



Universiteit
Leiden
The Netherlands

Trust is good, control is better: technopolitical visions and realities in China's social credit system

Knight, A.D.

Citation

Knight, A. D. (2025, March 7). *Trust is good, control is better: technopolitical visions and realities in China's social credit system*. Retrieved from <https://hdl.handle.net/1887/4196821>

Version: Publisher's Version

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/4196821>

Note: To cite this publication please use the final published version (if applicable).

I M P L E M E N T A T I O N

Chapter Three

Test Forth and Learn

Gaps between policy intent and implementation plague administrations around the world; for governments, getting stuff done is hard.¹ This is especially so in China, a country blessed with a large and diverse population spread over a vast territory and governed by a network of at-times competing bureaucratic jurisdictions. As such, the centre's ability to effectively administer the local has been historically weak.² Aware of these inherent challenges, the State Council's 2014 *Planning Outline* set out four key tenets for the execution of the social credit system. Firstly, the system would be promoted by government, but co-constructed with society (政府推动, 社会共建), with the state responsible for the formulation of top-level planning, regulation-setting and overall supervision, but market and societal mechanisms and forces optimising resource allocation. Secondly, construction would be based on improvements to the legal system and a standardised form of development (健全法制, 规范发展), with credit-related rules and regulations protecting the security and rights of information subjects. Thirdly, given the complexity of the system's goals and scope, overall long-term planning would be implemented on a step-by-step basis (统筹规划, 分步实施). Essential to this would be the prioritisation of break-through use cases to strengthen the system's applications (重点突破, 强化应用) through the selection of pilot zones for social credit experimentation.³

This reliance on localised piloting is a key device in the CCP's governance toolkit. "Guerrilla-style" policymaking allows for the comparatively quick rollout of nascent ideas, empowering officials to tinker according to local conditions in the search for innovation, all while shielding higher-ups from public criticism should such schemes fail or otherwise prove unpopular (see Introduction).⁴ As I show in this chapter, localised policy implementation

¹ Alami, 'Why Do Information Technology Projects Fail?'; Lerner, 'Government Tech Projects Fail by Default. It Doesn't Have to Be This Way.'

² Landry, *Decentralized Authoritarianism in China*; Fewsmith, *The Logic and Limits of Political Reform in China*; Shirk, *The Political Logic of Economic Reform in China*; Chung, *Centrifugal Empire*.

³ State Council, 'Planning Outline for the Construction of a Social Credit System (2014-2020)'.

⁴ Heilmann and Perry, 'Embracing Uncertainty'.

generally comprises three phases; ‘testing’ through the creation of pilot schemes, ‘learning’ through the monitoring, assessment and dissemination of best practice, and finally ‘legislating’ based on these findings.

Local pilots – in particular at the city-level – have formed the backbone of social credit implementation and innovation. Speaking in 2016, NDRC Deputy Director Lian Weiliang proclaimed that “while credit construction requires a whole-of-society effort, cities are the most critical, core and effective promoters of social credit; city governments can better than anyone penetrate deep into all corners of society to carry out credit-related work”.⁵ This chapter charts the rollout of China’s social credit system at the local level, documenting a Cambrian explosion of credit pilots and projects since 2014 as a conscious policy design choice. Here, I will showcase the diversity of social credit in-action, the ways in which the central government has judged success and how this has shifted over time, as well as initial attempts to standardise the system through provincial regulation-making.

TEST

The emphasis on city-level piloting in the innovation and implementation of the social credit system was evident from the get-go. In August 2015, the NDRC published a list of 11 initial pilot sites, with a further 32 locations added eight months later.⁶ The announcement mapped out two core streams of work to be completed by the end of 2016. The first was to build out the legal, administrative and organisational frameworks required for city social credit. This would include the appointment of dedicated teams and funding, the creation of new regulatory categories and mechanisms such as joint rewards and punishments, and the setup of unified credit codes and records for individuals and companies. The second was to build the technical side of the system, including a local credit information sharing platform connecting not only horizontally with municipal departments, but vertically with provincial and national-level sites such as “Credit China”. The central NDRC and PBoC made it clear that it was the responsibility of their provincial branches, or *tiao*, to guide local officials within their *kuai* on the establishment of their social credit systems, coordinating relevant departments, trouble-shooting any problems that arise and reporting back on progress.

With the starting gun for social credit development fired, the floodgates opened. Today – as I will describe below – the central government actively tracks the progress of more than 700 city-level systems across all 31 provinces.⁷ According to Peking University’s legal

⁵ Credit China (Qingdao), ‘NDRC Deputy Director Lian Weiliang: Advance City Credit Construction to Make Trustworthiness Common Practice’.

⁶ NDRC, ‘The First Batch of Model Cities for Establishing a Social Credit System Have Been Confirmed’; NDRC and PBoC, ‘Letter Regarding the Approval of a Work Plan for the Establishing of Social Credit System Model Cities in 32 Cities (and Districts) including Beijing’s Haidian District’.

⁷ Including the 22 provinces of the People’s Republic of China, five autonomous regions and four municipalities, but excluding the Special Autonomous Regions of Hong Kong and Macau

database, close to 2,000 local social credit documents have been published, while a further 47,000 items contain social credit-related provisions.⁸ Figure 3 illustrates the distribution of local social credit documents by year, showing a steep increase in frequency after the release of the 2014 *Planning Outline* to a peak of 244 in 2017, before dropping off at first gradually and then very sharply after the publication of the *Social Credit Law* in 2022 (see Chapter Five). Across this period, not all localities have engaged with the social credit project equally vigorously (see Figure 4). Jiangsu province stands head and shoulders above all others in terms of its legislative efforts, publishing some 235 documents in total. At the other end of the spectrum, Tibet, Chongqing, Tianjin, Hainan and Yunnan have each released 20 or fewer.

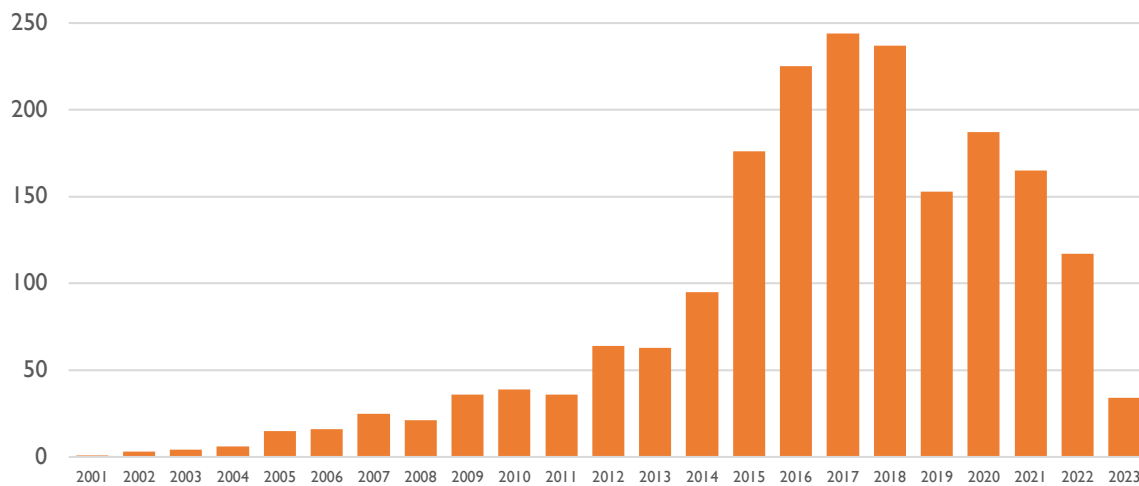


Figure 3: Total number of local social credit documents published by year. Source, PKULaw.com

A survey of social credit at the city-level reveals stark variation in scope and application. At their core, however, municipal social credit systems across the country share the same four pillars; 1) a central municipal authority tasked with coordinating credit-related activities across government and society, 2) a technical platform for the sharing of credit information between these actors, 3) a system of joint rewards and punishments, and 4) propaganda efforts to raise public awareness and take-up of the system.

Municipal Planning and Organisation. At the heart of city-level social credit sits some form of coordinating authority, usually in the guise of a credit construction leading small group or social credit management bureau (see Chapter Four, Figure 17). In some pilots, such as Nanjing, Suzhou or Suqian, these groups are headed up by the city mayor in a sign of the

⁸ 'PKU Law Database 北大法宝'.

system's importance. In others, such as Hangzhou, Xiamen or Wenzhou, it is the deputy mayor who leads the charge. In Rongcheng and Weifang, the groups are co-led by the local Party Secretary and city mayor.⁹

