of the State Council 2016). This administrative order not
only demands that governmental sectors conduct real-time monitoring on citizens’ online
expression, but it also requires local propaganda officials to use new media platforms, such as
weibo or wechat, to guide online sentiment and to achieve public support. The shift in the
Chinese government’s strategy from ex post facto censoring to preemptive engagement with
netizens’ online expressions has created a demand from government agencies for the ability to
effectively survey online conversations in real-time and has catalyzed the growth of online
opinion monitoring as a profitable business (Mai 2016).
Under this context, a huge market, driven by the political demand for internet governance, has come into being. There is an urgent demand from governmental clients to have real-time control on what netizens are saying about the government, which is obviously impossible for human-based monitoring. Relying on big data technologies (data processing, data crawling, and sentiment analysis), for-profit agencies are developing customer-oriented surveillance software to collect news items, comments, and online discussions from a wide range of internet platforms, such as forums, blogs, social networking sites, news, portals, and private instant messengers. Just by installing such client softwares on their PC or mobile phones and by setting up the related key words, governmental clients can quickly know the sentimental tendency, variation trend, and diffusing track of public opinions, all of which can be easily identified by the built-in algorithms of the software. As well as purchasing surveillance software to collect textual data of online expression, governmental clients also buy online opinion reporting (舆情报告), which is another popular product in this market. For them, the collection of online opinion serves two important purposes: guiding online opinion and achieving public support. Government officials also expect online opinion reports will help them develop effective strategies to neutralize negative comments and conduct positive propaganda. This need for more specific suggestions on guiding online opinion is addressed by some media organizations as target marketing. Media organizations such as the Xinhua News, China Daily, People’s Daily, and China Youth Daily have started their own online opinion monitoring centres to provide this service. Among all these agencies, the People’s Internet Public Opinion Office (人民网舆情监测室) is the most well known; it relies on the resources of People’s Daily and People's Daily Online. Since 2012, this agency (http://yuqing.people.com.cn/) has integrated the funding from People’s Daily and Securities Times and transformed itself into an information value-added service company with the primary business of monitoring, estimating, forewarning, managing, and repairing online public opinion.
As of 2012, this business has earned around USD 29 million revenue, which represents the second-biggest source of income for People Daily Online (Mai 2016).

While these media organizations do not have the technological capacity to develop their own surveillance system, their media resources and rich experience of interpreting central-government policies helps them produce analytical reports of online opinion going beyond basic quantitative description. An analyst who worked in a media-owned surveillance agency told me:

There is a difference in depth among different kinds of reports. The reports written by the ** (a media agency) may be three times more expensive than those written by an ordinary technology company. Ordinary analysts just use descriptive data such as percentages, some classifications, and other things we could easily read from the data. However, for experts from these official media, it is different. Specialists can link one issue to surrounding events, and sometimes they can analyze it from the political perspective. We know the last discussion of the boss of the central government; for example, Prime Minister Li talked about the idea of a shared economy and some related policies. And [we have] some official documents released from the central government. We [the analysts] use this information to estimate current public opinion. We will check whether deeper connections exist between them. Accordingly, we know that some of our business [may have potential political risk], and so we cannot do it.

Mai (2016) argues that it is the media organizations’ interpretative capacity and knowledge about the institutional culture of Chinese government as well as their ideological preference that induce governments to prefer such organizations as People’s Daily when they themselves do not have sophisticated knowledge in data analytics. The above attributes also explain why the reports written by specialists from media agencies are more expensive. Compared with objective data about netizens’ sentiments and attitudes, government clients seem to care more about whether netizens’ understanding about local public opinion could fit with the related policies from the central government. Because the rising industry of online opinion surveillance is embedded
within the special political context of China, it is necessary to include the political, cultural, and related institutional structure in any explanation of the government’s market behaviour of purchasing online opinion monitoring services.

Neoliberal governance, data politics and online opinion surveillance

Although the rising industry of monitoring online opinion in China increasingly draws attention from the media, very little has been written in the broader academic literature about the theoretical implications behind this phenomenon. In fact, systematical collection of sentiment information from the internet is common in Western societies. Andrejevic (2013) identifies the trend that natural-language deciphering software increasingly enables political organizations and marketing companies to conduct sentiment analysis of messages in social networks and text messages. He argues that advances in data technologies make it possible to sift through all the online expression without actually reading it; this ability produced a preemptive and productive power to minimize negative sentiment and to maximize emotional investment and management through the attempt to channel or shape the ambient sentiment around particular issues, products, and so on. While the marketing world in the interactive era is still believed to be at the forefront of attempts to capitalize on the capture of opinion and emotion, the case of Chinese online opinion surveillance shows that authoritarian regimes can also incorporate marketing strategies in their regular political functioning. Although Chinese authorities usually adopt ideological terms such as “serving the masses” or “maintaining social stability” to legitimize their behaviour of monitoring online opinion and also hold a critical position against neoliberal discourse, nevertheless the logic of neoliberal marketing still influences Chinese governance in a subtle way. When I interviewed the chairman of a data company providing online opinion monitoring software to governments, he clearly expressed his approval of the marketization of politics: [I do not like the government’s term ‘guidance of online opinion’] but I have no choice; I must use this term in fact. People all call our job as [a part of ] ‘guidance of internet opinion’. I do not
call it ‘guidance’ in our products. We name it the new revolution for the marketing of governments. [If you are a government sector, you also need to market yourself. Business companies need marketing; individuals need marketing. Why don’t you governments need marketing? You need that.]

While some similarities seem to exist between neoliberal marketing and authoritarian politics, it may be a little arbitrary to assert that the case of Chinese online opinion surveillance just represents a typical combination between the two in China. It remains ambiguous to what extent and in what form authoritarian political rules and neoliberal marketing logic would assimilate the other in this process. Although the inner connection between authoritarianism and neoliberalism is not a fresh topic, previous literature mainly focuses on how the expansion of neoliberal economic order around the world is promoted by authoritarian repression (Bruff 2014).

Considering that neoliberalism is viewed as being fundamentally about the ‘free market’ and ‘individual agency’ (Harvey 2005; Bevir 2011; Foster 2016), the research on Chinese online opinion surveillance will show whether the commercialization of ideological propaganda and the guidance of citizens’ online expression in my case could represent a special form of combination through which authoritarianism utilizes neoliberalism to maintain its legitimacy in the era of big data. However, it may be too optimistic to expect that some democratization would be brought by the expansion of neoliberal marketing techniques within an authoritarian context. In other words, it is not clear whether the rising online opinion surveillance represents that Chinese authorities are paying more and more attention to public opinion and are attempting to market their policies in a more deliberative and transparent way. Considering that typical authoritarian policies such as internet control and information censorship still play a significant role in China, the relation between online opinion surveillance and other strategies of internet governance must be included into the consideration of the issue.
Moreover, in democratic contexts, a similar trend of political usage of data-mining and sentiment analysis also exists. Scholars have shown that political parties in democratic states pay commercial data-brokerage firms to collect data about political opinions and social relationships in order to identify and target voters in campaigns (Bennett 2015; Ball et al. 2010). While some scholars contend that these practices are essentially anti-democratic because they discourage participation and deliberation by transforming citizens into unthinking consumers, others consider voter surveillance as “a more benign, efficient and legitimate way to reach voters and connect with them about public policy” (Bennett 2015).

The current debate on the relationship between surveillance and democracy in Western states inspires us to reflect on the influence of online opinion surveillance on the growth of civil society in China. Although the internet provides Chinese citizens with a new protest platform and makes them better informed about and more engaged in social and political affairs (Yang 2003, 2012), we should still stay cautious about the argument that the internet will exert a continuous influence on the development of civil society. China’s users value the internet as a means of communication and expression, but the rising industry of online opinion surveillance shows that the party state is using ICT technology and market resources to make this expression controllable. The cooperation between government sectors and for-profit data service providers implies a structural shift through which new constellations of the state’s relations with non-state agencies are being formed to build a more networked and multi-level mode of social control. This shift enhances authorities’ capacity for handling voluminous data of online expression and also increases the vulnerability of protestors who express dissent through the internet. In an authoritarian society, the data technology used for targeted marketing can be easily transformed into targeted surveillance over online dissenters. In this sense, what threatens Chinese civil society may not be the transformation from citizens to consumers, but instead it is the risk that budding political expression is being prematurely transformed into modulatable information flow.
Before online expression realizes its potential to play a supervisory role in Chinese politics, authoritarian principles will have dominated the state’s administrative operation for a long time.

In this context, it is difficult to develop targeted surveillance into tools for mobilizing political participation by connecting certain citizens to public policy. A more likely trend is that the public sphere will be shrunk under the converging attack from both existing authoritarian repression and newly fashioned neoliberal marketing.

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Chapter 5

Outsourced authoritarian governance: the privatization of Mayor’s Hotlines in China

This chapter explores the government outsourcing phenomenon in the case of Mayor’s Hotlines. It focuses on the question: How does the engagement of privatization impact governance in authoritarian regimes? This chapter shows that, while the expansion of mayor’s hotlines is a typical government act in China, the operation of call centres has been outsourced to professional tele-corporations. Outsourcing empowers the state with strong capacity to address citizens’ complaints and suggestions. Also, this chapter identifies the problems caused by the engagement of private sectors. By examining the call operators’ labor process, this chapter argues that the engagement of privatization in authoritarian domination leads to the rationale conflict between the newly involved market rationality and the inherited tradition of state intervention.
Abstract: How does the engagement of privatization impact governance in authoritarian regimes? This article explores the question by studying Mayor’s Hotlines (MHs), a channel set up by Chinese municipal governments to address residents’ suggestions, appeals, inquiries, and complaints. Evidence shows that while the expansion of mayor’s hotlines is a typical government act in China, the operation of call centres has been outsourced to professional tele-corporations; it is for-profit companies and their employees, rather than governments and officials that represent the state in communications with the public. Drawn on ethnographic fieldwork in two MH call centres, this article re-images MH call operators as the frontline executants of authoritarian governance: The party state relies on operators’ communicative skills and emotional labor to deliver public service, collect public information, and mitigate social conflicts. By examining both the practical and the relational components of call operators’ labor process, this article argues that the outsourcing creates a dual-pressure structure shaping frontline governance; the engagement of privatization in authoritarian domination leads to the rationale conflict between the newly involved market rationality and the inherited tradition of state intervention.

