

The Future of Social Control? China's Proposed Social Credit System

Monday 25 December 2017, by [LEE Robin](#) (Date first published: 22 December 2017).

Contents

- [Pilot Projects](#)
- [Earlier initiatives](#)
- [Additional Surveillance](#)

China's one-party state has long sought to silence critical voices having been concerned about maintenance of control and regime stability. Following Xi Jinping's rise to power, the country has once again been witnessing a harder line in this respect as the regime has cracked down on various groups of activists and continues to narrow the space for those perceived as dissenting voices on and offline. More recently, a new plan, which would potentially establish an increasing degree of control over society through the construction of a social credit system, has received a lot of attention from critics and those concerned about this increasing state repression.

In June 2014, China's State Council issued the "Planning Outline for the Construction of a Social Credit System (2014-2020)". The outline put forward objectives for the construction of a social credit system to rate every member of society, with plans for the system to be established by 2020. The proposed scope of the plan is so far reaching that it would potentially impact all aspects of everyday life. The goal is to work towards a complete network covering the whole of society, creating a system that encourages trust while punishing trust breaking. In addition to drawing on more conventional rating and credit records, one of the more worrying parts of the plan are its aims to:

"perfect social public opinion supervision mechanisms, strengthen disclosure and exposure of trust-breaking acts, give rein to the role of the masses in appraisal, discussion, criticism and reports, shape moral condemnation and censure trust-breaking acts of members of society".

The document goes on to outline a need for "rewarded reporting systems for acts of breach of trust" and to implement rewards for "reporting individuals". In other words, this seems to suggest a system that encourages members of society to exert pressure on and to monitor each other on behalf of the state's standards of 'trustworthiness'.

How has this progressed towards becoming a reality since the release of this document?

Pilot Projects

In 2015, following the issuing of the State Council's plans, the People's Bank of China selected eight tech companies to develop pilot programs. The pilots monitor participants spending, personal behavior and social media activity. Although these pilots, for now, are voluntary, millions of people have already signed up to participate attracted by the incentives offered for good credit scores. Probably the most well-known of these pilots is Sesame Credit, which is run by Ant Financial Services Group, an affiliate company of e-commerce and technology giant Alibaba, and reportedly

had 260 million users as of July 2017. Sesame Credit rates individuals with a numerical score ranging from 350-950 points based on an individual's credit history, fulfilment capacity (e.g. to fulfil contractual obligations), personal characteristics/verification of personal information, behaviour and preferences (e.g. shopping habits) and interpersonal relationships (including choice of friends and contents of social media interactions). Although at present Sesame Credit does not punish those deemed 'untrustworthy', it does offer rewards for high scores, for instance loans, preferential car rental terms, VIP airport check-in, visa fast-tracks, as well as more prominent profiles on the popular dating website Baihe.

Although it was never entirely clear how far these initial pilots might have initially been intended for use or incorporation into the government's plan, in July 2017, despite initially approving the licenses, it was reported that the People's Bank of China had abandoned plans to grant licenses to these companies, citing major conflict of interest concerns and corporate governance structures lacking third party credit independence [1]. Nevertheless, this has not necessarily deterred these private pilot programs. Tencent Credit, operated by China Rapid Finance, a partner of Tencent, is another high profile pilot project, which has recently sought to expand its social credit system, even after the People's Bank of China's decision not to grant the licenses.

Moreover, regardless of the futures of these pilots operated by private companies, the Chinese government's plans for a centralized state social credit system by 2020 still remain and the government has been taking increasing steps towards the creation of a platform where increasing forms of data are submitted for central management. Earlier this year, ten of China's bike sharing companies, for instance, have signed agreements with the National Development and Reform Commission to share user data so that it can be used for the social credit system [2].

On 25th September 2016, the State Council General Office again updated its policy in a document entitled "Warning and Punishment Mechanisms for Persons Subject to Enforcement for Trust-Breaking". The document sets out the principle that if trust is broken, then penalties can be imposed across the board. It states that the social credit system will allow, "the trustworthy to roam everywhere under heaven while making it hard for the discredited to take a single step". The document sets out a long list of areas where restrictions will be imposed on those deemed to have broken trust. Some of these areas included internet speeds, access to restaurants and night clubs, the ability to travel (including travel abroad) restrictions on rental and loan applications, social security benefits and job prospects as well as restrictions on establishing social organisations. The restrictions not only impact the individual concerned but in some cases also extend to their family members, for instance by restricting the schools that those with low ratings can send their children to.