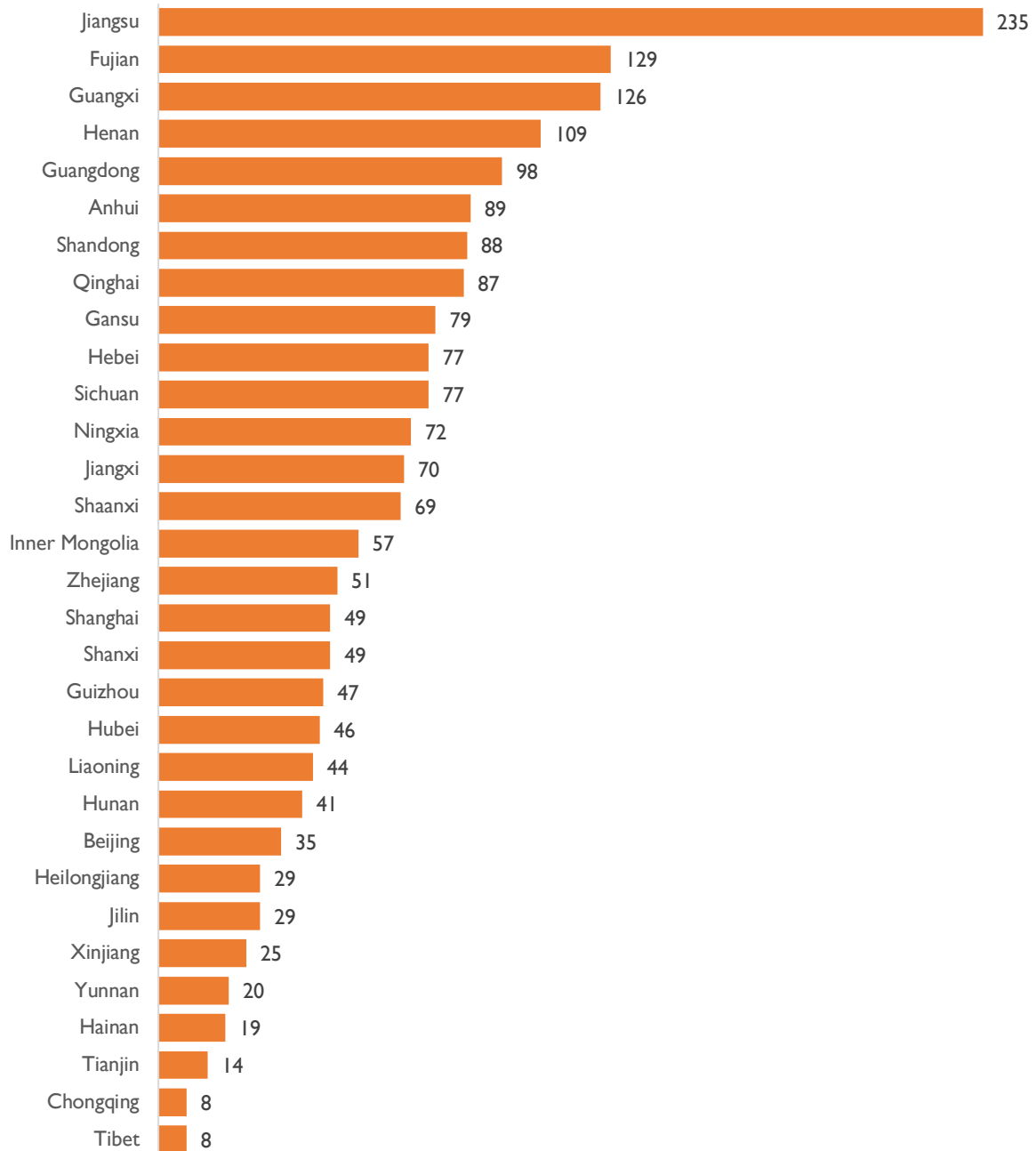


Figure 4: Total number of local social credit documents (2001-2023) published by province. Source, PKULaw.com

⁹ Liu Jianzhou, 'Social Credit System Construction: Implications, Models and Path Selection'.

The primary function of these organisations has been to establish city-level planning and regulations to galvanise collaboration between different nodes of China's governing matrix, often through data-sharing protocols and MoUs. According to academic Zhu Lili 祝丽丽, this coordination work falls across three intersecting dynamics.¹⁰ The first way in which city governments share social credit data is horizontally between departments. This is often achieved through formulaic-sounding setups such as Huizhou's "1+1+4+N" system or the "1+2+X" mechanism in Yiwu.¹¹ The second governing structure is more verticalised, encouraging cooperation between work units at the municipal, district, township and village level. As early as January 2015, Rongcheng began to set up its social credit system on the basis of "final mile" delivery across the city's highly rural and therefore dispersed population of around 660,000.¹² This entailed mirroring central social credit planning organisations across 10 subdistricts and 12 towns, in total covering some 943 villages. The third focus for social credit collaboration has been between locations. In recent years, Shandong province's Qingdao, Weifang and Weihai have signed a *Memorandum of Cooperation on the Construction of a 'Qing-Wei-Wei' Credit System*, while eight cities including Hangzhou, Ningbo and Wuxi established a 'City Credit Alliance' to ensure the exchange of both credit data and learnings.¹³ In Chapter Five, I will show how this regionalisation of city social credit became a core focus of system reform after 2020.

Municipal Credit Information Platforms. The efficacy of social credit is directly linked to its ability to define, collect, share and process credit information at scale and across systems. As such, municipal governments have dedicated significant amounts of time and resource to building the technical infrastructure for success, especially in the early years of the system's rollout. In addition to the 2,000 or so local level social credit documents published to-date, some 491 documents on "public credit information management" (公共信用信息管理) have been released at the local level as of September 2023, while the term "credit information" (信用信息) appearing extensively across local level plans.¹⁴ Although the exact scope and definition of credit information varies slightly from scheme to scheme, each system is based on the same principle; the use of big data to break down departmental

¹⁰ Zhu Lili, 'Exploring City Paths for the Construction of a Social Credit System'.

¹¹ In Huizhou's "1+1+4+N" system, the two "1s" refer to the *Huizhou Public Credit Information Management Measures and Huizhou Social Credit System Construction Plan (2014-2020)*, the "4" refers to the city's *Management Standards for the Use of Credit Information in Government Public Administration, its Enterprise Credit Linkage Reward and Punishment Mechanisms, Credit Information Submission and Application Assessment Measures and the Government Information Data Security Management Measures*, while the "N" refers to the implementation measures formulated by each government department involved in the design of the social credit system. See Zhu Lili.

¹² Knight, 'Technologies of Risk and Discipline in China's Social Credit System'.

¹³ Civilised Weifang, 'Drawing on the Power of "Credit Weifang": A Review of Weifang City's Comprehensive Promotion of Social Credit System Construction'.

¹⁴ PKULaw.com; 'Credit information' appears 115 times in the *Chengdu Municipal Plan for the Construction of a Social Credit System (2015-2020)*, while the *Xiamen Municipal Plan for the Construction of a Social Credit System (2015-2020)* dedicates two chapters to the setup of credit information platforms and application of credit information.

information gaps for the purpose of strengthening a wide range of administrative activities through credit mechanisms.

Credit centres and platforms play an important role here, not only storing and updating credit records for both individuals and businesses, but also providing access to those data through portals and query functions, encouraging government departments, private companies and the general public to make use of this resource. Without a standardised technical blueprint, cities have experimented with a range of system designs. In Hangzhou, the “531X Project” collects data from five types of subject – businesses, individuals, societal organisations, public institutions and government agencies – using these data to construct three interconnected systems – public credit evaluation, joint rewards and punishments, and credit supervision – that each feed into one single credit information platform for application in any number of areas.¹⁵ In Xiamen, one credit information sharing and collaboration platform integrates two networks (the municipal credit work platform and Credit Xiamen website), two databases covering companies and individuals, and two physical portals (one in the city’s free trade zone and one at the government’s credit service centre).¹⁶

Municipal Joint Rewards and Punishments. Since the 2016 publication of the central plan for the setup and expansion of the joint rewards and punishments system, the primary focus of social credit builders has been to establish a web of multi-jurisdictional consequences for red- or black-listed entities.¹⁷ While central government ministries have set the tone through departmental edicts (see Chapter Two), provincial and municipal *tiao* have been left to coordinate with local leadership to decide on the specifics of implementation, namely what behaviours to include in the system and how they should be handled.

Following social credit’s original logic – making the untrustworthy pay for their actions – the primary focus of many localities has been to increase the “cost” (成本) of defaulting behaviour by ramping up punishments across multiple walks of life in the hope of increasing overall levels of compliance. Many of the measures introduced in this way reiterate central level restrictions on access to funding, administrative permissions or lifestyle and consumption outlined in the previous chapter. In Rongcheng, for example, black-listed companies find themselves excluded from government tendering processes, while individuals are blocked from civil service promotions for a range of misdemeanours.¹⁸ In some cities, authorities have focused on public naming-and-shaming as a punitive social credit tool. A handful of district courts across the country have previously taken to displaying the photographs, names and ID numbers of *laolai* on public billboards, LED screens and on the

¹⁵ Hangzhou Municipal Leading Small Group for Credit Construction, ‘Hangzhou Municipal Action Plan to Accelerate the Credit “531X” Project to Build New Credit-based Supervision Mechanisms (2020-2021)’.

¹⁶ Xinhua Finance, ‘Introduction to the Typical Experience of Social Credit Construction Model Cities Part 3: Xiamen’.

¹⁷ State Council, ‘Guiding Opinions on Establishing and Improving a System of Joint Rewards for Trust-Keeping and Joint Punishments for Trust-Breaking to Accelerate the Construction of Social Trustworthiness’.

¹⁸ Knight, ‘Technologies of Risk and Discipline in China’s Social Credit System’.

sides of buses. In Zhejiang's Lishui, trust-breaking defaulters had their details broadcast immediately before a cinema screening of the latest *Avengers* blockbuster.¹⁹ In Guanyun County in Jiangsu Province, automated phone messages were played before connecting a phone call to a defaulter, stating “the person you are trying to reach has been black-listed by the courts for failing to repay their debts – please urge them to fulfil their legal obligations”.²⁰ Several cities have set up QR code based systems for querying a business' credit status, similar to food safety ratings also found in China and many other countries.²¹

In a rare act of central government intervention, 2018 marked a distinct shift in emphasis from punishment to reward with the announcement of a new policy of “CreditEase Plus” (信易+).²² Emanating from the CCC, the idea here was to create tangible benefits for positive behaviour, by extension increasing the burden on the untrustworthy by further widening the gap in treatment between the good and the bad.²³ CreditEase Plus covered five key verticals from the provision of cheap finance, rent and travel, to simplified government processes and approvals (see Figure 5). The policy served to not only ease the administrative burden on individuals, but also on the government itself, believing that an entity's credit record could act as a proxy for other processes. In this sense, CreditEase Plus served as a precursor to the expansion of credit-based mechanisms and “credit supervision” (信用监管) from 2019 onwards (see Chapter Six).

Just as with other elements of the social credit system, local governments were encouraged to innovate CreditEase Plus beyond these five core applications with the overall goal of “making credit pay” (让信用有价). By 2020, Hangzhou alone had introduced more than 30 different CreditEase Plus products, including cheap gym access, deposit-free library loans, free bus travel and a simplified payments system for medical treatment.²⁴ Individuals with particularly meritorious credit records could use these to authenticate their profiles on local dating apps and acquire a small badge indicating their trustworthiness. Companies in several of Hangzhou's business parks receive discounts on rent, conference room bookings, accommodation and a range of other perks such as parking spaces, books and fitness.

Social Credit Propaganda. Beyond the naming-and-shaming outlined above, another key focus of local social credit authorities has been to generate positive awareness of and participation in the system. Since 2018, this has been carried out under the national banner of “Walking a Thousand Miles of Trust Construction” (诚信建设万里行), encouraging businesses, university campuses, districts, villages and communities to run educational

¹⁹ Koetse, ‘Zhejiang Movie Theatre Displays Blacklisted Individuals in Avengers Movie Preview’.

²⁰ Xinhua, ‘Ringtone of Shame Rings Bell for Debtors in East China’.

²¹ Credit China (Jingzhou), ‘Post Your “Credit QR Code” to Show Your New “Trustworthy” Identity’; Credit China (Heilongjiang), ‘Nenjiang, Heilongjiang: “Trust Codes” Let You Earn Extra Points for Trustworthiness’.

²² Author's own translation.

²³ Xinhua Finance, ‘Credit Product Innovation and Application Have Become a Powerful Starting Point for the Construction of City Credit Systems’.