Keywords: authoritarian regimes, call centres, government outsourcing, Mayor’s Hotlines, privatization, China.
Introduction

How does privatization of state control impact authoritarian governance at the grassroots level? Privatization refers to the act of reducing the role of government or increasing the role of the private sector to satisfy the needs of people (Savas 1987). Since the 1970s, privatization has become an increasingly prevalent phenomenon not only in economic production but also in the affairs of politics (Fourcade-Gourinchas and Babb 2002; Heartfield 2009; Savas 1987; Sears 1999; Starr 1988). Within this trend of privatization, outsourcing public service to non-state sectors has become a commonly used tool for governments to reform their governance practice. In Western democracies, government outsourcing has extended to various fields, such as social welfare, public education, national security, and even political campaigning (Bourdieu 1999; Brown, T 2001; Pierre 1995; Seim 2017; Sheingate 2016; Reich 2014; Wacquant 2009).

However, little systematic attention has been paid to how this shift has affected authoritarian governance at the grassroots level. Whereas economic privatization has reduced state intervention in the local economy in most authoritarian regimes (Biglaiser and Danis 2002; Hanley, King, and János 2002; Hamm, King, and Stuckler 2012; Walder, Isaacson, and Lu 2015), it is questionable whether government outsourcing has also similarly influenced their political governance.

This article provides a case study of China’s Mayor’s Hotlines to examine how government outsourcing impacts social governance and state-society interactions in an authoritarian context. These hotlines are a form of quasi-democratic institutions (Distelhorst and Hou 2017) created by Chinese municipal governments to address citizens’ suggestions, appeals, and complaints; citizens can call the hotline to get access to their local governments. From the form, MHs are similar to the democratic constituency service which refers to local officials’ efforts to solve residents’ problems (Distelhorst and Hou 2017). It is widely accepted that the expansion of democratic constituency service is driven by electoral pressure (Hartford 2005). However, recent evidence points out that without electoral accountability, authoritarian regimes also provide
similar institutions to solve problems raised by citizens (Distelhorst and Hou 2017). Different from its democratic counterparts, authoritarian constituency service usually carries multiple social control functions such as maintaining social conflict, collecting public information, and maintaining public trust (Chen, X 2014; Dimitrov 2014; Distelhorst and Hou 2017). In this sense, exploring outsourced MHs rather than other government affairs (for example, street services, education, transportation) provides an opportunity to observe how the privatization of a quasi-democratic institution impacts local authoritarian governance.

My focus on MHs also derives from a rarely mentioned feature of this system: the engagement of privatization. As my findings show, while the expansion of government hotlines has been a part of a broader push for e-governance in China, the operation of MHs in most Chinese cities has already been contracted out to professional tele-corporations. In other words, it is for-profit companies and their employees, rather than governments and officials, that represent the state in communication with the public. Given that government outsourcing in a democracy is usually accused of eroding democratic values and weakening government accountability (Brown, W 2006; Feigenbaum and Henig 1993; Feigenbaum and Henig 1994), it is questionable to what extent this criticism can be applied to authoritarian contexts.

Drawing on the ethnography inside two MH call centres in cities DY and BP in China during year 2015 to 2017, this article finds that government outsourcing situates the operation of MHs under the conflicting principles between a traditional form of state control and a market constraint. On the one hand, serving the multi-tasks of authoritarian governance, call operators of Mayor’s Hotlines are not only required to resolve citizens’ general inquiry about public affairs, but also, more importantly, they are expected to mitigate social conflicts and maintain the state’s image

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63 For example, the budget for MH call centres is under the category of municipal e-government project in many cities. See in: [http://www.jcgov.gov.cn/zwgk/bmxq/zfbm/sdsjyyj/gzdt/201903/t20190329_362399.shtml](http://www.jcgov.gov.cn/zwgk/bmxq/zfbm/sdsjyyj/gzdt/201903/t20190329_362399.shtml). In addition, most municipal governments currently integrate the promotion of MHS into the building of government websites. See in: [http://www.sjz.gov.cn/coll/1490343545309/index.html](http://www.sjz.gov.cn/coll/1490343545309/index.html).
through their communicative skills and emotional labour. On the other hand, after the operation of MHs is contracted out to the profit-driven tele-companies, cost control forms an increasingly influential force shaping the daily routine and working conditions of call operators. Based on these findings, I argue that even though government outsourcing is usually considered to be a sign of democratization or at least a hindrance for the expansion of state power, this may not be the case in the system of China’s MHs. The strong tradition of authoritarian governance has not been dismantled by the engagement of privatization. In fact, with the help of private providers and under the name of social service, the tentacles of state control have touched a wider range of social population. However, this does not mean the profit motive of the market has been smoothly integrated into the control apparatus of the state. The outsourcing of MHs creates a dual-pressure structure under which frontline operators need to handle pressures from both the state and the market. I argue that this dual-pressure structure represents a special form of state-market complex within which the conflicting rationalities between authoritarian control and market profiting lead to dilemmas of governance at the grassroots level.

This article contributes to our understanding on the relation between privatization and authoritarianism in three ways. First, it sheds light on the micro-foundations of authoritarian domination (Lee and Zhang 2013) by exploring how private actors are involved in frontline governance in the MHs institution. Second, it extends our understanding of the relationship between privatization and democratization by showing the impact of outsourcing on China’s dissent management. Third, it bridges the discussion on the privatization of authoritarian control with the growing literature that links neoliberal governance with the interactions between the state and the market.

Theory

While privatization is broadly defined as “relying more on the private institutions of society and less on government to satisfy people’s needs” (Savas 2005, 9), it covers a great range of ideas and
policies in practice. For example, in the studies of post-communist countries, privatization usually refers to various economic policies that transfer enterprise ownership from the state to private hands (Biglaiser and Danis 2002; Hamm et al. 2012; Walder et al. 2015); however, in Western democracies, privatization mainly refers to the shift in domestic governance—government contracting public service to private providers (Brown, T 2001; Savas 1987, 2005; Pallesen 2004; Feigenbaum and Henig 1994). Although the dominating discussion on China’s reform mainly explores the economic dimension of privatization64 (Chen, J and Dickson 2010; Peng 2001; Tsai 2007; Nee 1989; Walder 1995), this paper turns to the governance dimension by narrowing the focus down to government outsourcing.

Government outsourcing refers to the phenomenon whereby a government contracts out the production of a service to a private firm while retaining the responsibility for planning and financing the service (Savas 2000). Advocates believe that at least three reasons exist for why contracting out service is better than providing it in-house: (1) Outsourcing leads to a more cost-effective choice for governance. Competition arising from bidding procedure leads to reduced service cost or improved service quality. It solves governments’ fiscal pressure and provides citizens with a better service; (2) Privatization protects freedom and autonomy by reducing government involvement. The proponents of “shrinking government” believe that contracting out public service to non-state actors can not only limit the increasing government employment but also limit its excessive intervention (Savas 1987); and (3) Government outsourcing empowers society by increasing pluralism in local governance. Through outsourcing, not only do people have more choice in public service, but non-state actors such as private forms or civil society also get access to the policy process (Ansell and Gash, 2008; Donahue and Zeckhauser 2012). In this

64 This literature also explores the political effect of economic privatization.
sense, outsourcing is not only a pragmatic alternative for government, but it also contains reformatory values that promote democratization.

However, whether privatization necessarily leads to a positive outcome for governance is disputed. Critics point out that several conflicts exist between democratic governance and government privatization. First, the involvement of private sectors change the accountability relations between governments and citizens; outsourcing not only provides entities with opportunities to contract their responsibility but also brings the risk of replacing elective accountability for economic efficiency (Brown, W 2006; Cordella and Willcocks 2010). Second, the democratic values inherent in public services may not be adequately addressed by the economic efficiency calculus of markets (Kelly 1998; Starr 1988); the emphasis on market rationality may marginalize other non-economic values such as freedom, justice, and equality, which are also important for maintaining democracy. Third, the expectation that ‘competition brings good service’ may be crushed by the pervasive market imperfection in political fields. In the real world, public interest may be vitiated by various interference factors such as non-transparent competition, weak monitoring mechanisms, and ill-defined service (Brown, T 2001; Girth et al. 2012; Juraj et al. 2005).

Although the implication of outsourcing remains controversial, no one would deny that the discussion in democratic contexts presumes the existence of a relatively well-specified set of public goals. “Such public goals are broadly accepted as legitimate, because they have emerged from democratic processes, deliberation by acknowledged experts, or assertion by recognized authorities” (Feigenbaum and Henig 1994, 187). With clear and accepted public goals, at least the overt task for government outsourcing is to pursue those ends as efficiently and effectively as possible.

However, compared with Western democracies, authoritarian regimes usually have different governance missions due to their distinct accountability mechanisms, legitimation pressures, and
state-society relations (Gandhi and Przeworski 2007; He and Warren 2011; Levitsky and Way 2002; Wintrobe 2009). Although the democratic understanding of outsourcing has limited explanatory power in authoritarian cases, nevertheless, when governments of different regimes share similar public goals, the current theoretical insights still work. Some scholars, for example, argue that the outsourcing in China’s education and social welfare systems represents an expanding public participation, which was rarely seen in the single-party country where participation is restricted to limited members (Jing and Savas 2009; Teets 2012, 2016; Zhang and Sun 2012). However, in those fields where the priority of authoritarian governance is different from the democratic ones, the situation is different. Recent studies have found that although privatization reform in authoritarian countries transforms state-owned media into profitable enterprises, it does not change their media's nature of being ideological apparatuses for state control (Ma 2000; Stockmann and Gallagher 2011; Zhao 2004). Even though media organizations now are less dependent on government subsidies and can generate financial support directly from the market, media practices are serving the interests of political and business elites while suppressing and marginalizing opposing and alternative voices (Zhao 2004). Scholars usually use the term ‘state-market complex’ to highlight the murky encounter between state power and capital interest (Chen, Y 2009; Cho 2011; Ma 2000). Ma(2000) explains: "The development of the market with the blessing of the state is constructing a hybrid of overt conflicts but structural coexistence between the two." However, state-market interaction is a complex process. Ma’s explanation pays much attention to the integration between the state and the market but overlooks how the so-called "overt conflict" between the two may also structurally impact authoritarian governance. Considering that recent empirical studies on authoritarian cases (especially China) pay more attention to how the state harness the market forces to strengthen its control, I think the contradictory nature of the state-market complex is underdeveloped.
To fill this gap, this paper aims to examine how the engagement of privatization leads to the state-market complex that impacts the governance practices in the system of MHs. Considering that the primary target of this analysis is to present how the different principles between the market and the state conflict at the grassroots level, this article adopts the labour theory of governance as the analytic framework to organize the fieldwork data. Combining the theory of labour process (Burawoy 1979) with a relational analysis of state power (Bourdieu 1999; Lipsky 1980; Wacquant 2009), this theoretical framework seeks to analyze various forms of labor involved in frontline governance (Seim 2017). It requires researchers both analyze the practical dimension of governance (that is, how governance is conducted by executants of governance) and explore the relational components that shape the governance (that is, how the labor is structured by interacting institutions and downward pressures). Inspired by this theory, my article considers the institution of MH as a special form of authoritarian governance. Given that the operation of the institution relies on call centres mediating the interactions between the state and citizens, this article narrows the focus onto call operators, a group of actors that represents the governments to address citizens’ problems at the frontline. Through a simultaneous examination of the practical and the relational components of call operators’ work, the article aims to describe and explain, under the mode of outsourcing, how frontline governance is shaped by the interaction between the tradition of state intervention and the new involvement logic of market profitability.