It should also be noted that, while similarities have been made between these pilot programs and data collection, surveillance and credit scorings created by companies elsewhere which are often also lacking in transparency -it is notable that in 2016 social media giant Facebook announced that it was ending its credit rating and reporting pilot in part due to consumer concerns-China's proposed social credit system differs in the way that it is directly intended as a tool of the one-party state.

Earlier initiatives

Like most official initiatives, the social credit system is justified through appealing to how it represents an important component of China's socialist market economy system and the creation of a socialist harmonious society. Parallels have also been made with the *dang'an*, an existing system of

files for each citizen tracking personal information, data on performance, behaviours and political positions that travel with a person throughout their life, and, particularly during the Maoist era, impact on a person's work and career prospects and access to benefits. In some ways, the proposed social credit system might therefore be deemed as taking this method of control to new heights.

Indeed, the idea of a government social credit system based on the ranking of every citizen has already occurred at the local level. In Shanghai, for instance, the municipal government launched an app called "Honest Shanghai" in November 2016, aiming to make citizens more honest. Citizens can at this stage voluntarily sign up for the app using their national ID number, and facial recognition software is then used to search through personal data collected by the government to create a "public credit" score. Good scores are rewarded, while there is the potential for bad scores to later be used to punish participants. Meanwhile, an earlier experiment in Jiangsu Province was perhaps even more alarming. In 2010, a pilot social credit system was introduced in Suining County that ranked each system on an A-D scale based upon their everyday social behaviours, including their political positions such as whether they had "illegally petitioned higher authorities for help" [3] (i.e. going against decisions and (in)actions at the local level of administration). Interestingly, the experiment had to be abandoned due to public backlash and has even faced some degree of criticism in the sometimes more outspoken, although Communist Party controlled Global Times, which has maintained that China's proposed social credit system is not Orwellian but has also stated the need for a national credit system to be restricted in range. Nevertheless, the Suining experiment still highlights the dangers of the potential of such a system of control to attempt to silence dissent, something which would become increasingly alarming under the higher levels of centralization and authority that have been proposed in government documents.

Additional Surveillance

Combine this with China's ambitions regarding artificial intelligence and surveillance and the future concerning the potential for this authoritarian state to tighten its control and to silence dissenting voices becomes ever more bleak. Earlier this month the *South China Morning Post* reported on Yitu Technologies' Dragon Eye facial recognition technology that the company's co-founder, Zhu Long, told the newspaper "can very easily recognise you among at least 2 billion people in a matter of seconds". The platform has already stored more than 1.8 billion photographs in a database that is being used by 20 provincial public security platforms and more than 150 municipal public security systems across China and has already been used to catch hundreds of suspected criminals [4].

Clearly the use of technology as a tool for social monitoring or control carries with it many risks as well as questions and uncertainties about exactly how it will be used. The failure of previous experiments and the changing attitudes towards previous pilots might suggest potential internal tension or weakness in this regard. In addition to concerns over the implications of such a strong system of surveillance as a potential tool for mass control on a scale not previously conceived of outside of a science-fiction novel, however, any weaknesses of such a comprehensive and integrated system of mass data collection also carries with them additional risks of misuse by hackers or other third-parties. Equally, we might also ask about the potential for manipulation of the social credit system, malicious reporting or emergence of black market services to boost scores or to buy access to limited or reward services. Of course, any such weaknesses or cracks in the system might simultaneously represent remaining gaps in which creative resistance may occur, although for now it is only possible to speculate about the potential scope, and this does not undermine how alarming the Chinese government's proposed social credit system really is.

Robin Lee

P.S.

*

<https://borderless-hk.com/2017/12/22/the-future-of-social-control-chinas-proposed-social-credit-system/>

Footnotes

[1] No more lone rangers? Beijing 's waning support for private credit scores . Reuters. 4th July 2017.

<https://www.reuters.com/article/ant-financial-credit/no-more-loan-rangers-beijings-waning-support-for-private-credit-scores-idUSL3N1JO05W>

[2] A. Hawkins. Chinese Citizens Want the Government to Rank Them. 24th May 2017.

<http://foreignpolicy.com/2017/05/24/chinese-citizens-want-the-government-to-rank-them/>

[3] Liu Zhun. China's Social Credit System won't be Orwellian. 1st November 2016.

<http://www.globaltimes.cn/content/1015248.shtml>

[4] Zigor Aldama. China's Big Brother: How artificial intelligence is catching criminals and advancing healthcare. 10th December 2017. South China Morning Post.

<http://www.scmp.com/magazines/post-magazine/long-reads/article/2123415/doctor-border-guard-policeman-artificial>