²⁴ Hangzhou Web, ‘Hangzhou's Qianjiang Points Bring Value to Trustworthiness’.

CreditEase Loans 信易贷	Access to cheaper financial credit, more favourable interest rates and simpler loan approval channels for small and micro enterprises.
CreditEase Rent 信易租	Discounting on rents, longer lease periods, lower lease deposits and other simplifications to the renting process (for example, not requiring referencing) for companies.
CreditEase Go 信易行	Provision of cheap, deposit-free or completely free transportation services for individuals, such as discounts on buses, free public bicycle sharing or preferential taxi rates.
CreditEase Approvals 信易批	Simplification of bureaucratic processes for companies and individuals, including 'green channel' fast lanes at government centres and approval systems that reference credit records.
CreditEase Travel 信易游	Access to discounted entry tickets, deposit-free hotel stays, easier check-in and -out processes, preferential tour prices and more.

Figure 5: CreditEase Plus

campaigns on trust culture (诚信文化).²⁵ Local social credit management offices were tasked with identifying model case studies and disseminating them across local news outlets through dedicated social credit columns and TV formats. Since 2015, Suzhou has hosted an annual "Trust Propaganda Week" (诚信宣传周) during which high ranking companies are awarded the status of "Old Famous Trustworthy Business" (诚信老字号).²⁶ In 2016, the city issued a *Suzhou Citizen Handbook* outlining the city's expectations of its population to behave in a trustworthy manner, sending this to over one million households.²⁷ In 2017, the municipal Civilisation Commission, Education Department and Credit Bureau began jointly organising "trust competitions" in primary and middle schools to increase awareness of the topic. In its first year, over 98,000 pupils from 422 schools participated, with 180 students crowned champion.²⁸

²⁵ Xinhua, 'Walking a Thousand Miles of Trust Construction'.

²⁶ Suzhou Industrial Park Administrative Committee, 'Suzhou Industrial Park's 2022 "Trust Propaganda Week" Launches'.

²⁷ Jiangsu Provincial Department of Industry and Information Technology, 'Suzhou Holds Press Conference for the Release of the 2016 Suzhou Citizen Handbook'.

²⁸ Jiangsu Provincial Department of Industry and Information Technology, 'Suzhou Successfully Holds Trustworthiness Knowledge Competition for Primary and Secondary School Students'.

Early social credit pilot cities dedicated considerable time and effort to establishing the mechanisms, services and applications outlined above. Take Weihai for example, a city whose wider metropolitan area contains a population of 2.8 million on Shandong province's coastline. Within months of the publication of the State Council's 2014 *Planning Outline*, the Weihai municipal government had issued its *Work Plan on Accelerating the Construction of a Social Credit System*, establishing what became known as its "123+5" plan.²⁹

"One". This refers to the creation of a singular public credit information platform to house credit data and records of joint rewards and punishments, as well as to integrate with provincial and national databases. Weihai was awarded the 2018 title of best "National Credit Information Sharing Platform", collecting over 200 million pieces of data and completing over 5,000 credit verification checks in its first year. The system is reportedly used widely in cadre evaluation, applications for finance and project approvals.

"Two". This is in reference to the two key city-level documents that form the backbone of Weihai's social credit system, the *Weihai Municipal Measures for Public Credit Information Management* and the *Weihai Municipal Work Plan for Joint Rewards for Trust-Keeping and Joint Punishments for Trust-Breaking*.³⁰ The former outlines the general remit for social credit, as well as the processes and legal responsibilities for data collection, handling and disclosure. The latter covers the application of credit information as rewards or punishments to red- or black-listed companies and individuals, primarily for issues related to labour and employment (21 articles) or funding allocation (18 articles).

"Three". This refers to three lists: The "Data Collection List" provides a comprehensive compendium of 3,613 administrative services carried out by 69 government departments to serve as data sources for the city's social credit system. The "Application List" covers a further 299 administrative processes across 51 departments that have incorporated social credit checks and reporting into their day-to-day work. Finally, the "Joint Rewards and Punishments Measures List" provides 16 rewards and 31 restrictions to be applied city-wide by participating government bodies.³¹

"Plus Five". Beyond the structural and organisational tasks above, this refers to five additional priorities for Weihai social credit. The first of these was to create a system of personal credit scores, called "Seashell Points" (海贝分). Local measures outline how all permanent residents over the age of 18 were to receive a quantification of their social credit status based on 193 positive and 1,492 negative behaviours, for example, littering, drunk driving, setting off firecrackers, with scores tabulated against six grades from AAA to

²⁹ Weihai Municipal People's Government, 'Implementation Opinions on Accelerating the Construction of a Social Credit System'; Weihai Municipal People's Government, 'Key Points for Social Credit System Construction in 2017 and 2018'.

³⁰ Weihai Municipal Credit Office, 'Weihai Municipal Measures for Public Credit Information Management'; Weihai Municipal Credit Office, 'Weihai Municipal Work Plan for Joint Rewards for Trust-Keeping and Joint Punishments for Trust-Breaking'.

³¹ Weihai Municipal People's Government, 'Suggestions on Accelerating the Construction of a Social Credit System in Weihai City'.

D.³² Weihai's "Seashell Points" would then integrate with the second policy priority – the creation of positive benefits for those with high scores. Using CreditEase Plus as a guide, Weihai announced 22 credit products, including cheaper financing and deposit exemptions for medical treatments for AAA-grade individuals and discounts at a range of businesses and tourist attractions for those with an AA rating.³³ The third priority was to normalise the use of credit information in a range of daily activities and processes. In the system's first year, a total of 860 million RMB (120 million USD) of loans were distributed to 5,600 different companies based on social credit checks, while joint punishments were exacted against 2,139 "seriously untrustworthy" individuals.³⁴ The fourth task was to better integrate public credit information with industry regulation. QR codes visible in-store allowed shoppers to see the social credit record for a particular merchant. Restricting access to fuel subsidies, licences and financing in the fishing industry for crews guilty of trust-breaking behaviours reportedly reduced illegal fishing by almost 30 per cent year on year.³⁵ Finally, the fifth priority was to carry out propaganda and educational work across schools and in the wider community. More than 30 trust-themed campaigns were launched across the city, while some 2,700 social credit related articles were published in a single year on the city's WeChat account.³⁶

Let One Hundred Systems Bloom

The case of Weihai demonstrates the variety of social credit's scope on the level of just one city. Extrapolate that to the national level and the pervasiveness of social credit rhetoric and application becomes clear. A huge range of topics and issues have had social credit provisions incorporated into local regulations and documents. Tracing their development over time highlights the ways in which social credit thinking and priorities have also evolved.

Unsurprisingly given social credit's market origins, the majority of local level documents pertain to the regulation of business, in particular areas such as banking, industrial management and construction. A report from 2021 assessing the targets of social credit legislation since 2003 found that 73.3 per cent focused on companies, significantly more than individuals or other groups.³⁷ Some localities have developed sophisticated systems for the assessment of credit in the commercial space, in a departure from credit-making and -giving practices in a wider global context. Zhejiang province, for example, had by 2021 completed credit assessments of over three million businesses based on five categories of metrics

³² Weihai Municipal People's Government, 'Opinions on the City-Wide Trial Implementation of "Seashell" Personal Credit Points'.

³³ Weihai Municipal Credit Office, 'Weihai List of Personal Credit Points Benefits'.

³⁴ Weihai Municipal People's Government, 'Suggestions on Accelerating the Construction of a Social Credit System in Weihai City'.

³⁵ Weihai Municipal People's Government.

³⁶ Weihai Municipal People's Government.

³⁷ Drinhausen and Brussee, 'China's Social Credit System in 2021'.

scored out of a total 1,000 points.³⁸ The first of these metrics – “basic information” – accounts for 80 points and assesses companies based on their key employees, in particular their personal credit status such as inclusion on black-lists. “Finance and taxation” is the second-largest category totalling 195 points, with deductions for failure to repay debts, social insurance contributions or taxes. “Governance” – valued at just 90 points – refers to issues such as product safety, pollution, workplace accidents or sub-par inspection results. “Compliance” on the other hand makes up close to half of available points at 450, with penalties for administrative or criminal punishments, as well as a failure to act on judicial rulings. Finally, “social responsibility” rewards companies with up to 185 points for noteworthy charitable donations, commendations or volunteer work.

Analysis of these scores in-action reveals both flaws in its operation, as well as some interesting insight into its political bias. Lauren Yu-Hsin Lin and Curtis Milhaupt carried out an empirical review of 531 A-share listed company social credit records in Zhejiang province.³⁹ They found a significantly uneven distribution of scores, with a cluster of “excellent” rated businesses accounting for 74.2 per cent of entries, and only two per cent of companies assessed as “fair” or “poor”. They hypothesise that while this could of course be “indicative of the comparatively high quality of listed firms in this economically developed and important region”, breaking down the scoring methodology goes some way to explaining the relatively low levels of statistical variance.⁴⁰ The mean score for the companies assessed across the first four categories – basic information, finance and taxation, governance, and compliance – stood at above 96 per cent. The lack of differentiation here is perhaps unsurprising given that these four metrics are based purely on points deductions. Put simply, if your company employs no black-listed personnel at the senior level, nor has any unpaid debts nor outstanding administrative penalties – exactly what one would expect of a publicly-listed company – you will receive full marks. The only indicator providing scope for significant deviation is the fifth and final “social responsibility” category, accounting for up to 18.5 per cent of points. Here, scores are calculated on an additive basis for acts deemed merit-worthy. As such, the mean company score is just 38.25 points, showing significant scope for “future payoff” should firms choose to focus their efforts here. The authors argue that this shows that while the corporate social credit system is ostensibly a tool for enforcing legal compliance, trust culture matters, with businesses that invest in political projects and relations are graded higher.⁴¹

With the expansion of the *Four General Areas* beyond the purely commercial realm, local level social credit took on a much wider set of regulatory responsibilities. As I show later in this chapter, the success of cities’ social credit systems began to be explicitly judged against

³⁸ Zhejiang Development and Reform Commission, ‘Zhejiang Province Public Credit Evaluation Guidelines for Five Categories of Subject’; Zhejiang Development and Reform Commission, ‘Zhejiang Provincial Public Credit Information Catalogue’.

³⁹ Lin and Milhaupt, ‘China’s Corporate Social Credit System’.

⁴⁰ Lin and Milhaupt.

⁴¹ Lin and Milhaupt.

their progress in solving the 19 issues for “special governance” (专项治理) set out by Wang Huning’s CCC in 2019, from academic fraud, to tax evasion, ticket scalping, match-fixing, misinformation and fraudulent insurance claims (see Chapter Two).