**Case and Method**

**Outsourcing government hotlines**

The first MH was set up in 1983 by Shenyang’s municipal government (Ge 2003). By dialing the published hotline number, citizens can directly contribute criticisms, opinions, and suggestions concerning government policies and actions to their local governments. The popularization of home phones makes government hotlines a more convenient channel of civic participation. Setting up a hotline therefore has become a popular act for government agencies to implement the
party policy of mass line\textsuperscript{65}. In the past few decades, as hotlines have emerged from various government agencies around China, their proliferation has created an uncoordinated tangle; consequently, in the past few years, the central governments promote rounds of consolidation.\textsuperscript{66} In 1999, the central government issued a document stipulating ‘12345’ as the only contact number for government hotlines. In 2016, the state issued the ‘Specification for Government Hotline Service’ requiring government hotlines to be open 24 hours a day and local governments to answer citizens’ calls within 15 seconds.\textsuperscript{67}

The consolidation of hotline resources comes with the contracting out of call service. Although China is usually considered a strong-government regime that is resistant to sharing power with external actors, recent research shows that contracting public service to private sectors is becoming a crucial instrument for Chinese governments to reform administrative institutions (Chan 2017; Zhang and Sun 2012). This change can be tracked back to the 1980s when the Deng Xiaoping’s leadership promoted the reforming of “small state-big society,” which attempted to transform the role of government from a direct controller to a limited regulator (Teets 2012).

Mayor’s Hotline is one of the earliest fields that governments apply outsourcing to deliver public service. Before 2000, on most Mayor’s Hotlines, citizens’ calls were directly answered by civil servants. As the call volume rose dramatically, outsourcing then became a pragmatic solution for governments to handle the increasing human cost and technological pressure. Currently, in almost all Chinese cities, the operation of government call centres has been contracted out to professional tele-companies such as China Unicom and China Mobile; municipal governments only focus on the supportive work such as promoting administrative coordination and offering government knowledge. For citizens, those who answer their calls are no longer civil servants

\textsuperscript{65} For instance, Chongqing established its hotline in 1984; Beijing’s Mayor’s Hotline was established in 1987; Qingdao’s government hotline was established in 1989.
\textsuperscript{66} https://www.economist.com/china/2017/02/04/chinese-officials-use-hotlines-to-take-the-publics-pulse
\textsuperscript{67} More details in http://www.chinanews.com/gn/2016/12-22/8102117.shtml
anymore; they are telephone operators, employees of for-profit companies, who represent the party-state to address citizens’ complaints and requests.

Fieldwork

Between 2015 and 2017, I spent five months doing fieldwork in two MH call centres in China. My data-collection methods include participatory observation, work shadowing, and interviewing. In the two sites in total, I conducted 64 semi-structured interviews with call centre employees (call operators, managers, and trainers) and in-charge government officials.

In the summer of 2015, I got access to the government hotline in DY, a medium-sized city in Shandong province. The DY Mayor’s Hotline (DYMH) has 30 seats and around 40 employees. DYMH was established in 2009, although it had not done a completed transition of privatization until 2014. During my visit, the director of the call centre was bothered by the disordered management caused by the reform: the increasing call volume came with decreasing service quality. At this site, I conducted a one-month-long exploratory fieldwork in 2015, followed by two months of participant observation in 2016. During my visit, I conducted 24 semi-structured interviews with call operators, duty dispatchers, and administrative supervisors. In addition, the director assigned me an administrator account with which I could review all the call recording stored in the system and monitor the real-time interaction between citizens and any call operators; I also attended their morning meetings and quality inspection meetings; and the call centre provided me with the call-operator training documents by which I could study the organizational rules.

To verify the representativeness of the phenomena observed in DYMH, I attempted to observe another MH call centre with a well-organized outsourcing mode. In 2017, I got chance to conduct a two-month fieldwork in the Mayor’s Hotline of BP, a city with more than 21 million population in northern China. The BP Mayor’s Hotline (BPMY) has 500 seats and around 700 employees to
guarantee it can address about 3 million citizen calls all year. In spite of the size difference, the two call centres share the similar organizational division, which is made up of six sections.\textsuperscript{68} In my first month in BPMD, to achieve knowledge on the labour division of the call centre, I spent 1-4 days in each section to shadow its employees. In the second month, I turned my focus to the reception group, the core part of all government hotlines. The BP call centre provided me with a special headset, which had a splitter that allowed me to link with the headphone used by a call operator; when I needed to observe how a call-operator worked, I could sit beside this operator and use this device to listen to the conversation between citizens and the observed operator. I used memos to record the conversations that interested me. In conjunction with the observations, I also conducted 40 formal interviews and dozens of informal interviews with employees working in different sections. As well, I also attended a four-day training program in which trainers gave me all their teaching slides and recordings.\textsuperscript{69}

**Governance Labour in the MH System**

Government hotlines, as a typical constituency service, not only empower citizens with a convenient way to contact local authorities, but they also help the state increase its capacity for social control. In the DYMH training tutorial, the MH system is explicitly defined as “a main channel for government to hear social demand, supervise functional departments, protect public interest, and alleviate the cadre-mass conflicts”.\textsuperscript{70} This implies the essential function of this

\textsuperscript{68} It includes: 1. reception section (which is in charge of answering calls and transferring calls into work orders); 2. dispatcher section (whose job is to dispatch work orders to corresponding government institutions); 3. quality-inspection section (that takes spot checks on all the recordings and work orders to guarantee service quality); 4. complaint section (that is set to receive the citizens’ complaints against call operators); 5. training section (that take the charge of training new employees and delinquent operators); 6. review section (whose job is to call back to citizens to check whether their requirements have been responded to.)

\textsuperscript{69} According to the confidentiality agreement, I cannot use previous recordings and internal statistics, while I am allowed to use the model recordings they use to show new employees the difference between good service and bad ones.

\textsuperscript{70} Field note, 2017
system: although hearing citizens’ voice is its main alleged function, MHs are expected to handle more governance missions such as gathering social information and maintaining social order.

Governance is not just an idea on policy documents; instead, it involves a practical process during which the world is changed by the work of frontline executants (Lipsky 1980; Seim 2017). In this case, when governments contract out MHs to for-profit companies, it is the hired call operators who channel citizens’ demands into the bureaucracy. Accordingly, it is also call operators who execute the state’s governance missions through their daily work. Considering that the party-state expects government hotlines to achieve the multi-purposes of social governance, I identify three sometimes-overlapping practical components that underly the governance labour of the MH system: information extraction, appeal guidance, and emotion channeling.

**Information extraction**

The first component of governance labor is information extraction. It refers to the process by which call operators obtain effective information from citizens’ narratives. When a citizen calls, the MH operators sort out the messy and emotional narratives and clarify the caller’s request. In both BP and DY, call operators are authorized to directly answer simple requests (such as a policy inquiry), but otherwise, they will dispatch the work orders to functional departments for future processing. An interviewed operator introduced me to the process of addressing a call:

According to the regulation, we need to ask citizens what specific requirement they have. We tell them what government sector is responsible for their issue. I think our call centre is the place that citizens can get the knowledge about where they should go especially, especially when they know nothing. …If a citizen cannot contact the government, we help him contact it. If a citizen thinks he is just an average guy and he dares not visit government office, no problem. we help him transfer his case to the district government.
Information extraction is a standardized procedure widely used in the industry of call centres. Relying on the communicative labor of call operators, clients’ requests and feedback are channeled to the appropriate service provider. In the case of MHs, information extraction benefits social governance in two ways. First, citizens do not need to worry which government department they should seek for help; the involvement of call operators helps citizens avoid directly having to face the complex bureaucracy, which also increases the efficiency of government service. Second, all gathered information will be analyzed statistically; the results will be presented to municipal governments in the form of periodic reports as important reference for social governance.

Appeal Guidance

The second component is called ‘appeal guidance.’ “Guidance” is a popular and vague jargon used by frontline operators. It has different meanings in different contexts. For most operators, guidance generally means providing citizens with a possible solution. As clarified by an operator with ten years of frontline experience in BPMH, guidance is a process of offering options:

Citizens call us first, and we give them the direction. Citizens do not know how to solve their problems. We guide them. If an operator knows how to provide the guidance, citizens will follow his logic. An operator should not follow citizens’ logic. We give them some options and ask which one they want.

My data shows that, rather than mechanically recording an appeal and dispatching it, call operators are encouraged to help citizens seek an appropriate way to solve their problems. In DYMH, the operator director shared her experience of using appeal guidance to resolve the conflict between a property management company and some residents.

