

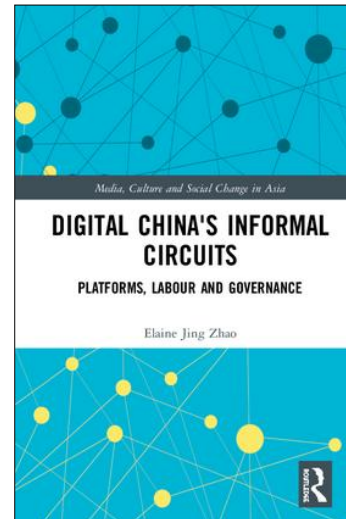
Elaine Jing Zhao, **Digital China's Informal Circuits: Platforms, Labour and Governance**, London, UK: Routledge, 2019, 161 pp., \$41.28 (hardcover).

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It is difficult to find contemporary articles and books written by international scholars on Chinese creative industries that do not refer to *Shanzhai* (counterfeit consumer goods, including imitation and trademark infringing brands and/or particularly electronics, in China). Emanating from small manufacturing firms in Shenzhen in the 1990s, *Shanzhai* is a model of innovation that is based on repurposing and/or modifying existing designs. The type of informal economy in which *Shanzhai* flourishes is the principal focus of Elaine Jing Zhao's insightful monograph on the Chinese Internet. The infrastructure of the digital economy in China, as elsewhere, principally comprises digital platforms as "mediators" (van Dijck, 2013, p. 29, as cited in Zhao, p. 6). As such, digital platforms are the locus for an online economy that oscillates between the formal and informal, and, therefore, they are also subject to Zhao's careful scrutiny. The monograph ***Digital China's Informal Circuits: Platforms, Labour and Governance*** comprises five substantive chapters, bookended by introductory and summary chapters. The introductory chapter identifies the themes—principally the informal economy and digital platforms—through which specific case studies are analyzed in the succeeding chapters.



Chapter 2 draws on interviews with various stakeholders to interrogate smartphone manufacturer Xiaomi's development at the intersection of the formal and informal economies. As a result of strict licensing regulations in the late 1990s that were intended to develop "national champions" (mainly in large state-owned enterprises), subterranean mobile phone markets, which relied on the adaptation and reproduction of existing designs delivered at low cost, enabled companies like Xiaomi to flourish. Xiaomi's success, though, has propelled it into the more formal economy, where its value to the Chinese state's innovation strategy has meant a more strict adherence to intellectual property (IP) protection and formal licensing. Here, Zhao writes well on the tension between Xiaomi's use of open source forms of production and its reluctance to share its IP with its developer community.

Chapter 3 focuses on smartphone apps, analyzes the consequences of Apple's late entry into the Chinese market and the restrictions sometimes placed upon its app store, and the blocking of Google Play in Mainland China. This gap in the formal market has encouraged "jailbreaking" into the closed app stores and the creation of an alternative app market. A participant in this market, 91 Wireless, used Android's open source form of development to adapt its own operating system, HiMarket, which could be used on smartphones in the informal market. Like Xiaomi, its desire to move into more formal markets was laced with contradictions, particularly where its commitment to protecting copyright differentiated between content and products financed by advertisers and those that were not.

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In chapter 4, Zhao informs the reader about what one might refer to as the golden decade of UGC (user-generated content) on the Chinese Internet starting at the turn of this millennium. Comparing to the lightly regulated regime in which YouTube operates, Zhao highlights the way in which liberal interpretations of “safe harbor” under the State Council’s Regulations for the Protection of the Right of Communication Through the Information Network (2006) enabled platforms to claim ignorance of UGC that infringed copyright. This relatively permissive environment began to change with the onset of a series of crackdowns by the state from the beginning of this decade onward on audiovisual online content that infringed copyright. This not only provided greater alignment with international copyright law but also, as noted by Zhao through her reading of Feng (2017), brought politico-cultural censorship and copyright protection within the same regulatory ambit. While this has enabled some creators of UGC to become commercially successful, the main beneficiaries are China’s big tech companies, especially the BAT (Baidu, Alibaba, and TenCent) giants. Indeed, Zhao identifies the privatization of copyright enforcement—where big tech companies sue infringers of content directly rather than relying on government intervention—as benefiting the powerful online platforms at the expense of those individual creators, like Jessica Ren (p. 77), whose remuneration is subject to algorithms that invariably place her in the lower tiers in the system of financial rewards.