Local governments have been steered by this central level guidance to apply social credit mechanisms and tools to a wide range of governance topics. Take the medical sphere, for example. China has for a long time had a significant problem with unlicensed medical practices and practitioners, as well as with the sale of fake drugs. Some have argued that this is due to large gaps between increased demand for medical services and deficiencies in healthcare provision, as well as historical and cultural factors.⁴² In 2018, nearly 20,000 unlicensed facilities and 29,000 unqualified staff were investigated nationwide.⁴³ A number of central regulations have added top-down regulatory weight to the governance of the healthcare industry, but enforcement has proved difficult, leading several localities to experiment with social credit as a tool for coercion. In Fujian, for example, officials have extended provincial black-lists to cover individuals and organisations engaged in a range of illegal medical activities.⁴⁴ Entities sanctioned in this way find themselves subjected to a range of restrictions across the region as ministries share black-lists, in the hope that this additional publicity and pressure will encourage subjects to correct their behaviour. This model of cross-jurisdictional punishment is replicated hundreds if not thousands of times across a wide range of issues throughout the country. It is a model that looks to add weight to the enforcement of existing rules in a way that typifies one of the most basic functions of social credit.

In other regulatory areas, local experimentation has gone above and beyond standard social credit practice to produce some unusual results. Regulation of transportation – be it the governance of traffic violations, the haulage industry, public transport or the country’s booming ride-sharing sector – accounts for a significant portion of social credit policy-making. Taking their lead from central legislation, many local systems have issued transport-specific social credit rules, predominantly designating administrative offences such as running red lights and drunk-driving as black-listable behaviours. In a handful of areas, red-lists celebrate positive behaviour in the transportation industry.⁴⁵ In certain cities, these measures have been iterated *in extremis* to create site-specific regulatory mechanisms. In Rongcheng, for example, the Municipal Bureau of Transport in 2016 began issuing a raft of taxi-specific social credit regulations and notices with the aim of improving the industry’s reputation, reducing complaints and rule violations, and finally enhancing the “civilised spirit” of drivers.⁴⁶ A dozen or so documents collectively outlined what data should be collected on drivers, how it should be structured and codified, and what incentives should be used to

⁴² Xu et al., ‘Prevalence of Unlicensed Medical Practice in China’.

⁴³ China Daily, ‘Nearly 20,000 Cases of Unlicensed Medical Practice Investigated’.

⁴⁴ Credit China (Guangyuan), ‘Zhangzhou Municipal Health Commission of Fujian Province Severely Cracks Down on Unlicensed Medical Practices to Build a Sustainable Health Credit System’.

⁴⁵ Credit Sanmenxia, ‘Sanmenxia Announces a Second Batch of “Red and Black Lists” for Trust Construction’.

⁴⁶ Knight, ‘Technologies of Risk and Discipline in China’s Social Credit System’.

promote compliance.⁴⁷ Under this system, all 205 taxi drivers operating in the city had a credit file opened in their name along with a starting score of 1,000. Passenger complaints and regulatory infringements were recorded against a corresponding increase or decrease in points. Behaviours such as taking unnecessary detours, failing to stop for passengers on the roadside, being abusive towards customers, running red lights and zebra crossings, or drunk-driving all resulted in a driver's social credit score decreasing. Information was gathered not only from passengers, but on a peer-to-peer self-policing basis. A booklet handed out to drivers explains how cars were pooled in groups of ten, with each group headed by one of a 21-strong "Trustworthy Model Taxi Team" responsible for monitoring the behaviour of other drivers, managing conflicts, and improving overall service.⁴⁸ The data gathered on drivers was collated on a monthly basis and converted into a star rating (0-4) that was then displayed in LED lights in the windscreen of each driver's car. By the end of 2017, 145 taxis had the highest 4-star rating, while 59 had three stars and only one driver had two. Particularly courteous drivers were referred for city awards; in January 2018, 10 drivers were honoured at an industry ceremony for their model behaviour. According to the Municipal Bureau of Transport's own statistics, the system appears to have had an effect, with passenger complaints down 72 per cent and over two million RMB's worth of lost property returned by drivers within 12 months of the system's launch.⁴⁹ In July 2018, the Credit Rongcheng website reported that 15 drivers had donated blood in order to increase their score.⁵⁰

Points Make Prizes

The use of points in Rongcheng's taxi industry is just one very local example of quantification and scoring in the social credit project. The almost exponential expansion of the system's scope and application across hundreds if not thousands of sub-systems, predominantly without much steer from central planners, has led to some increasingly fringe adaptations of its principles and mechanisms.

This was largely precipitated by the "moral turn" in China's rule of law project. As discussed in Chapter Two, the 2014 *Planning Outline* marked the formal incorporation of the CCC's agenda for "trust culture" construction into the social credit system. Momentum on this issue had been building for several years, with government departments at the central

⁴⁷ Rongcheng Municipal Bureau of Transport, 'Provisional Rules on the Credit Management of the Rongcheng Taxi Industry'; Rongcheng Municipal Bureau of Transport, 'Detailed Implementation of Credit Management for Passenger Taxis'.

⁴⁸ Rongcheng Municipal Bureau of Transport, 'Assessment Methods for Credit Management of Employees in the Passenger Taxi Industry'.

⁴⁹ The Ministry of Transport has published detailed lists of creditworthy behaviour, including 1,559 cases of returned lost property, including 115,000 RMB in cash, 10,000 RMB in shopping cards, 6,800 RMB in vouchers, 50,000 RMB in checks, 1,255 mobile phones (including 281 iPhones), 15 computers, 60 forms of ID, and 20 items of clothing. See Sohu, 'In Rongcheng Taxis, This Set of Data Is Enough for You to "Sit with Confidence"!'.

⁵⁰ Credit China (Rongcheng), '15 Taxi Drivers Give 6 Litres of Blood Voluntarily'.

and local level instructed in 2013 to develop tools and technologies for the promotion of the socialist core values, including trustworthiness.

These ideological trends converged in the creation of personal credit (个人信用) systems at the city level. Their purpose was simple; to encourage “better” behaviour through the quantification of a range of day-to-day social and moral activities, rewarding high-scoring individuals with a range of perks and, in some cases, cash rewards. The earliest of these schemes dates back to 2015, with an acceleration of uptake after 2018. Today, over 50 cities incorporate personal credit points into their social credit systems, each varying slightly in terms of scope but operating in broadly the same manner. Municipal credit offices assign and tally credit points (信用分) and ranks (分级) based on behaviours and scores assigned and collected by different municipal government departments and third-party credit service providers. Those same actors then offer rewards or apply restrictions on high- or low-scoring individuals or businesses in the same manner as any other joint reward or punishment.⁵¹ These city credit points systems are responsible for a huge expansion to the scope and reach of social credit in the cities in which they operate, proving highly controversial among some social credit critics (see Chapter Five). As I will show below, their setup was, however, actively encouraged by the NDRC up until at least 2019.

Some personal credit points systems have developed into relatively high-tech solutions. In Hangzhou, for example, “Qianjiang Points” (钱江分) score citizens along five core categories of metrics, covering basic information, regulatory compliance, tax records, employment history, payment of utilities and “societal contributions”. Volunteering, the provision of elderly care, blood donation, book-borrowing, use of public transport and gym attendance are all captured in the system. Behaviours are quantified and compiled into a 1,000 point system split across five tiers. Users with scores below 550 are labelled as “in need of improvement”, while those with more than 750 points are graded as “excellent”. High-scorers are rewarded with the CreditEase products outlined above, such as deposit-free bicycle hire and library membership, simplified medical bills, discounted taxi rides and exercise classes. Users are able to track their standing and log activities through the *Hangzhou Citizen Card* smartphone app, where they can also earn badges such as “love messenger” for particularly high levels of volunteering and blood donation, or “sports master” and “low-carbon traveller” for gym attendance and subway-usage.⁵² As of November 2020, over three million residents were actively using the system.⁵³

Other schemes are markedly more manual, as well as invasive. Rongcheng was host to one of the most infamous social credit points systems, scoring its citizens’ lives from a baseline score of 1,000 points and across grades from AAA to D.⁵⁴ In addition to these

⁵¹ Note that after reforms to the system post-2020, most city credit points systems switched to a system of rewards-only (see Chapter Five).

⁵² Hangzhou Web, ‘Hangzhou’s Qianjiang Points Bring Value to Trustworthiness’.

⁵³ Hangzhou Web.

⁵⁴ Knight, ‘Technologies of Risk and Discipline in China’s Social Credit System’.

central structures, however, Rongcheng's system was highly devolved. Between 2015-18, districts across the greater municipal region were encouraged to develop their own social credit sub-systems according to local needs, some of which focused on points scoring.

One particularly egregious example to emerge from this delegation of responsibility came out of Rongcheng's Gangwan Subdistrict. The *Gangwan Subdistrict Measures for Implementing Community Credit Management* elaborated on central municipal policy in a number of ways, listing 11 activities for which an individual could be awarded credit points and 47 for which they could lose them.⁵⁵ Many of these behaviours centred around creating an orderly and convivial living environment within the community. Sweeping away snow or clearing overgrown vegetation was rewarded with one credit point, for example. Burning rubbish (-5), digging up a public road or making unpermitted changes to the exterior of one's house (-5), failing to pick up dog litter (-10), or cutting down trees without permission (-50) were all punished to varying degrees.

Similarly, being neighbourly was compensated in a number of ways. Providing long-term care for an elderly neighbour earned an individual two points, whereas starting a community group was comparatively well-remunerated with 10 points. Credit points for volunteering, donating money and returning lost property were awarded on a sliding scale. Donating between 1,000-10,000 RMB over the course of one year, for example, earned an individual five credit points. Conversely, falling out with one's neighbours and quarrelling in public spaces would have resulted in a penalty of up to -10 or -20 points respectively. Blocking public spaces with one's car (-10), acting drunk and disorderly in the community (-5), and siphoning water or electricity from neighbours (-10) were all similarly covered by the regulations. The reach of the system was not restricted to the offline realm; residents found to be spreading gossip or malicious rumours on community WeChat groups were to be fined 50 credit points.

Beyond these seemingly mundane activities, the Gangwan regulations went far beyond Rongcheng Credit Office's central guidelines and included a host of locality-specific articles. Unsurprisingly, many of these related to rural agricultural affairs. Drying one's grain in public spaces, for example, resulted in a five point fine, while those guilty of changing field boundaries lost 10 points. Burning arable land resulted in a 20 point deduction, increased to 50 if the fire spread into something more hazardous. Individuals who grew crops outside of permitted areas were fined 50 points. Additionally, several articles refer to religion and folklore. Selling objects of superstition landed perpetrators with a 10 point fine, while those who burned paper offerings or set off firecrackers at a funeral were docked 20 credit points. Membership of a religious 'cult' saw an individual's credit rank demoted directly to a C.