We sometimes teach new guys that we are not supposed to directly answer citizens’ questions. Some tough callers know their problems very clearly. They ask us to give them a clear answer:
can we solve their problems? I remember there was a case about a property management company, … [which] provided poor service but still asked for high management fee. Some tenants refused to pay the money; the company then cut off the power of that community. Residents called us to solve this problem. Actually, there was a legal loophole. Legally, the company has no authority to cut off the power. But if it did not do this, no tenant would pay the management fee, [and there exists no law to restrict tenant behaviour]. From our position, if too many tenants get involved in this problem, it would be a collective conflict [which would threaten social stability]. When those residents called us to ask what attitude the government had on this issue, we could not directly answer them. We could not directly tell callers the truth and let them blame the law. Even though some tenants directly asked our operators whether cutting off the power is illegal, we could not give them a direct answer. [In this situation], we needed to guide them slowly. [Rather than directly answering their query], I asked them: “Why do you refused to pay the fee? Is that because the company provides poor service?” If we are patient enough, the residents might follow our question and tell us how poor the service was. The residents complained that the company did not clear the trash can in time. We would say: “OK, we will help you contact the company and urge it to clear the trash can.” Then the trash cans were cleared, so the residents were satisfied and paid the fee.

In this case, guidance transfers the conflict between residents and property manager into a specific workable problem. It bypasses the weakness of the property management law. Although some solutions (such as mass strike or class action) are also legal or even more effective for solving problems, call operators are not suggested to guide callers to conduct those behaviours due to the potential threat to social stability.

Appeal guidance benefits social control not only by offering citizens easy solutions; but, more importantly, it also prevents citizens from choosing any possible solutions that threaten social stability or query legal authority. According to my observation, most operators have the
experience of receiving threatening calls from petitioners or protestors. In threatening calls, citizens with unsolved problems usually claim that, if the local government still delays their problems, they would conduct aggressive behaviors such as suicide or skip-level petitioning. Faced with this situation, providing proper guidance is a commonly used skill for operators. An operator in BPMH told me:

[Even though we know we cannot address their unsolved problems,] we can never say: “Your problems have nothing to do with our hotline.” We can never say: “The government will not solve your case.” We need to find new connections [between their cases and current administrative policies]. We use these connections to help them find new solutions.

MH operators usually believe that it is the emotion of desperation that forces petitioners to conduct aggressive behaviors such as organizing a street demonstration, skip-level petitioning, and even committing suicide. To maintain petitioners’ hope and prevent potential risk against social stability, even though call operators know most already-delayed cases may not be addressed under current policies, they are supposed to keep helping citizens seek new solutions.

In BPMH, I witnessed an operator spend one hour to persuade an angry farmer who was unsatisfied with the house-expropriation policy. The farmer threatened that he would go to demonstrate in front of the government building. After the operator hung up the phone, I asked him how he would process this tough case.

I will help him to contact relevant departments [again]. He said he lost three houses, but the government compensated him with only the money for one house. [The case description recorded in the call centre system shows that the farmer’s additional another two houses are illegal buildings, so the government needs not compensate for them]. [The farmer does not agree with this result, so] I attempt to find another solution for his problem. I prefer to analyze the case with the caller to check whether there is any overlooked clue. If there is one, I can help them dispatch the case again. Take this call as an example, the house-lost farmer said that the compensation he
received from the government is different from the regulated amount. Although we count the amount as compensation for only THE one legal house, it is still not the right number. Now I will use this as a new problem to open a new case and dispatch it again. He has already called this hotline three times today.

When the farmer’s unsolved case is dispatched as a new request, his problem is actually thrown back into the bureaucratic machine.

Appeal guidance therefore constitutes social control in two ways. First, processing an old case with a new request costs time; at least the above angry caller will not conduct any aggressive behavior during the waiting time. Previous studies have shown that Chinese local officials use procrastination skills and complex bureaucratic games to increase the cost of protest (Chen 2012). Here, guidance operates in a similar way. Second, providing a new solution makes callers feel that the government is still responsive. Cheng (2013) argues that, to demobilize collective petitions, the Chinese government sometimes pacifies protesters by providing symbolic rewards such as sympathy, respect, and care. The symbolic rewards not only provide mental comfort for citizens, they also help maintain the responsive image of the government. In the above case, directing the trouble to a different department can provide the callers with the symbolic satisfaction that the government still cares about his requests.

Emotion channeling

The third component is channeling citizens’ emotions. The research on western 911 call centre shows that call-taking is emotional labor because it needs to address citizens’ anxiety, anger and fear (Tracy and Tracy 1998). Similarly, MHs in China also require call operators to do much emotional labor. The difference is that MH operators need to handle more-emotional appeals from petitioners and dissenters with disagreement against the governments.
In BP’s training document, ‘regular client’ is a special term used by operators to refer to those petitioners/protesters who repeatedly call the MHs for their unsolved appeals. Because those appeals usually remain unsolved for complex reasons, rather than keep helping the petitioners contact functional departments, call operators are required to pacify these petitioners through patient explanation and thought work. In both DY and BP, most interviewed operators mentioned their experience of receiving petitioners’ emotional calls.

There are many emotional calls from general clients. They call us to relieve their emotions. They know their problem will not be solved. Many of them have already gone to the central government for petitioning. The central government sent them back. I doubt that they do know how our hotline system works. They know we have no authority to solve their problems. They still call us again and again…some directly curse us when the call is picked up. They call our hotline a hundred times a day just to curse us. No matter who picks up their call, there only swearing words there.

The quotation shows that bearing citizens’ criticism and even vituperation is an unavoidable part of operators’ duty. More importantly, creating a space for citizens to release their disagreement is an internal element of social governance. As introduced by an operator trainer in BPMH:

I think we are very important for social governance. Our call centre is part of the petition office, and it definitely mitigates social tension. It relieves citizens’ negative emotions against governments. When angry citizens get the channel to express their disagreement, we will use our patience to do the communication. Some citizens even know their problems will not be solved, but they just want to talk with us. If there is no place to talk, they will be crazy. We just need to record their problems and dispatch them as suggestions.

Under most situations, listening is the only thing that operators can do to channel the emotions of ‘regular clients.’ However, not every petitioner can be pacified by the patient listening. Their
anger could accumulate and the risk against social instability could emerge. Some callers with unsolved problems threaten call operators that they would conduct more aggressive protest such as going to the street or committing suicide. Faced with this situation, call operators are expected to dissolve the risk by using all three mentioned types of work.

In BPMH, a special section named the ‘instability group has been established to address any potential risk against social stability. Any call with threatening content will be transferred into this group. Group members review the recordings to judge whether the reported risk is real. If the risk is verified, the instability group will immediately notify the information to both the police and the territorial governments. At the same time, call operators must keep one the line with the dangerous caller to stabilize his/her emotions by using appeal guidance and pacification skills.

Several times in both BPMH and DYMH, I witness police officers visiting call centre requesting the recordings. The recorded conversations, including the threatening content, could be used as evidence for detaining those dangerous petitioners or protestors. In this sense, the three components—information extraction, appeal guidance, and emotion channeling—constitute a coherent labor process that maintains social stability.

Dual-pressure Structure of Frontline Governance
Figure 1: dual pressure structure

The practical component of frontline governance cannot be understood without examining its relational components. Seim (2017) argues that governance labor is shaped not only by laterally interacting institutions but also by vertical pressure such as bureaucratic authority. For MH call operators, their work is not only influenced by the lateral interactions between call centres and other bureaus (such as functional departments and the police) but, under the current outsourcing model, their routine is also shaped by the vertical forces coming from both the state and the market. Given that the lateral interactions in China’s constituency service have already been addressed in previous literature (Chen, X 2014; Lee and Zhang 2013; Wang 2015), in this part, I will focus on the downward forces, especially those brought by privatization.

Government impact
Vertically, the primary driving force shaping frontline call-taking comes from governments because the MH system is purported to facilitate direct consultation between citizens and officials while maintaining the concentration of power in the Communist Party.\textsuperscript{71} Although the operation of call centres has been contracted out to for-profit companies, the influence of governments still penetrates the daily operation of call centre through different ways.

As shown in Figure 1, the most direct influence from governments is conducted through the contract negotiated with the service provider. In the contract, municipal governments states detailed requirements, such as service outcomes, key performance indicators (KPIs), dispatching procedure, training outline, and evaluation modes. All the requirements are set around the target of providing citizens with good service and helping governments maintain the social order. A BPMH dispatcher explained:

We are not allowed to delay the requests. Within 24 hours, all the requests must be dispatched. And for emergency requests about power cut-offs or environmental pollution, we need to dispatch them within two hours. If it is a threatening call. We need to report it immediately

In this example, the requirement related to dispatch procedure provides a hotline that not only addresses public requests quickly but also helps governments gather social information in a timely manner.

As well, governments also influence frontline operation through physical presence. In DY, the MH call centre is located in a government building; the DY government set up a special office consisting of three officials to supervise the operation of the MH. In BP, although the call centre is located in a tele-company building, five offices are arranged for the BP petition officials in the

same building. Every day, at least three petition officials are sent to the call-centre hall, not only to provide policy explanations but also to conduct routine inspection. The presence of officials shows the even though the operation power is outsourced to for-profit companies, the governments still own some control power supervising the interactions between call operators and citizens in MHs.

Market pressure

Financial pressure is one of the main reasons driving governments to outsource public service. When the popularity of MHs brings more demand for human labor and communication devices, governments rely on market mechanisms to cover the increasing cost. Although outsourced services in the West are expected to produce more profit opportunities for private providers (Savas 1987), in China, only state-owned tele-companies own the technological capacity and political reliability to win the bid. However, the economic reform also brings state-owned companies such as China Unicom and China Mobile with strong profit pressure (Lin, Cai and Li 1998)\(^2\); they lack enough budget to increase staff size.

My fieldwork shows that tele-companies adopt a commonly used market strategy—labour dispatch—to solve the problem; they subcontract the provision of labour force to a third party—private labor agencies. As figure 1 shows, the involvement of labour agencies creates a double-outsourcing phenomenon in MH: when governments contract the management of call centres and the training of operators to state-owned tele-companies, tele-companies rely on labor agencies to conduct employee recruitment and wage calculation.

Double outsourcing narrows the profit space of labor agencies. To guarantee a competitive bid price, labour agencies choose to lower the basic wage of operators to control cost. The low-salary condition not only makes it difficult for labour agencies to recruit new employees, but also results

\(^2\) Also see in: \url{http://www.chinadaily.com.cn/a/201803/01/W55a973b11a3106e7dcc13ebb9.html}
in a high turnover of current staff. The consequent labor shortage thereby increases the workload of remaining employees, which further decreases the position’s attractiveness. In the current market environment, this vicious circle is difficult to break.