One market where money from online creative content arguably is distributed more fairly is online literature, which is the subject of chapter 5. The production and distribution of online literature in China employs a freemium model with various incentives and tiered levels from which the most popular writers can benefit. With most online platforms, the expectation is that an author’s initial output is offered for free, but should he or she become popular, additional content, usually in the form of individual chapters, can be accessed for small payments. The most successful writers are sometimes contracted to write a certain number of words per day. This gives writers relative freedom compared with those who are part of the official system and who receive financial support from the government through the Chinese Writer’s Association. Nonetheless, as some of Zhao’s interviewees vividly articulate, writing to order every day is a stressful and at times grueling experience. While writers at this level are well paid, the lack of transparency in the metrics by which they are measured and the tendency for them to have to give up their copyright in exchange for money means that, as in the other industries cited in this book, it is the platforms themselves that gain the most from this system. Furthermore, in recent years the Chinese government has increased its scrutiny of online literature, narrowing the gap between it and officially sanctioned literature in terms of creative scope.

While a useful addition to discussions about China’s digital economy, the penultimate chapter seems a little jarring in that its content, on ride-hailing platforms, is tangential to many of the creative industries—related discussions in the other chapters. However, concerns about the concentration of the ride-hailing market—with Didi Chuxing emerging at the apex of the Chinese taxi app industry - precarious labor conditions, and algorithmic governance are as evident here as they were in earlier chapters.

While this is by no means a standard Marxist account, I would agree with Zhao that the platformization of society has accentuated structural problems in the labor market that more optimistic analyzes of the digital economy tend to downplay (McAfee & Brynjolfsson, 2017). Against that, Zhao is cognizant of the opportunities for Chinese creative professionals in the digital economy. As she illustrates, companies like Xiaomi and writers like Han Han have been able to exploit the informalities in the platform

economy to achieve the kind of success that would have been much more difficult through traditional channels.

Most of the chapters were based on interviews with participants in the respective markets that Zhao analyzed. This adds heft to her intellectual arguments, but it might also have been useful to discuss some of the methodological implications of so doing. The range of "sensitive" issues has become broader over the past five years in China, and in this sense the addition of a note explaining the impact of this on her research would have been helpful, especially when discussing issues on which interviewees might be reluctant to divulge too much. Also, while it might not have been possible to write much about the ongoing trade dispute between the United States and China, it would have been useful to have considered more concretely the ways in which China's national policy on Internet governance both complements and problematizes its participation in the global economy.

Zhao's book is a useful addition to the most recent literature on the platform economy. It includes Srnicek's (2017) *Platform Capitalism*, similar to Zhao's but more explicitly anti- or postcapitalist in perspective, and van Dijck, Poell, and de Waal's *The Platform Society* (2018), which, like Zhao's, incorporates analyses of the transport industry as well as the more common emphases on the creative industries. Zhao's discussion of the role of copyright protection in the move from the informal to formal economy aligns well with, and supplies similar arguments to, Thomas's (2017) monograph *Assessing Intellectual Property Compliance in Contemporary China*.

As the most eminent in discussing the platform economy in China through a range of discrete cases, Zhao's book is absolutely invaluable to the literature on the Chinese digital economy. It will be of use to scholars and students in Chinese Studies generally, and those more specifically interested in studies of the platform economy both in China and elsewhere. Indeed, no reading list on the Chinese digital economy will be complete without the inclusion of Zhao's insightful book.

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