⁵⁵ Gangwan Subdistrict Credit Leading Small Group, 'Regulations on Community Resident Credit Management in Gangwan Subdistrict, Rongcheng'.

This creep into private life did not stop at the religious, however. In some cases, credit point deductions were applied in addition to other forms of punishment for categorically illegal behaviour. Gambling, for example, was fined 20 points, while failure to pay relevant fines after the birth of a child outside of family planning laws resulted in a 50 point deduction. The regulations also punished individuals for failing to care adequately for others; children who neglected their elderly parents, as well as parents who mistreated their children, were fined 50 credit points. Abusing one's dog also resulted in a 10 point penalty. Most seriously – and perhaps bizarrely – of all, those who buried a spouse or parent in a grave that exceeded the permitted standards in terms of square footage or headstone height were liable for a 100 credit point fine.

Dedicated social credit data “Collection Officers” (采集员) were appointed to collate, verify, and report the above behaviours through a pen-and-paper system of grid supervision. These data were stored primarily offline, before being digitised and submitted to the municipal system just once annually.⁵⁶ Collection Officers were held personally responsible for failures to carry out their duties in an honest or timely manner, with 20 points docked for malpractice or tardiness in submissions.⁵⁷ In a major technical upgrade to the system, Gangwan Subdistrict in 2019 introduced the ability for residents to scan QR codes posted outside local businesses in order to see their credit record.⁵⁸

LEARN

The chasm in social credit development and experience between Hangzhou and Gangwan Subdistrict speaks to the diversity of the system as a whole.⁵⁹ As discussed above, this diversity is by design, a way of fostering local-level innovation in the pursuit of policy perfection. Key to this process of testing and learning is of course close monitoring, benchmarking and analysis of social credit performance across its different iterations.

Right from the offset, a variety of institutions and scholars have tracked city-level performance, debating their individual merits and disseminating best practice in a variety of formats. Indeed, local schemes have always had a deep impact on the theoretical development of the social credit system. Lin Junyue has written about how Wenzhou in Zhejiang province became an early test bed for experimentation.⁶⁰ The city was one of the

⁵⁶ Rongcheng Municipal Social Credit Management Office, ‘Rongcheng Regulations on City Community Residents and Party Cadres Credit Management’.

⁵⁷ Rongcheng Municipal Social Credit Management Office, ‘Rongcheng Regulations on Credit Management of Departmental Joint Rewards and Punishments’; Rongcheng Municipal Social Credit Management Office, ‘Rongcheng Regulations on City Community Residents and Party Cadres Credit Management’.

⁵⁸ Rongcheng Info Media, ‘Merchants in Shidao have Credit QR Codes, Please Report Them If You Witness These 10 Behaviours’.

⁵⁹ The gap between these two areas is hardly surprising; one has a population of ten million, one just 65,000.

⁶⁰ Lin Junyue, ‘Why is it said that the Construction of the Social Credit System Started in 1999?’

first to launch a credit system of any kind back in 2002 with the support of expert observers and planners from Shanghai. Researchers convened in the city for a series of workshops culminating in a 2003 summit, which saw the publication of a *Documentary Collection for the Construction of a City Credit System* among other texts.⁶¹ Lin himself co-authored a book titled *City Credit System Design* with Wu Jingmei in 2007.⁶² Wu separately co-edited specific research on early findings from her fieldwork in Liaoning province.⁶³ Other early contributions to the field of city social credit studies include works by Chen Wenling, *Research on Regional Credit Systems* by Ruan Dexin 阮德信 and *Theory and Practice in the Construction of a Social Credit System*, a collection of conference papers on city social credit research edited by Zhang Qiang 张强 and Huang Weidong 黄卫东.⁶⁴

In more recent years, the process of monitoring and assessing city social credit systems has formalised through the hosting of regular policy dialogues and thought leadership such as annual city credit summits, the ranking of performance through composite indices and the appointment of “model” schemes celebrated for their achievements. Tracing the development of these assessment tools and criteria over time reveals interesting shifts in policy priorities, as well as a lens on to what the central government views as successful in the context of social credit construction.

Summit Special

Since 2017, the highlight of the social credit calendar has been the *City Credit Construction Summit* (城市信用建设高峰论坛). Between 2017-19, three editions were held, bringing together officials, business leaders, academics and the media to share key learnings, recognise excellence, troubleshoot challenges and presumably blow off a little steam.⁶⁵ Each summit was accompanied by an annual *Monitoring and Evaluation Report on the Status of China's City Credit Construction*, published by the China Economic Information Network of the State Information Centre (see below), a hugely important source of city credit related insight and data.⁶⁶ Held over two days, each edition followed a similar format; keynote

⁶¹ Organising Committee of the Wenzhou Credit Construction Summit, *Documentary Collection for the Construction of a City Credit System*; Zhao Liping, *Credit China: Research Report on Xiaojiang Town, Wenzhou*.

⁶² Lin Junyue and Wu Jingmei, *City Credit System Design*.

⁶³ Hu Jianyang, Wu Jingmei, and Wang Liyan, *Research on the Construction Planning for a Modern Social Credit System in Liaoning Province*.

⁶⁴ Chen Wenling, *Leapfrogging: Wenzhou's Transition from Traditional to Modern Credit*; Chen Wenling, *Gaining Momentum: Modern Credit Supports Nanning's Take-Off*; Ruan Dexin, *Research on Regional Credit Systems*; Zhang Qiang and Huang Weidong, *Theory and Practice in the Construction of a Social Credit System*.

⁶⁵ A fourth edition did not take place in 2020, presumably on account of the COVID-19 pandemic. The next summit would not be held until January 2023, followed by a fifth edition in November of the same year. See Chapter Six.

⁶⁶ The first three editions of the *City Credit Construction Summit* were accompanied by reports in the same format; CEIN, *Monitoring and Evaluation Report on the Status of China's City Credit Construction (2017 Edition)*; CEIN, *Monitoring and Evaluation Report on the Status of China's City Credit Construction (2018 Edition)*; CEIN, *Monitoring and Evaluation Report on the Status of China's City Credit Construction (2019 Edition)*. The reports

speeches by Lian Weiliang, provincial bosses, credit industry professionals and scholars, followed by parallel sub-forums covering a range of distinct themes. Typically, an accompanying public exhibition showcased social credit in action. To conclude, the winners of the *Xinhua Credit Cup* (新华信用杯) were announced, providing plenty of photo opportunities. Some have described the event as the Oscars of the social credit world.⁶⁷

Hangzhou. The first city credit summit was co-hosted in July 2017 by Xinhua News Agency, the Hangzhou municipal government, the Hangzhou branch of the NDRC and Alibaba's Ant Finance.⁶⁸ Its theme was "Credit City, Quality Life" (信用城市、品质生活) and saw the publication of a number of documents and social credit plans, including *Ten Scenarios in which Credit Risk Alerts Could be Applied in Citizens' Lives* and the *Hangzhou Credit City Declaration*.⁶⁹ The event also marked the launch of several new national initiatives such as a comprehensive research project on social credit construction and a dedicated Xinhua news portal for city credit case studies. Parallel sessions on "City Credit Governance and Service Innovation", "Practical Steps in the Application of Credit Risk Alerts in Everyday Life" and "Local Practice in the Construction of Rule of Law in Social Credit" convened mayors, city planners, credit service agencies and experts to discuss some of the most pressing issues of the day. Overall, the forum focused primarily on theoretical developments in city credit, as well as the practicalities of infrastructure-building as a foundation for the system's rollout.

Fuzhou. The second summit – co-hosted in June 2018 by the NDRC, Xinhua, Fuzhou's city government, China Economic Information Network and Jingdong's financial services arm – focused much more notably on applications of social credit rather than simply its technical establishment.⁷⁰ Under the overarching theme of "Credit Makes Life Better" (信用让生活更美好), parallel sessions explored topics such as "Credit Product Innovation", "Theory and Practice in Credit Monitoring" and "Joint Rewards and Punishments in the Construction of Credit Repair". The big announcement to come out of the 2018 summit was the official unveiling of the NDRC's CreditEase Plus policy, launched by a cohort of 30 pilot sites, each of whom published their own *Guidelines for Living with Citizen Credit* (市民信用生活指南), detailing plans for the setup of personal city-level credit scores and accompanying perks.⁷¹ Situated alongside the summit, the "Fuzhou Credit Life Exhibition Hall" was reportedly visited by more than 10,000 people across the two days.

released co coincide with the two 2023 summits were much lighted on detail and did not contain CEIN city rankings;

⁶⁷ Xiamen Guoxin Credit Big Data Innovation Research Institute, *Blue Book of Credit: Annual Report on the Construction of the Social Credit System (2019 Edition)*, 152.

⁶⁸ Xinhua, 'Hangzhou City Credit Construction Summit (2017)'.

⁶⁹ Xinhua, 'Xinhua Credit Releases Top Ten Application Scenarios for Credit Risk Warnings'; City Credit Construction Summit, 'Hangzhou Credit City Declaration'.

⁷⁰ Xinhua, 'Fuzhou City Credit Construction Summit (2018)'.

⁷¹ Xinhua, 'Fuzhou, Fujian: Guidelines for Living with Citizen Credit Released'.

Jinan. The third edition of the city credit summit was co-hosted in September 2019 by Xinhua, Jinan's municipal government and branch of the NDRC, and the China Economic Information Network.⁷² Under the banner of “Credit; Win the Future” (信用, 赢未来), the Jinan forum focused much more on technology and the future of credit-based mechanisms, featuring sub-topics such as “Innovation and Applications of Credit Technology”, “City Credit Monitoring” and “Construction of Industrial Association Credit Systems”. Presentations explored how 5G networks could improve efficiencies in social credit data transfers, while blockchain technologies would allow information to be automatically recorded without the risk of tampering, improving the security and authenticity of the system. Such developments were seen as essential for the future of credit-based applications in finance and the economy (see Chapter Six). The summit also marked the launch of the National Comprehensive Credit Service Platform for small business financing, integrating social credit data with a range of localities to help generate supply-side reform in China's banking system.