**Frontline Dilemmas**

The privatization of call centres creates a dual-pressure structure shaping the frontline labor in MHs. Although the state expects that the incorporation of market competition could increase the quality of public service, the requirements of social governance and the profit demand of market actors do not always coexist well. According to my observation, in the frontline of the MHs, the government demand and the market logic creates at least three dilemmas

*Dilemma 1*

The first dilemma exists in the conflict between the vague scope of government service and the limited capacity of call operators. On the one hand, when the MH is propagandized as a channel that can solve people’s problems and resolve social conflicts, it actually leads to ambiguity in service specificity. On the other hand, the call operators, as the frontline providers of call service, are not empowered as any administrative resource to solve citizens’ problems. This conflict makes call operators have to handle a service requests that are irrelevant to government duties. As complained by a manager in BPMH

The upper-level government’s idea, maybe, makes us just like a grocery store. We deal with everything, but actually we can solve nothing. …We are not allowed to tell citizens: ‘We cannot accept your case.’ Not just family issues. It is forbidden to say: ‘we can’t do it’. They do not want us to say: ‘your requirement has nothing to do with this hotline.’ You have to pacify callers. Give

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them some suggestions and find out some connections. This is some sort of ‘good service.’ It is like giving them a sense of being served.

Dimitrov (2014) argues that maintaining high responsiveness to citizens’ appeals helps authoritarian regimes retain public trust (Dimitrov 2014). Following the same logic, Chinese governments also encourage MH operators to address every appeal from the public. Even though operators have no resources and responsibility to solve these problems, at least they can retain citizens’ trust by their emotional labour. As said by a DYMH manager:

We have pressure. We know this hotline well. We are so worried that the government tells all the people we can solve everything. This gives us so much pressure. If the government promotion builds this kind of image, we need to address every call. If we fail to do this, someone will complain as ‘our government says the hotline can solve any problem.’… There are a lot of issues out of our service.

Although creating a non-refusal hotline helps the state promote its public image, it also raises citizens’ expectation; the expectation is then directly transferred into the heavy workload of the frontline operators. An undeniable truth behind this dilemma is that the engagement of privatization here has not dismantled the strong tradition of state intervention even though the Chinese state considers ‘shrinking government’ as a major rationale for government outsourcing. In addition, one of the widely mentioned targets of MHs is to build a service-oriented government rather than a regulatory government. However, the construction of a service-oriented government is operationalized as building an omnipotent hotline though which governments can both solve all citizens’ issues and control the society at the same time. When

75 http://www.xinhuanet.com/politics/2018-03/02/c_1122480202.htm
citizens' expectation towards an omnipotent state has been reproduced, the control logic and intervention tradition of authoritarianism has been inherited with the expansion of MHs.

Dilemma 2

The second dilemma is rooted in the trade-offs in two competing mandates: call-receiving quantity and service quality. In the call-centre industry, the quantity and quality trade-off usually refers to the rival objectives of transacting the maximum number of calls with the lowest staffing ratios while delivering a level of customer service that will not only retain, but will win over, the public (Castilla 2005; Russell 2008). However, when the call centre business is integrated as part of authoritarian governance, this conflict becomes more intense.

One the one hand, governments set a series of KPIs to assess the operation of call centres. The primary KPI is the percentage of calls blocked, which refers to the percentage of inbound callers that received the busy tone when they called the hotline. In BPMH, the requirement on this indicator is no more than 3%. To achieve this target, the BPMH call centre has a big screen hung on its wall that displays the number of waiting in-calls in queue. Once the number increases, the directors stand up and wind around the centre, yelling ‘Pick up the phone,’ to press the call operators to turn to the next call immediately.

On the other hand, good service takes time. Governments set quantified KPIs such as satisfaction rates to estimate the service quality of call operators. Because MHs are expected to undertake multiple governance missions, such as channeling citizens’ emotions and resolving social conflict, call takers often spend a lot of time to listening to and pacifying angry callers. However, because unsatisfied citizens make many complaint calls due to their disagreement against the governments, these service-quality indications lose their validity in the real field. Lacking an appropriate tool to estimate the service quality of call operators, MHs managers have to take call-receiving quantity as the most critical performance index.
According to my observation, under regular conditions, call operators usually have a five-minutes break to review their previous work order and calm down their emotions. However, due to the increasing call volume, the break time has been compressed to two minutes. Moreover, due to the performance pressure, call operators are not willing to spend much time pacifying citizens. This situation is observed in both sampled cities, as two interviewees told me:

It is very incompatible. If a call taker takes every call seriously, the quantity hardly increases. If the operator cannot fulfil the task, his emotions are influenced, and it also influences the quality (Zhang, operator trainer, BPMH)

If you spend too much time in one call, other citizens cannot call in. Your call volume is influenced. The government assesses the tele-company [by the number of calls]. The tele-company assesses us [in the same way]. It is a [vicious] circle. (Xi, call-centre director, DYMH )

In both sites, because the call-receiving amount has already been recorded as an individual performance indicator for operators, which directly impact on their salaries, it drives frontline operators to prioritize quantity over quality.

Dilemma 3

The last dilemma refers to the mismatch between the complex requirements of governance labor and the low salary conditions of frontline operators. MH operators, compared with those working for call centres of other business, need to handle more various cases and more tough clients; they are supposed to have abundant knowledge of local policies, and administrative procedure, as well as sufficient communicative skills to address citizens’ inquiries, appeals, complaints, and even threats. However, the call-centre industry also emphasizes profiting logic. Employers therefore usually increase profit opportunity by reducing salaries and increasing individual workload. The most direct consequence of this conflict is that labor agencies find that, in the current market, it is extremely difficult to hire eligible employees. The increasing service demand from the public
leads to the shortage of workforce in MH call centres, which aggravates the workload of current operators.

To solve the problem of workforce shortage, labor agencies build connections with non-local technical schools that can send their students to call centres as cheap interns. In BPMH, during the past two years, most new operators have been recruited from this channel. These students, most of whom are around 20 years old, have neither the social experience nor the communicative skills to address experienced protestors or angry petitioners. To guarantee a supply of operators, tele-companies also shorten the training period from one month to one week; student interns are dispatched to the frontline before they acquire necessary policy knowledge and communication skills. Not surprisingly, the service quality dramatically decreases. Even worse, most students, unsatisfied with the low salaries and work intensity, refuse to renew their contracts with the labor agencies after their internship. Call centres have to wait for a new batch of inexperienced students to fill their labor shortage.

**Conclusion: the privatization of authoritarian governance**

This article explores the practical and the relational components of the labor process in two MH call centres in China. By narrowing the focus down to MH call operators, this paper shows how an authoritarian regime, within a special quasi-democratic institution, relies on human labor to deliver public service, collect public information, and mitigate social conflict. Through displaying the relational components of call operators' work, this article also explores how privatization impacts authoritarian governance at the frontline. Based on the observations, my argument here is twofold. First, the engagement of privatization, as it works in the reform of Chinese media industry (Hadland and Zhang 2012; Ma 2000; Zhao 2004), is both restraining and enabling. Relying on for-profit tele-companies, the state provides citizens with a more accessible channel for civic participation. Meanwhile, the tentacles of state control, with the help of private providers
and under the name of social service, have touched a wider range of social population. Second, while privatization does not dismantle the strong tradition of state intervention, it does not mean the market forces are absorbed by the state. As the dual-pressure mode shows, under the current outsourcing mode, executants of the MH system are weighed down with the governance demand of the governments and the profit pressure of the companies. It implies that the deep-seated contradiction between authoritarian control and market logic is forming a structural force shaping frontline governance of this regime.

This article contributes to existing scholarship in multiple ways. First, by spotlighting the operation of MH, an overlooked institution of authoritarian constituency service, this study deepens our understanding of the *microfoundations of authoritarian governance*. ‘Microfoundations of authoritarianism’ refers to the microapparatuses of the state that have direct interaction with aggrieved citizens and protesters. Lee and Zhang (2013) develop this notion to call for exploration on the relational and interactive dimension of authoritarian political orders. By considering the MH system as a special institution of authoritarian governance and the call-taking process of MH operators as a special type of governance labor, this study introduces the labor theory of governance into the exploration of frontline authoritarian domination. My analysis on the practical component of MH governance labor empirically shows how human beings’ communicative skills and emotional labor can be transformed into authoritarian apparatuses aiming to absorb dissent and resolve conflict. Also, the analysis on the relational components of call taking highlights that microfoundations of authoritarian domination are built in a complex state field by different participators. Lee and Zhang (2013) have emphasized the significance of analyzing the live experience of domination and subordination from both sides of the state-society divide. However, my analysis highlights another important fact that the domination process is not monopolized by the state: the operation of governance institutions is deeply influenced by non-state actors such for-profit companies and private employees.
Second, my work contributes to the discussion on the connection between privatization and democratization (Biglaiser and Danis 2002; Castro 2005; Feigenbaum and Henig 1993). My analysis on the MH system provides a fresh case showing that the engagement of privatization not only impacts authoritarian governments’ economic policy, but more importantly, it also has touched their social-control institution that is directly established for social-stability maintenance and social-information gathering. Although privatization advocates argue that contracting out public service has the potential to promote democratization (Savas 1987), the case of MHs does not imply such a propitious outcome. One the one hand, while the marketized operation of MHs reduces the cost for citizens to contact local authorities, it has not come with more structural reform of the Chinese political system. Compared with traditional state-society communication institutions such as the petition system or the mayor’s mailbox, the hotline channel has not brought any new incentive mechanism that could obviously increase the responsiveness of the whole regime. On the other hand, the involvement of private sectors has not limited the expansion of state power. On the contrary, according to my observation, the expansion of the MH system dramatically has increased municipal governments’ capacity of information collection. From traffic inquiry to legal dispute, from political protest to environment-protection advice, countless types of appeals are sent to governments through this channel. Relying on the advanced tele-traffic system, government hotlines help the state create a huge database that stores various data related to every social problem happening in certain administrative divisions. In this way, the involvement of the private sectors enables the state to incorporate market forces to “establish a new pattern of domination” (Migdal 2001: 126).

Last, my analysis on the dual-pressure mode also enriches our understanding of the privatization phenomenon in authoritarian contexts. As mentioned earlier, while scholars adopt the term ‘state-market complex’ to highlight the collusion between state elites and market actors (Cho 2011; Ma 2000; Zhao 2004), I argue that state-market complex of authoritarianism cannot be understood
simply as a conspiracy between the two. My claim is inspired by the growing stream of literature that focuses on bureaucracy-capital tensions in democratic governance (Bourdieu 1999; Sears 1999; Soss et al. 2011; Seim 2017; Wacquant 2009). Many scholars argue that democratic governance is trapped in the dilemma between the left hand (the welfare state and the public sector) and the right hand (corporations and financial institutions) of the state (Bourdieu 1999; Seim 2017). Around the world, the rise of neoliberalism has brought the change that state operations are increasingly designed around market principles and state officials are more dependent on market actors to achieve their goals (Brown 2006). As shown in my work, while the lefthand-righthand tension rarely bothers the authoritarian regime where neither the rationales of the welfare state nor of neoliberalism have incontrovertibly dominated their domestic governance, governors still need to address the conflicting rationales between the newly involved market mechanism and the inherited authoritarian tradition. To fully understand what change the involvement of market principles brings to the original logic of authoritarianism, the variation of the state-market complex in frontline governance calls for further comparative investigation and theoretical building.

References


Chapter 6

The booming industry of Chinese state Internet control

This chapter explains how the cooperation between government sectors and for-profit data-service providers implies a structural shift of China’s repression. I argue that new constellations of the state’s relations with non-state agencies are being formed to build a more networked and multilevel mode of social control. This new mode both enhances the authorities’ capacity for handling the voluminous data of online expression and also increases the vulnerability of protestors who express dissent through the Internet.
Over the past decade, the influence of the Internet in China has rapidly expanded. A recent report released by China Internet Network information Centre shows that the number of Chinese Internet users in 2018 has reached 800 million (60% of China’s population), which is larger than the population of the whole of Europe. The report highlights that more than 70% of Chinese netizens use the Internet for shopping and entertainment. However, another number also deserves our attention: more than 50% of Chinese netizens use Internet to get access to government services. In this sense, the Internet not only impacts the economy of contemporary Chinese society, it also shapes the political life of today’s Chinese people.

The political impact of the Internet is a hot topic in social sciences. American scholar Larry Dimond considers the Internet a liberation technology because it enables citizens to express opinions, mobilize protests, and expand the horizons of freedom. In the past decade, such famous protests as the Arab Spring and the Occupy Movement have shown that Internet platforms (such as Twitter or Facebook) play a critical role in spreading information and fueling public emotions, both of which are indispensable for successful mobilization. A similar phenomenon also happens in China. Sociologist Yang Guobing observed that, since the mid-1990s, the Internet has revolutionized popular expression, enabling Chinese netizens to organize, protest, and influence

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76 See in: [https://www.sohu.com/a/249007562_354877](https://www.sohu.com/a/249007562_354877)
public opinion in unprecedented ways.\(^77\) For example, Chinese workers today know how to use Internet to record and share their strike experiences, and ordinary citizens now rely on microblogs to expose the misconduct of local officials.\(^78\) Although cyberspace in China is still strictly controlled by the state, it is undeniable that Chinese people are actively using Internet to express their dissent.

**State resilience**

Although the expansion of the Internet has empowered Chinese citizens with more channels for public mobilization and political participation, no Internet-driven protest has substantially destabilized the regime. There is a consensus that China is still one of the most resilient authoritarian regimes in the digital era. How does the Chinese party-state maintain its stability and address the challenge of new technologies? Academia addresses this question by highlighting China’s increasingly sophisticated capacity for repression. It is well-known that China has built The Great Firewall to censor online information.\(^79\) The party-state not only sets up official agencies to monitor online information but also uses legal means to require Internet content providers to build their own self-censorship mechanisms. Moreover, recent research also shows that Chinese governments fabricate social media posts for positive propaganda and opinion manipulation.\(^80\)

It is evident that the Chinese government, facing the challenge of Internet, is not a passive defender as it is actively incorporating new technologies into its repression repertoire. That is

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\(^80\) See in: [https://fortune.com/2016/05/20/chinese-social-manipulation/](https://fortune.com/2016/05/20/chinese-social-manipulation/)
why we hear so much of the pessimistic view that argues that the Internet is a technology of repression rather than of liberation.\textsuperscript{81}

But how did this transformation happen? How did the new technology become a weapon for autocrats? My current research addresses these questions by exploring China’s Internet surveillance. My work shows that it is through the market that the state integrates new digital technologies, such as big data and new media, into the basic configuration of Internet repression.

By interviewing frontline officials and visiting monitoring agencies in China, I have found that there exists a lively market where for-profit organizations are selling various data products and related services to help governments monitor online information and guide Internet discussion.

According to the historical record posted on the Chinese government procurement platform\textsuperscript{82}, there have been more than 400 pieces of bidding information and contract briefings referring to Internet-control business. The data in the Chinese enterprise credit system\textsuperscript{83} shows that more than 900 companies provide the services of Internet surveillance or own the copyrights for Internet surveillance software. The actual number of control-service providers could be even larger: a product manager told me that there are more than 2000 companies providing various services to government in the market. To put it simply, Internet control in China is becoming a booming industry.

**Monitoring Internet opinion for social stability**

What drives such a big market? The demand of clients, especially governmental clients, should be taken into consideration. At a cyber security conference in 2018, Chinese President Xi Jinping said that China cannot let the Internet become a platform for disseminating harmful information

\textsuperscript{81} See in: https://www.dissentmagazine.org/blog/the-internet-as-a-tool-for-repression
\textsuperscript{82} http://www.ccgp.gov.cn/.
\textsuperscript{83} https://www.qixin.com/
and stirring up trouble-making rumours. The President’s statement makes clear that the Chinese party-state is strengthening its grip on the Internet to ensure social and economic stability.

In fact, the emphasis on Internet control can be tracked back more than ten years. In 2006, when China was still under the administration of President Hu Jintao, the central government began to highlight the importance of collecting and analyzing Internet information for the prevention of potential social protest. In 2014, the Central Cyberspace Affairs Commission was funded to coordinate different government agencies to process the work of managing internet-related issues. Previous research has pointed out that, in China, propaganda departments are the primary agencies responsible for monitoring internet information.

Propaganda departments exist at the central, provincial, municipal, and prefecture levels. Each level is responsible for monitoring public discussion in its geographic jurisdiction and can be penalized for failing to address public crises which attract significant attention in cyberspace. Some activists complain that local propaganda officials usually censor petition posts to prevent the spread of information which correspondingly blocks the involvement of more netizens. Without a broader exposure on protest issues, it is difficult for local activists to gain more public support and conduct future mobilization.

However, for frontline officials, a practical problem has been that traditional manual surveillance could not afford the officials enough time to address the quick spread of Internet information. Governments’ increasing demand to collect Internet information quickly laid the foundation for the involvement of commercial companies who own the technical capacity to address numerous simultaneous sources of information. In 2009, when the state issued a policy clearly encouraging

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84 See in: https://www.reuters.com/article/us-china-internet/chinas-xi-says-internet-control-key-to-stability-idUSKBN1HS0BG
85 See in: https://www.cambridge.org/core/journals/american-political-science-review/article/concealing-corruption-how-chinese-officials-distort-upward-reporting-of-online-grievances/43D20A0E5F634988BB730537B7012E47B
government agencies to outsource their information work to private companies, the industrialization of Internet control acquired its current administrative legitimacy.

**Controlling Internet using for-profit agencies**

Which companies are providing related service to Chinese government agencies? In other words, what kind of organizations are involved in the Internet repression business?

I call these agencies Internet-opinion companies because their main business is monitoring, analyzing, and manipulating the feeding of Internet opinion. There are two types of agencies that own the greatest market share in the industry. The first consists of the technical companies. Most of these companies prefer to call themselves ‘data companies’ because they argue that Internet opinion is a specific type of textual data. Governments need to conduct real-time control on what netizens are saying about the government, which is obviously impossible for human-based monitoring. Technical companies rely on their data-processing technologies (such as web crawling and sentiment analysis) to provide governments with customer-oriented surveillance software.

The data-driven software can help government clients collect news items, comments, and online discussions from a wide range of internet platforms, such as forums, blogs, and other social networking sites. Thus government officials, just by installing such software on their PCs or mobile phones and setting up the related key words, can quickly know the tendency of shifting sentiment, variation trend, and diffusing track of public opinion, all of which can be easily identified by the built-in algorithms of the software.

The second type of control-service providers are the media organizations. Chinese media have gone through the reform of marketization. Even though the official media, such as People’s Daily and China Youth Daily, are still under the supervision of the state, they need to address market
competition by finding a new profit model. The expansion of the Internet has delivered a new business opportunity.

Media organizations such as Xinhua News, China Daily, People’s Daily, and China Youth Daily have started their own online-opinion-surveillance agencies to provide Internet-control services for government clients. Among them, The People’s Internet Public Opinion Office is the most well-known; it relies on the resources of People’s Daily and People’s Daily Online. As of 2012, this business earned a revenue of approximately 29 million USD, which represents the second-biggest source of income for People Daily Online.

Early on, because media companies lacked enough technical capacity to develop their own surveillance software, they had to outsource the data analysis to technical companies or universities. Now, however, they mainly rely on their own media resources and rich experience in interpreting central-government policies to produce analytical reports. In addition, media organizations can use their media channels to help government clients directly address negative information and promote positive propaganda.

**The commodification of Internet control**

What products or services are popular in this market? As mentioned earlier, surveillance software and analytical reports are the most popular products. Recently, Internet-opinion companies have developed new data services to diversify their product line; for example, technical companies are promoting the service of digital commenters. Relying on the capacity of cloud computing, this product helps governments automatically post comments with fabricated IPs to boost pro-government information. A sales director told me that the need for this product was coming mainly from the propaganda and public security systems and that the central government’s quantified requirement for pro-government commentary was the most direct impetus for this business.
Moreover, media organizations set up special training programs for frontline officials, which help them know how to use data products to monitor Internet information efficiently, and also provide them with a platform to share the best practice in successfully neutralizing online dissent.