Credit Where Credit's Due

The monitoring, quantification, benchmarking and comparison of city credit performance has been a key tool in the assessment and promotion of social credit progress.⁷³ Even before 2014, early financial credit systems were audited using a variety of metrics at the city level. In 2007, Peking University's China Credit Research Centre developed a “Market Credit Index” on behalf of the government of Yiwu in Zhejiang province, as a way of monitoring progress in credit construction across different departments.⁷⁴ In 2010, the “City Commercial Credit Environment Index” (城市商业信用环境指数) – or CEI – was launched by the Chinese Academy of Management Science. The index tracked the development of corporate credit across 284 cities, generating a linear-weighted score based on a variety of indicators, with the first results published in a *Blue Book* (蓝皮书) that same year.⁷⁵

Post-2014, with the scope and ambition of the social credit system dramatically expanded, the government needed a new way of measuring and comparing performance. In 2016, the NDRC released a *Notice on Using Big Data Technology to Carry Out City Credit Monitoring*, announcing its intention to launch a “composite credit index”.⁷⁶ To deliver this work, it appointed the China Economic Information Network (中国经济信息网), or CEIN (中经网), a state-owned enterprise founded in 1996 tasked with improving data-driven

⁷² Xinhua, ‘Jinan City Credit Construction Summit (2019)’.

⁷³ For wider literature on the use of quantified methods in the assessment of governance performance, see Wallace, *Seeking Truth and Hiding Facts*.

⁷⁴ Zhang Zheng, *Yiwu Market Credit Index Development Report*.

⁷⁵ Chinese Academy of Management Science, *CEI Blue Book: 2010 China City Commercial Credit Environment Index*; Lin Junyue, ‘Development and Analysis of China's City Commercial Credit Environment Index’.

⁷⁶ NDRC, ‘Notice on Using Big Data Technology to Carry Out City Credit Monitoring’.

decision-making in its parent organisation, the State Information Centre (国家信息中心), itself a part of the NDRC. According to its website, the CEIN employs 360 researchers and data scientists to “apply cutting-edge information technologies such as big data and artificial intelligence to strengthen data services and in-depth research capabilities” in the delivery of some of the government’s flagship informatisation programmes, including several “golden” projects, economic forecasting platforms, city “smart brains” and more.⁷⁷ The CEIN launched its “Monitoring and Evaluation of City Credit Status” (城市信用状况监测评价) project in 2016, tracking the social credit progress of some 656 cities across five key “first-level” indicators.

Rewards and Punishments. The first set of criteria used to assess a city’s social credit performance relates to the development and rollout of the joint rewards and punishments system. Cities were expected to follow national standards when setting up red- and black-lists, while also exploring innovative ways in which entities entered on to those lists would be either rewarded or restricted. The more joined up – i.e. the greater the number of participating departments – the better. Cities were also assessed on their “credit repair” mechanisms and training (see Chapter Five).

Infrastructure. This second indicator covered both the legal and technical frameworks required for social credit success. Cities were judged on their implementation of central government policy, in particular the issuing of local-level work plans detailing such progress. They were also assessed on their credit information gathering and sharing through the creation of data platforms and portals, as a way of encouraging collaboration and transparency. Cities were expected to integrate their systems with provincial- and national-level databases as part of a push for “dual disclosure” (双公示), while error rates in credit data-processing are also monitored.

Trust Culture. The third indicator included the creation of personal credit scores and the signing of “credit pledges” (信用承诺书) among businesses – public promises to abide by the spirit of social credit – in the pursuit of new, self-governing methods of supervision and control (see Chapter Six). It also included reference to a city’s propaganda work in the promotion of social credit. Cities were expected to leverage local media to carry out “trust education” in communities, enterprises and schools.

Services and Innovation. The fourth category related to the ways in which a city integrated social credit data or products into its administration. Cities were encouraged to apply credit-related checks into the full spectrum of government services, both to simplify bureaucratic processes and provide preferential treatment for red-listed entities. In order to raise public awareness of the system and avoid unnecessary sanctioning, “credit risk reminders” (信用风险提示) were supposed to provide early warning to businesses in

⁷⁷ For details on the full range of topics discovered, see the CEIN website; <https://www.cei.cn/>

industries particularly prone to trust-breaking behaviours, such as those sectors with a history of defective manufacturing, fraud and loan defaulting.

Business Environment. This final indicator referred to a city's work to improve the efficiency of administrative approvals and other processes, including the ways in which using social credit could shorten average wait-times for companies using government services. This can be understood as part of a greater push for “decentralisation, management and service reform” (放管服改革) – see Chapter Six – as a way to transform business-related services and encourage investment and growth.

Since 2016, the CEIN has gathered data for city assessments across these five indicators from five different sources. Firstly, researchers scrape credit-related events and news from approximately 10,000 websites covering central government departments, local administrations and the media. Second, they analyse data stored on the National Credit Information Sharing Platform, which by 2019 was home to approximately 32 billion pieces of social credit information, including black-lists and key watch lists. Third, ten private credit service providers, including Ant Financial's Sesame Credit provide data on developments in local-level markets. Fourth, statistical and survey data are supplied by government departments. Fifth, local municipal authorities are expected to grant access to their red- and black-lists, joint rewards and punishments, and other social credit datasets. These data are processed and calculated using a straightforward weighted sum model to generate a “Composite City Credit Status Index” (城市信用状况综合指数), or City Credit Index (CCI) for short, allowing cities to be scored and ranked against each other.

Exactly how these scores were compiled was black-boxed and known only to CEIN assessors in the first instance. This lack of transparency appears to have frustrated at least some local authorities. Publishing on Hangzhou's social credit platform, officials from Zhejiang province pointed out that without specific feedback on how each indicator was being scored and weighted, “it is impossible to identify gaps in our work, let alone rectify and improve our efforts...such a lack of detail is not conducive to the promotion of city credit construction”.⁷⁸

The CEIN appear to have agreed, and from 2019 began to release detailed breakdowns of their scoring method for assessing the success of social credit at the city level (see Figure 11). These revealed that beyond the five first-level indicators, a further 16 second-level, 40 third-level and 60 fourth-level factors were assessed and scored. City monitoring and ranking continues to the present day. CCI scores for over 700 cities assessed in 2023 can be found on a dedicated “National City Credit Status Monitoring Platform”, accessible through the Credit China website.⁷⁹ Lists of the top 50 provincial-, prefecture- and county-level cities are published monthly in the Credit China magazine, as well as in the annual

⁷⁸ Zhejiang Provincial Credit Centre, ‘Solutions and Suggestions to Improve the Level of City Credit Monitoring and Evaluation in China: Study of “S” City’.

⁷⁹ Accessible here <https://www.creditchina.gov.cn/csxynew/>

Monitoring and Evaluation Report on the Status of China's City Credit Construction released at each city credit summit. The NDRC's Department of Finance and Credit Construction reportedly hosts quarterly consultations with low-ranking cities, inviting senior officials to provide written analyses of their implementation gaps as well as reflections on possible corrective measures. The first of these sessions was held in June 2017, with representatives from 23 cities covering 12 provinces in attendance.⁸⁰

Credit's Next Top Model

In parallel with the CCI rankings, a key reference point for social credit best practice and leadership has been the anointment of “model” (示范) systems. Work on producing the first list of “social credit model cities” began in 2016, with the NDRC appointing three external research partners to carry out a field-based assessment of 20 of the 43 pilot sites in operation at that point – all 11 from the first batch and nine from the second.⁸¹ Researchers from Peking University headed to Shandong to visit Qingdao, Weifang, Dezhou and Rongcheng. Colleagues from Renmin University went to Shenyang in Liaoning, Chengdu in Sichuan and Guangzhou, Shenzhen, Zhuhai, Shantou and Huizhou in Guangdong province. Finally, a team from the China Reform Newspaper left for Nanjing, Wuxi and Suqian in Jiangsu, as well as Hangzhou, Wenzhou and Yiwu in Zhejiang, and Hefei and Wuhu in Anhui. While each group was headed up by one institution, researchers from all three shadowed each other alongside researchers from the State Council's Development Research Centre and CASS. Assessors were told to be independent and objective; they were not to accept any gifts nor payments-in-kind, and were responsible for their own food, accommodation and expenses.

Their job was to evaluate progress in each of the pilot cities based on a set of “reference indicators” (参考指标) and report back before November 2016.⁸² Cities were scored out of 100, with an additional 20 discretionary points available for particularly innovative contributions. Figure 12 shows a focus primarily on getting the system set up and live – unsurprising given the nascence of the project. Thirteen points were given for setting up dedicated social credit organisational bodies and teams, as well as the drafting of planning documents. A combined 29 points were available for the development of credit information sharing platforms, the creation of technical coding infrastructure and the setup of portals made available to government departments, businesses and members of the public. Cities were to be assessed not just on the basis of how many pieces of social credit data they had collected – one point for every million data points, up to a maximum of five points – but also on the level of cross-departmental collaboration – 0.2 points for each municipal

⁸⁰ He Ling, ‘NDRC Hosts Symposium on Monitoring Several Cities’ Credit Status’.

⁸¹ NDRC and PBoC, ‘Notice on Carrying Out Third-Party Evaluation of Model Cities in Social Credit System Construction’.

⁸² NDRC and PBoC, ‘Reference Indicators for the Evaluation of Social Credit System Construction Model Cities (2016 Edition)’. Translation in Figure 8.

department participating in the system, up to a maximum of 10 points. The guidelines make no reference to personal credit, though do reward market mechanisms such as one point for every 1,000 “credit pledges” signed, up to four points for departmental credit rankings and up to 12 points for departmental joint rewards and punishments measures. Finally, cities could earn up to two points for their propaganda work, such as setting up dedicated newspaper columns or broadcasting trust-related content on local TV.

The findings from this first round of evaluations were developed into a new set of “assessment criteria” (评审指标) issued in August 2017.⁸³ Compared with the 2016 indicators, the focus now was less on infrastructure-building and more on getting the system productive in achieving its goal of building “trust” mechanisms across government and society. In an early sign of re-centralisation, cities would now be explicitly scored on their adherence to national policies, while bonus points for local innovation were downgraded from 20 points to just 10. Easily quantifiable metrics such as the number of government departments integrating with the municipal joint rewards and punishments system (0.2 points each, up to a total of eight), or error rates in social credit data processing (minus 0.1 point for every 0.1 per cent increase over one per cent), were combined with much more subjective or ideological measures such as six points for “promotion of the socialist core values”. Progress against the “four general areas” was assessed individually by area (eight points each), while the use of social credit in finance was scored up to a maximum of 10 points.

The application of these assessment criteria led – with much fanfare – to the publication of the first list of 12 model social credit cities in December 2017 (see Figure 6).⁸⁴ The list was dominated by pilots from three provinces, each home to three model systems: Zhejiang-based schemes were recognised for their strong business focus and collaboration with local technology companies. Shandong’s cities demonstrated deep collaboration at the hyper-local level, especially within prefectures, subdistricts and villages, as discussed above in the context of Rongcheng. Finally, Jiangsu province was highlighted for the richness of its credit-related applications – its development is the focus of Chapter Four. Interestingly, Figure 9 shows that these model cities were not necessarily the highest-ranking in terms of CCI score. NDRC assessors appear to have valued experimentation and diversity in appointing their model schemes, rather than simply reflecting progress against CEIN criteria.