In China, deleting Internet users’ posts is a commonly used method for governments to prevent the spread of anti-government information. However, local governments have censorship authority only for the websites they manage. This means that local governments, compared with central governments, lack the authority to directly delete information posted on the most popular websites that are run by China's Internet giants, such as Sina, Baidu, and Tencent.

An interviewee told me that most technical companies have close business connections with content editors working for those popular websites. By paying money to the technology companies, local officials in the past could ask editors to help them delete the posts against their governments. However, in 2015, the central government issued a new law making the paid service of deleting posts an illegal act in the Internet industry.

This change makes the DDoS (distributed denial-of-service)\(^{86}\) attack another popular product in the market. In the DDoS model, attackers (for example, local governments) use digital methods to flood targeted websites (for example, anti-government activists) with crippling volumes of artificially generated Internet traffic. This method effectively shuts down the targeted site for a time and denies access to legitimate users. One of my interviewees explained that this method of deploying artificial readers to view a website, is a different type of website attack from deleting a post, and is not against the law. Considering that using this method to attack targeted websites is not moral, technological companies do not tend to sell this service publicly. Technical companies will not write this service in their contracts or on official websites. But their salesmen can provide the contact attackers’ information to their clients.

The market mechanism

In the digital era, the Internet boosts the Chinese economy not only by promoting Internet shopping and online payment but also by transforming digital repression into a special industry where businessmen can make money. In this sense, for-profit organizations are woven into the configuration of state repression. Although the Internet owns the potential to empower citizens with the ability to freely express their disagreement, there's increasing evidence showing that the state can also benefit from the innovations of new digital technology. For-profit organizations are woven into the configuration of state repression.

My research demonstrates that marketization is a critical process enabling the state to realize this benefit. The market mechanism serves as a bridge linking the profit motive of commercial companies with the repression demand of government agencies. For-profit organizations such as technological companies and media organizations equip government actors with various types of advanced data tools to restrict public discussion in cyberspace. When state-market collaboration becomes the new feature of Chinese Internet control, civil society’s space on the Internet is doomed to shrink.

China and the West: mirror image

In fact, the collaboration between state actors and non-state organizations is becoming a main feature not only of China’s governance but also of western politics. Over the past months, allegations have emerged surrounding the collection of Facebook user data by data analytics firms such as Cambridge Analytica. The highly controversial collaboration is being labelled as one of the dirty deals that got US President Donald Trump elected among other achievements.

This western example shows that the involvement of for-profit organizations, especially data-service providers, is becoming an important part of current elective democracy.

In some ways, the political participation of data companies can be understood as a new variant of the political consulting companies which have flourished in western democracy for a long time. However, the state-market collaboration in authoritarian regimes such as China still constitute a new phenomenon. As well as the industry of Internet control, privatized coercion has also become part of the repressive repertoire of contemporary authoritarian states; government officials in China, Philippines, and Jordan sometimes hire thugs, gangsters, and other suppliers of private violence to repress citizens and influence domestic elections.

A direct consequence of the increasingly common subcontracting of state repression is that the fiscal revenue of authoritarian governments can be directly transformed into their capacity for repression.

**Activist reaction: anti-surveillance strategies**

Although the involvement of market actors has strengthened the repressive capacity of the state, activists also attempt to address the challenge by developing new communicative skills for online mobilization.

Knowing that most data-based surveillance systems rely on monitoring government-concerned key words in online posts or comments, experienced activists usually avoid directly including sensitive words in their posts. For example, the names of Chinese leaders are usually considered as sensitive words in most online forums; discussion including leaders’ names are more easily censored. When referring to a specific political leader, most activists chose to use initials or nicknames in their online discussion.

Another interesting example comes from the #MeToo campaign in China. After realizing that the hashtag of MeTooInChina was blocked on the online platform of Weibo and most posts including
sensitive words such as “MeToo” were removed, activists began to adopt nicknames and emojis as new hashtags to expose more sexual harassment. According to the introduction of Meg Jing Zeng, a senior research associate at the University of Zurich, because the Chinese pronunciation of "Rice bunny" (米兔) sounds like "MeToo", Chinese activists use it as the nickname of the #MeToo campaign. Similar practices of using homophones and images are widely used in China as a form of coded language to avoid censorship and surveillance in the cyberspace.

**Neoliberal autocracy in a digital era?**

Coming back to the question of Chinese Internet control, the cooperation between government sectors and for-profit data-service providers implies a structural shift of China’s repression.

New constellations of the state’s relations with non-state agencies are being formed to build a more networked and multilevel mode of social control. This new mode both enhances the authorities’ capacity for handling the voluminous data of online expression and also increases the vulnerability of protestors who express dissent through the Internet.

This industrialization of Internet control inevitably means that the budding expression of dissent in China is being prematurely transformed into controllable information flows. When Internet control becomes a business benefiting both power and capital, we need to be clear who will become the only loser.

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Chapter 7

Conclusions

How is the market engaged in state control? How do the rising private sectors influence the state’s grassroots governance within in an authoritarian context? By examining the industry of Internet opinion and the system of Mayor’s Hotline, two fields where the state of China manages domestic dissents, I argue that authoritarian control in contemporary China is not monopolized by a single state actor; market actors are actively engaged into the control institutions of the authoritarian regime. Through the mode of government outsourcing, for-profit organizations make a profit by selling various products and services to help governments control the society; relying on the market mechanism, authoritarian governments can turn the resources owned by private sectors (such as digital technologies, media resources, and human labour) into a repressive tool, which makes it more difficult for their citizens to express dissent and organize a collective protest.

Government outsourcing creates a new type of state-market collaboration through which the logic of authoritarian control conspires with the motive of market profit. As my work shows, the state-market collaboration proceeds through the mode of outsourcing. In other words, the state obtains the control product, not from internal state actors but external market actors, I call this market engagement *outsourced authoritarianism.* It refers to a set of practices in which authoritarian governments purchase control-related services/products from market actors through formal contractual agreements. By investigating the industrialization of Internet-opinion control and the system of Mayor’s Hotline, I demonstrate that the operation of outsourced authoritarianism relies on three fundamental mechanisms: *commodification, legitimization, and institutionalization.*
Commodification refers to the process in which for-profit companies transform various types of resources into client-oriented products that government clients can easily purchase and use. Through commodification, the demand for authoritarian control is transferred into tradable products that can be massively reproduced and continually upgraded. Legitimization is the process by which the state and market actors make the commodification of authoritarian control an ideologically legitimate and realistically necessary form of business. In the last mechanism, the participation of for-profit agencies is institutionalized as the basic configuration of state governance. The collaboration between the state and the market becomes a normal and elemental part of China’s control institutions.

Theoretically, the concept of outsourced authoritarianism reminds us to rethink the operation of authoritarian power. In contemporary China, authoritarian control is not configured by a monopolistic state actor. Instead, a multi-subject governance structure underlies today’s authoritarian domination. However, remember what Migdal reminds us: “We need to break down the undifferentiated concepts of the state to understand how different elements of state apparatus pull in different directions leading to unanticipated patterns of behavior”.90 Multiple actors bring multiple demands. The demand for market actors may not always fit well with the requirement of the state. Findings presented in Chapter 5 show that the engagement of privatization in authoritarian domination leads to the rationale conflict between the newly involved market rationality and the inherited tradition of state intervention. I call this conflict ‘dual-pressure structure’; it represents a special form of the state-market complex within which the conflicting rationalities between authoritarian control and market profiting lead to dilemmas of governance at the grassroots level.

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Authoritarian resilience

My findings contribute to our understanding of authoritarian resilience. Authoritarian resilience is a descriptive concept that is widely used to summarize the adaptability and complexity of authoritarian systems. It usually refers to various types of institutional arrangements and survival strategies that authoritarian regimes develop to contain domestic dissents, maintain economic growth, and address international pressure. China is considered as one of the particular authoritarian systems which have proven their resilience under the “third wave” of democratization in the late 1970s and early 1980s. My research contributes to the literature of authoritarian resilience, because outsourced authoritarianism, according to my observation, is an important institutional mechanism that helps the Chinese state to address the new challenge brought by the fast-innovative digital technology and rising private sector.

In the past decades, in both democratic or authoritarian contexts, the development of digital technologies, such as the Internet or new media, has already influenced many aspects of political life. American sociologist Larry Dimond calls digital technology ‘liberation technology.’ As shown in the Arab Spring and the Occupy Movement, the Internet and new media play a critical role in spreading information and fueling public emotions, both of which are indispensable for successful mobilization. In this sense, digital technologies liberate people from the control of the state. China is home to the largest online community in the world. According to estimates, in 2020 the Chinese Internet population was around 840 million, and the total number of active social media users is more than 1 billion.91 The popularity of new media and the Internet have revolutionized Chinese people’s popular expression, enabling citizens to organize, protest, and influence public opinion in unprecedented ways, but the authoritarian regime of China is still maintaining its hold on power over citizens. In a word, the ‘liberation technology’ does not

liberate authoritarian China. To explore the question about how authoritarian regimes maintain their resilience under the impact of digital innovation, previous literature has paid more attention to the fact that authoritarian regimes employ administrative command for information censorship.\textsuperscript{92} However, what I show here is a new strategy: Authoritarian governments embrace technological innovation with the help of the market. They rely on outsourced authoritarianism, a special mode of state-market collaboration, to incorporate technological resources into their control institutions.

As well as digital innovation, another challenge that authoritarian regimes have to face is the rising private sector. Traditional wisdom believes that democratization is the consequence of economic modernization.\textsuperscript{93} One the one hand, economic privatization leads to the formation of a new social class: private entrepreneurs. This newly-emerged class is expected to constitute a democratizing force undermining the structural foundation of authoritarian domination.\textsuperscript{94} One the other hand, the expansion of the private sector also promotes the emergence of civil society. “The market dynamic contains the potential for creating new institutions and shifting the balance of power between the state and society in the latter’s favor.”\textsuperscript{95} In this sense, the market dynamics of privatization can be seen as constructing a structural basis for the development of civil society.

Since the 1980s, China’s reform has created an increasingly market-oriented environment in


\textsuperscript{95} White, G., Howell, J. A., & Xiaooyuan, S. (1996). In search of civil society: Market reform and social change in contemporary China. oup Catalogue.7-8
which private sectors have been able to survive and flourish, but the expected democratization does not come with economic growth. The popular explanation demonstrates that the resilience of China’s regime allows the governments to create corporatist-style links with the private sector and absorb the influential capitalists into the ruling class. My research sheds new light on this insight because it presents the active involvement of private actors in authoritarian politics. Rather than directing all the attention on the role of the state, my theory of outsourced authoritarianism identifies the concrete mechanisms through which the profit motive drives market actors to implant their business into the control institutions of an authoritarian regime.

**Third-party repression**

My study also contributes to the theory of third-party repression. Theoretically, I frame my discussion with the literature of contentious politics. In this field, most studies tend to explain authoritarian control as a function of the state’s coercive capacity. This tradition is inspired by Weber’s concept of the state and it refers to the state as the only legitimate actor to employ violence for control. Influenced by this tradition, when discussing authoritarian domination, people mainly focus on the state’s political structure and the repressive strategies directly conducted by the state actors, even though some types of control do not rely on physical coercion. Recently, some scholars have highlighted that state repression can also be carried out by non-state actors; for example, some authoritarian governments hire thugs, private security, or militia for repression. Academia, therefore, develops concepts such as ‘informal coercion’.

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‘thugs-for-hire’,\textsuperscript{100} and ‘outsourced repression’\textsuperscript{101} to address the phenomenon that non-state actors, sometimes market actors, are engaged in the control practice of the state. However, these concepts are mainly used to refer to the illegal collaboration between the state and the market, which cannot explain the non-physical repression and formal control exercised in China. My research fixes this gap by presenting the active engagement of market actors in two systems of authoritarian control. In both the system of Mayor’s Hotline and the industry of Internet management, market actors are the important executor of authoritarian control. Different types of for-profit organizations help the state censor information, monitor the society, and repress protesters. In this sense, outsourced authoritarianism should be considered as a unique form of third-party repression. Different from other types of outsourced repression, the market engagement in my research is not only legal and formal; more importantly, market actors are not passive contractors. Driven by the demand for profit, market actors, especially data companies, actively seek business opportunities in the state’s control practices.

**Global neo-liberalization**

The final implication of outsourced authoritarianism is that it expands our insights on the global expansion of neo-liberal governance. Government outsourcing has been a hallmark of neoliberal strategies to increase the role of markets and reduce the role of the market in both economic and political fields.\textsuperscript{102} Neoliberalism advocators believe that, through privatization, market actors compete for public service delivery which may lead to cost savings, higher efficiency, and less government involvement.\textsuperscript{103} However, although the doctrine of neoliberalism shapes the global


\textsuperscript{103} Savas, E. S. (2000). Privatization and public-private partnerships. Chatham House
economy and influences policymakers around the world, most discussion is based on the empirical data of western democracies and cannot fully explain the neoliberal variations of authoritarianism. We need to pay more attention to the variety of neoliberal phenomena in different regimes. For example, scholars have noticed that large-scale outsourcing has influenced democratic governance in the fields of social welfare, public education, national security, and even political campaigning\textsuperscript{104}, few of them notice that a similar trend has also permeated into those special systems exclusively developed in authoritarian contexts. As shown in my research, the commercialization of information control, ideological propaganda, protest repression, and legitimacy construction represents a special form of the combination through which authoritarianism utilized neoliberalism to maintain regime resilience. Moreover, one of the widely-raised critiques is that neoliberal privatization erodes the foundation of democracy and traps frontline governors in the dilemma between the left hand (the welfare state and the public sector) and the right hand (corporations and financial institutions) of the state.\textsuperscript{105} But it does not apply to most authoritarian regimes where neither the rationales of the welfare state nor of democracy has incontrovertibly dominated their domestic governance. My investigation on the system of Mayor’s Hotline demonstrates that, although the democratic values and welfare ideas have never been regarded as the main consideration, the authoritarian governors in China still need to address the conflicting rationales between the newly involved market mechanism and the inherited authoritarian tradition. To fully understand what change the involvement of market principles brings to the original logic of authoritarianism, the variation of the state-market


complex in neoliberal governance calls for further comparative investigation and theoretical building.

**Epilogue**

My research explores the state-market collaboration in two cases in which the Chinese governments address citizens’ complaints. From the moment that I chose to do multi-sited ethnography, I kept searching for some type of connectivity that could help me make two case studies more integrated under one theoretical framework. Of course, outsourcing, the topic of my research, is the similarity shared by the two cases, but I think there should be something more that could justify my case choice as empirically compelling rather than just theoretically intentional.

After being haunted by the connectivity problem for a long time, the answer emerged on its own. On WeChat, the most popular social network platform in China, I followed many people I had interviewed during my fieldwork. Most of them are the officials and call operators working in the Mayor’s Hotline system, and the rest are data analysts and product managers working in online-opinion companies. Considering that the two groups of people belong to different occupational networks and most of them live in different cities, I supposed that they did not know one another and they should not have any mutual friends. However, one day, I noticed that both two groups of people followed the same company’s WeChat account and were simultaneously sharing a WeChat article posted by this company. Apparently, in the language of social network analysis, the company locates on the tie connecting the network of the Mayor’s Hotline system to the network of the Internet-opinion industry, so the company may be the answer to the connectivity problem.

The company is called DATAWAY HORIZON. It is a Chinese for-profit organization providing data intelligence services to both business and government clients. As this company’s business also covers the data analysis service related to internet control, it is not difficult to understand why its account is widely followed by my interviewees in online-opinion companies. But why is
this company also followed by officials and call operators working in the Mayor’s Hotline system? After reading this company’s WeChat articles, I found the answer. Since 2016, DATAWAY HORIZON has built a third-party evaluation platform106 to rank the service quality of Mayor’s Hotline of each municipal government. Based on its analysis of the evaluation reports, the company also claims it can provide a consultation service to help governments deliver the hotline service more efficiently.

The platform seems like a good project because it aims to create an environment in which a certain type of government behaviour can be objectively assessed and therefore be held accountable. However, things are far from simple. An official working in a call centre told me that the company was attempting to make a profit from this platform:

The company sent someone to talk with me. It seems that the company wants cooperation. The representative told me he could help us rank higher but we have to buy their consulting service. They also want to use our data for more analysis. (Q: What data?). The data created by our Hotline, such as citizens’ complaints or suggestions. I do not know the background of this company. I cannot cooperate with it.

This information shows that DATAWAY HORIZON is attempting to develop a new type of market engagement in government affairs. On the one hand, it plays a third-party to estimate the government’s outsourcing behaviour and attempts to profit from its third-party position. On the other hand, it expects to start a data analysis business within the system of Mayor’s Hotline.

I do not have evidence of whether some call centres have already begun to cooperate with DATAWAY HORIZON, but there exists the possibility that DATAWAY HORIZON’s data-analysis business could be introduced into governance practice in government hotlines. It is here we can have a clear vision about the connection between my two cases. If we consider my two

106 See in: http://www.dsf3.com/article/aboutUs/29
cases as independent governance fields, we can say their governance is based on different resources: The Mayor’s Hotline system is based on communication skills and human labour, whereas Internet control is based on digital technologies. However, the existence of DATAWAY HORIZON implies that market engagement is creating a channel to make governance resources transferable between the two fields.

Resource integration is usually considered a valued element in business development. I think it should also be considered as one direction from which we can think about the future of outsourced authoritarianism. To make more business of governance, for-profit companies attempt to integrate the resources distributed in different governance institutions. The cooperation between government sectors and for-profit organizations, therefore, implies a structural shift through which new constellations of the state’s relations with non-state agencies are being formed to build a more networked and multi-level model of authoritarian control.
Appendix A

Research Ethics Approval

March 21, 2017

Mr. Rui Hou
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Kingston, ON, K7L 3N6

GREB Ref #: GSOC-146-17; TRAQ # 6026393
Title: "GSOC-146-17: The commercialization of dissent governance in authoritarian China: Politicized emotional labor and its outsourcing in the Mayor’s Hotline and Online sentiment management"

Dear Mr. Hou:

The General Research Ethics Board (GREB), by means of a delegated board review, has cleared your proposal entitled "GSOC-146-17: The commercialization of dissent governance in authoritarian China: Politicized emotional labor and its outsourcing in the Mayor’s Hotline and Online sentiment management" for ethical compliance with the Tri-Council Guidelines (TCPS 2 (2014)) and Queen's ethics policies. In accordance with the Tri-Council Guidelines (Article 6.14) and Standard Operating Procedures (405.001), your project has been cleared for one year. You are reminded of your obligation to submit an annual renewal form prior to the annual renewal due date (access this form at http://www.queensu.ca/traq/signon.html; click on "Events"; under "Create New Event" click on "General Research Ethics Board Annual Renewal/Closure Form for Cleared Studies"). Please note that when your research project is completed, you need to submit an Annual Renewal/Closure Form in Romeovitraq indicating that the project is 'completed' so that the file can be closed. This should be submitted at the time of completion; there is no need to wait until the annual renewal due date.

You are reminded of your obligation to advise the GREB of any adverse event(s) that occur during this one year period (access this form at http://www.queensu.ca/traq/signon.html; click on "Events"; under "Create New Event" click on "General Research Ethics Board Adverse Event Form"). An adverse event includes, but is not limited to, a complaint, a change or unexpected event that alters the level of risk for the researcher or participants or situation that requires a substantial change in approach to a participant(s). You are also advised that all adverse events must be reported to the GREB within 48 hours.

You are also reminded that all changes that might affect human participants must be cleared by the GREB. For example, you must report changes to the level of risk, applicant characteristics, and implementation of new procedures. To submit an amendment form, access the application by at http://www.queensu.ca/traq/signon.html; click on "Events"; under "Create New Event" click on "General Research Ethics Board Request for the Amendment of Approved Studies". Once submitted, these changes will automatically be sent to the Ethics Coordinator, Ms. Gail Irving, at the Office of Research Services for further review and clearance by the GREB or GREB Chair.

On behalf of the General Research Ethics Board, I wish you continued success in your research.

Sincerely,

[Signature]

John Freeman, Ph.D.
Chair
General Research Ethics Board

c:  Dr. Sarita Srivastava, Supervisor
    Dr. David Murkami Wood, Chair, Unit REB
    Ms. Michelle Underhill, Dept. Admin.