This class of 2017 was followed by two further cohorts, each two years apart in 2019 and 2021, totalling some 62 cities across 17 provinces (see Figure 7).⁸⁵ Zhejiang, Shandong and Jiangsu continued to dominate in terms of representation. Of the provinces without any model systems, Guangxi, Guizhou and Qinghai stand out as anomalies; all three are in the

⁸³ NDRC and PBoC, ‘Social Credit Construction Model City Assessment Criteria (2017 Edition)’.

⁸⁴ NDRC and PBoC, ‘Notice Issuing a List of the First Batch of Social Credit System Construction Model Cities’.

⁸⁵ NDRC and PBoC, ‘Notice Issuing a List of the Second Batch of Social Credit Construction Model Cities (and Zones)’; NDRC and PBoC, ‘Notice Announcing a List of the Third Batch of Social Credit Construction Model Zones’.

CCI Ranking (2017)	City	Province	CCI Score (2017)
<i>Provincial and Sub-Provincial Capital Cities</i>			
4	Hangzhou	Zhejiang	87.66
5	Xiamen	Fujian	87.47
6	Nanjing	Jiangsu	87.16
8	Chengdu	Sichuan	85.18
<i>Prefecture-Level Cities</i>			
1	Suzhou	Jiangsu	85.38
2	Weihai	Shandong	84.13
4	Wenzhou	Zhejiang	83.96
6	Suqian	Jiangsu	83.81
13	Weifang	Shandong	82.44
17	Huizhou	Guangdong	82.21
<i>County-Level Cities</i>			
1	Yiwu	Zhejiang	82.70
2	Rongcheng	Shandong	82.43

Figure 6: First cohort of model social credit cities, tabulated with CEIN CCI score

top-ten provinces by volume of social credit documents published (see Figure 2) yet are not home to a single model city. A fourth cohort was published in August 2023, more than doubling the total number of model schemes to 130 (see Chapter Six).⁸⁶

Each new batch of model cities has been assessed according to an evolving set of criteria.⁸⁷ While the total points available and general structure of the “assessment criteria” remained the same between 2017-21, subtle differences in scoring and weighting reveal

⁸⁶ NDRC and PBoC, ‘Notice Issuing a List of the Fourth Batch of Social Credit Construction Model Zones’.

⁸⁷ Two subsequent rounds of assessment in 2019 and 2021 were accompanied by new sets of assessment indicators; NDRC and PBoC, ‘Detailed Rules on Social Credit Construction Model City Assessment Criteria (2019 Edition) and Division of Tasks’; NDRC and PBoC, ‘Social Credit Construction Model Zone Assessment Criteria (2021 Edition)’.

Chapter Three

Province	2017	2019	2021	Total
Zhejiang	Hangzhou, Wenzhou, Yiwu		Ningbo, Huzhou, Jinhua, Quzhou, Zhoushan, Taizhou, Lishui	10
Shandong	Weihai, Weifang, Rongcheng	Qingdao	Jinan, Yantai, Jining, Dezhou, Xintai	9
Jiangsu	Nanjing, Suzhou, Suqian	Wuxi	Changzhou, Huai'an, Yangzhou, Kunshan	8
Shanghai		Pudong New District, Jiading District	Xuhui District, Putuo District	4
Anhui		Hefei, Huaibei, Wuhu, Anqing		4
Hubei		Wuhan, Yichang, Xianning	Jingmen	4
Guangdong	Huizhou		Guangzhou, Shenzhen, Foshan	4
Liaoning		Anshan	Dalian, Yingkou	3
Fujian	Xiamen	Fuzhou, Putian		3
Henan		Zhengzhou	Luohe, Nanyang	3
Chongqing			Ba'nan District, Jiangjin District, Tongliang District	3
Sichuan	Chengdu	Luzhou		2
Tianjin			Binhai New District	1
Hebei			Xingtai	1
Jilin			Siping	1
Yunnan			Baoshan	1
Shaanxi			Yan'an	1
Total	12	16	34	62

Figure 7: NDRC model social credit city cohorts, 2017-21

shifts in policy as well as the centre's view of local success. Figure 8 compares point allocation against first-level criteria across these three model city assessment periods. The slightly nebulous “promotion of the socialist core values” received greater clarification in 2019, with cities judged on their attention to the 19 regulatory issues highlighted for “special governance” by the CCC, before being renamed in 2021 as “trust culture construction”. The “four general areas” were given significant play in 2017, accounting for a combined 32 per cent of available points. In 2019, this had fallen to 24 per cent, and in 2021 they were all but removed from the assessment criteria except for “governmental trust” with six points. An even focus on financial applications of social credit remains across all three, but with some evolution in the calculation of the ten points available. In 2017 and 2019, assessment was broken down across three second-level criteria. A city's “credit environment” was calculated based on the rate of bad loans (two points) and financial risks (two points). Three points were available for “rule of law environment”, while a further three covered the “policy environment”, with cities rewarded for lower levels of intervention in local financial services. In 2021, the independence of the financial sector was weighted down to two points, while the establishment of rural credit systems would be rewarded with up to three points.

These more subtle changes aside, three bigger shifts are clearly identifiable in the way in which central government assessed the success of social credit construction at the city level between 2017-21. The first of these was an evolving view on the role of “public credit information co-construction and sharing” (公共信用信息共建共享), growing from a 15 per cent share of total available points, to 25 (see Figure 9). Just as with other forms of assessment outlined above, emphasis has shifted over time away from infrastructural hygiene factors. Points available for unified social credit code coverage, data collection and website management have decreased. In their place, 2017-2021 saw a big increase in the number of points available for interconnectivity between government departments (from two to seven points), with points deducted for malfunctioning portals from 2021 onwards. Assessors have also become gradually less forgiving over time. In 2017, for every percentile below 100 per cent coverage of the unified social credit code, 0.02 points were deducted; in 2019, this was increased tenfold to 0.2 points. Similarly, in 2017 an error rate of one per cent was permitted in the processing of social credit data, with every 0.1 per cent increase above that fined 0.1 points. In 2019, the threshold was decreased to 0.01 per cent, and in 2021 down further to just 0.001 per cent. Data security and privacy made an appearance in the 2021 assessment indices for the first time, a reflection of China's emerging data protection regime (see Chapter Six). The biggest increase in points came with the introduction of “dual disclosure of administrative permits and penalties”, becoming the most important credit information sub-category with eight points by 2021. “Dual disclosure” refers to the city's responsibility to record updates to an entity's social credit record not only at the municipal level, but also on provincial and national level databases (see Chapter Two). Along with points increases for city-wide data sharing and expansion of credit web portals, this is

	2017	2019	2021
Implementation of CCP Central Committee and State Council decisions	6	4	5
Promotion of the Socialist Core Values	6	4	
Trust culture construction			6
Governmental trust construction	8	6	6
Commercial trust construction	8	6	
Societal trust construction	8	6	
Judicial credibility construction	8	6	
Financial environment construction (scored by the PBoC)	10	10	
Financial credit system construction and regional financial risk prevention			10
Public credit information co-construction and sharing	15	17	25
Application of credit information and credit products	11	14	
Credit-backed loans in the real economy			17
Joint rewards and punishments	10		
Credit supervision		22	25
Task safeguards and measures for the advancement of implementation	10	5	6
Bonus: Innovation and outstanding contributions	10	10	10

Figure 8: First-level assessment criteria for model cities 2017-2021

	2017	2019	2021
100% of legal and natural persons issues with a unified social credit code	2	1	
0% error rate		1	1
Launch municipal public credit information sharing platform	2		
Municipal government department data sharing and collaboration	2	4	7
Data collection on legal and natural entities	4		
Data processing and cleaning	2		
Setup and usage of municipal credit web portal	2	4	6
Submission of information to Credit China website	1		
Integration with national joint reward and punishment databases		3	
'Double disclosure' of administrative permits and penalties		2	8
Registration of government-invested industrial investment funds		2	1
Data security and privacy protection			2

Figure 9: Second-level assessment criteria related to public credit information co-construction and sharing for model cities 2017-2021

evidence of a greater emphasis on collaboration and the application of social credit in a wider variety of settings.

This is further underscored by big changes in the way assessors viewed credit-based products and applications. In 2017, the focus was on making credit information available for departments and businesses to query. City governments were encouraged to set up credit-enabled services, but were given very little in the way of structure or inspiration. By 2019, CreditEase Plus was in full swing, with the assessment criteria altered to reflect this shift in focus. A total of 14 points were made available for credit-based benefits (up from 11 the year before). A maximum of four points were awarded to cities that had established personal city credit point systems (1.5 points for 50 per cent take-up among the population, plus a further 0.5 points for each additional 10 percentage points after that). CreditEase Approvals and CreditEase Loans were singled out for particular attention. Assessors tallied the number of municipal departments to have incorporated social credit checks into their approvals processes, divided that by the total number of city government departments and multiplied by two to give a maximum of two points. Similarly, they multiplied the amount of capital loaned out using social credit-based mechanisms by 0.002, also to a maximum of two points. By 2021, these measures had been all but stripped out again, except for provisions related to CreditEase Loans, which were spun out into their own second-level criteria with the goal of increasing the total number of loans issued using social credit-related checks and verifications.

The third and final evolution of the model city assessment indices can be seen in the treatment of joint rewards and punishments (see Figure 13). In 2017, evaluations were carried out on a very straightforward basis; for every red- or black-list set up with a minimum of 10 cases to its name, cities were awarded 0.2 points up to a maximum of eight. A further two points were available for establishing lists in collaboration with other cities or companies, coming to a total of ten points. Beginning in 2019, joint rewards and punishments were incorporated into a wider focus on “credit supervision” (信用监管), with a correspondingly large increase in points available, from 10 to 22 to 25, representing the largest category of criteria in 2019 and joint-largest with credit information management in 2021. Figure 13 shows how a greater range of new social credit functions and technologies were introduced into city-level scoring. Self-regulating tools such as “credit pledges” became increasingly important, with cities awarded up to seven points in 2021 for their use and integration with national platforms. Just as with other assessment categories, much greater emphasis began to be placed on credit’s incorporation into a wide variety of applications and services. In 2019, “new credit-based supervision mechanisms” (以信用为核心的新型监管机制) are mentioned for the first time. In Chapter Six, I will discuss how this pivot was reflective of a broader attempt expand the social credit system beyond its original purview, providing both the logical and technical underpinnings for administrative and governance reforms in the 2020s.

LEGISLATE

The proliferation of pilot schemes and model cities led to an explosion of social credit document-drafting at the local level. This was in part a reflection of both top-down enthusiasm for the system and its proliferation, as evidenced through the government’s significant investment in monitoring and assessing progress, as well as of changes to the way in which policy could be made in China. In 2015, the *Legislation Law* was amended, extending legislative power from just 49 cities to 288 nationwide.⁸⁸ Overnight, many more officials were suddenly granted the right to draft legally-binding rules and regulations where they previously would have had to defer to colleagues at the provincial or national level. This did not provide a *carte blanche*, however; Article 72 of the amended law restricted this right to a handful of fields such as protection of the environment or cultural heritage, as well as urban development and management, interpreted by many to include social credit.^{89 90}

As I have shown above, thousands of iterations of the technology ensued. From 2017 onwards, a number of provinces started to pull their sub-systems together by issuing local *Social Credit Regulations* (社会信用条例). Hubei, Shanghai, Hebei and Zhejiang were first out of the gates, with a glut of 11 new regulations coming in 2021. At the time of writing, 26 provinces had issued regulations, or *tiaoli* (see Figure 10).

Over time, the structure of these *tiaoli* have evolved and standardised. There does not appear to have been a huge amount of coordination between the first four 2017 documents, even on what to name the regulations (see Figure 10). Figure 14 shows how their contents have changed over time. Earlier documents contained separate provisions for social credit information collection and disclosure, with regulations published from 2021 onwards tending to merge these sections into a general “Credit Information Management” chapter. One third of regulations do not reference the creation of a credit services industry, though its inclusion has become more common in later documents. Some provincial *tiaoli* include chapters found only in that location. Jiangsu, for example, dedicates nine articles to the “determination of credit statuses”, while Hebei includes provisions related to “social credit information inquiries”. The greatest divergence across these 25 documents comes, however, in style and word-count. Naming conventions and terminology vary significantly across the regulations. The asterisks in Figure 14 denote alternative titles and headings for regulation chapters. The *tiaoli* differ greatly in terms of length, with the longest – Guangxi at 74 articles – more than twice as long as the shortest, Zhejiang, at 36.

⁸⁸ NPC, ‘Decision of the National People’s Congress on Amending the Legislation Law of the PRC’; Wei, ‘Following up on the Grant of Legislative Powers to China’s Cities’.

⁸⁹ NPC, ‘Decision of the National People’s Congress on Amending the Legislation Law of the PRC’, Article 72.

⁹⁰ The inclusion of social credit within the scope of the amended *Legislation Law* is not universally accepted. See Chapter Five, and Xia Zemin, ‘Research on Several Important Issues in Local Credit Legislation’.

Chapter Three

	Publication Date	Effective Date
<i>Ningxia Hui Autonomous Region Social Credit Regulations</i>	30 November 2023	01 January 2024
<i>Sichuan Provincial Social Credit Regulations</i>	25 July 2023	01 December 2023
<i>Guangxi Zhuang Autonomous Region Social Credit Regulations</i>	28 March 2023	01 May 2023
<i>Yunnan Provincial Social Credit Regulations</i>	30 November 2022	01 January 2023
<i>Guizhou Provincial Social Credit Regulations</i>	14 October 2022	01 January 2023
<i>Shanxi Provincial Social Credit Regulations</i>	27 May 2022	01 October 2022
<i>Hunan Provincial Social Credit Regulations</i>	26 May 2022	01 September 2022
<i>Heilongjiang Provincial Social Credit Regulations</i>	13 May 2022	01 July 2022
<i>Liaoning Provincial Social Credit Regulations</i>	28 November 2021	01 January 2022
<i>Shaanxi Provincial Social Credit Regulations</i>	26 November 2021	01 March 2022
<i>Gansu Provincial Social Credit Regulations</i>	26 November 2021	01 January 2022
<i>Jiangxi Provincial Social Credit Regulations</i>	19 November 2021	01 March 2022
<i>Hainan Free Trade Port Social Credit Regulations</i>	29 September 2021	01 January 2022
<i>Jilin Provincial Social Credit Regulations</i>	28 September 2021	01 January 2022
<i>Jiangsu Provincial Social Credit Regulations</i>	29 July 2021	01 January 2022
<i>Chongqing Municipal Social Credit Regulations</i>	27 May 2021	01 July 2021
<i>Qinghai Provincial Public Credit Information Regulations</i>	31 March 2021	01 May 2021
<i>Inner Mongolia Autonomous Region Public Credit Information Management Regulations</i>	30 March 2021	01 June 2021
<i>Guangdong Provincial Social Credit Regulations</i>	18 March 2021	01 June 2021
<i>Tianjin Municipal Social Credit Regulations</i>	01 December 2020	01 January 2021
<i>Shandong Provincial Social Credit Regulations</i>	24 July 2020	01 October 2020
<i>Henan Provincial Social Credit Regulations</i>	29 November 2019	01 May 2020
<i>Zhejiang Provincial Public Credit Information Management Regulations</i>	30 September 2017	01 January 2018
<i>Hebei Provincial Social Credit Information Regulations</i>	28 September 2017	01 January 2018
<i>Shanghai Municipal Social Credit Regulations</i>	23 June 2017	01 October 2017
<i>Hubei Provincial Social Credit Information Management Regulations</i>	30 March 2017	01 July 2017

Figure 10: Provincial social credit regulations

These surface-level variations aside, provincial social credit regulations broadly cover five key areas. Firstly, they define the purpose of the system and who is responsible for its delivery. Next, they set out the system's inputs – what constitutes trustworthy or untrustworthy behaviour. Then, they discuss outputs – how should data be stored, shared and applied through credit platforms, joint rewards and punishments, and third-party credit services. All regulations then contain provisions on the rights and protections afforded to credit subjects. Finally, they set out the legal liabilities of the system's administrators, including consequences for foul-play or negligence. In this section, I explore each of these areas through a sampling of four provincial social credit regulations covering Hubei (published 2017), Zhejiang (2017), Tianjin (2020) and Jiangsu (2021).⁹¹

Definitions & Governance

All four documents analysed here begin with provisions outlining the rationale for issuing such regulations, with minor variations.⁹² They invariably describe the need to standardise the collection, disclosure and use of social credit information, incentivise trustworthy behaviour and punish untrustworthy behaviour, and encourage and regulate the credit services sector. In Zhejiang, the regulations set out to “reduce the cost of social governance”, and in Jiangsu, “promote the modernisation of governance systems and capacity”.⁹³ In Hubei and Tianjin, they exist to help protect the lawful rights and interests of credit subjects.⁹⁴

Later documents such as Jiangsu and Tianjin contain a definition of social credit itself, as the status of credit subjects' (信用主体) “performance of legally-prescribed and contractual obligations in social and economic activities”.⁹⁵ This performance is assessed through the collection of “social credit information” (社会信用信息), “objective data” used to judge compliance with laws and agreements.⁹⁶ Whereas some earlier regulations such as Zhejiang limit their scope to “public credit information” gathered by government organisations, most later documents recognise that social credit by definition relies on wider participation by incorporating “market credit information” collected by credit service providers.⁹⁷

⁹¹ Hubei People's Congress Standing Committee, 'Hubei Provincial Social Credit Information Management Regulations'; Zhejiang People's Congress Standing Committee, 'Zhejiang Provincial Public Credit Information Management Regulations'; Tianjin People's Congress Standing Committee, 'Tianjin Municipal Social Credit Regulations'; Jiangsu Provincial People's Congress Standing Committee, 'Jiangsu Provincial Social Credit Regulations'.

⁹² For the purposes of footnoting in this section, I will refer to the respective local social credit regulations via abbreviations; Hubei (HB), Zhejiang (ZJ), Tianjin (TJ), and Jiangsu (JS).

⁹³ ZJ, Article 1 and JS, Article 1

⁹⁴ HB, Article 1 and TJ, Article 1

⁹⁵ JS, Article 3 and TJ, Article 2

⁹⁶ JS, Article 3 and TJ, Article 2

⁹⁷ JS, Article 3 and TJ, Article 2

The regulations describe a web of social credit governing authority, with provincial and municipal branches of the NDRC in charge of general coordination, oversight and management of the system within their jurisdiction. Their first order of business is to set up dedicated teams in the form of Credit Offices to lead the charge in the system's implementation at the local level. The Jiangsu regulations lay out the core responsibilities of these Credit Offices as follow;

- (1) To formulate credit management systems across different industries and fields;
- (2) To record, collate, share, and disclose public credit information;
- (3) To determine credit statuses;
- (4) To implement hierarchical and categorical management of credit subjects;
- (5) To implement rewards for trustworthy and punishments for untrustworthy behaviour;
- (6) To handle complaints and execute credit repair;
- (7) To carry out other duties related to credit management as stipulated by laws, regulations or rules.⁹⁸

Jiangsu explicitly mentions the role of piloting at the village and township level, where others do not, encouraging such local structures to focus on the promotion of “social ethics, family virtue and individual morality”.⁹⁹

Inputs

These credit-making institutions are first-and-foremost tasked with the production and administration of “credit files” (信用档案) on credit subjects. Provincial and municipal Credit Offices are instructed to coordinate with relevant government departments to create “public credit information catalogues” (公共信用信息目录) defining the scope of “social credit information” to be captured and inputted into these files. The regulations recognise this as a process of negotiation and consultation. In Jiangsu, relevant departments, market entities, industry associations, chambers of commerce, expert scholars and the wider public are asked to participate in the compilation of local credit catalogues.¹⁰⁰ The Zhejiang rules even detail a channel for arbitration where disagreements occur over the inclusion of specific items.¹⁰¹ Documents published after 2021 reference the *National Basic Catalogue* of public credit information, stipulating that provincial systems must take their lead from central rules and issue only supplemental guidance at the local level (see Chapter Five).

⁹⁸ JS, Article 19

⁹⁹ JS, Articles 15 and 17

¹⁰⁰ JS, Article 35

¹⁰¹ ZJ, Article 12

Typically, each provincial set of regulations outlines only a handful of broad behaviours for inclusion in their respective social credit systems. Yet despite the vagueness of some of these provisions, there exists fairly significant variation between projects. Across each locality, social credit's primary focus is on administrative issues, whether related to permits, penalties or payments. In Tianjin, this is all the system covers. Zhejiang is the only province surveyed here to include the criminal records of credit subjects in its credit files. Jiangsu includes non-performance of "credit pledges" in its system, as well as the vague "violations of trustworthy behaviour". Hubei's is the only document that explicitly stipulates for the collection of positive acts. All systems require that data-entry of any behaviour must be based on legal judgements or administrative rulings.

Provincial-level regulations provide varying degrees of information on what classifies as "seriously untrustworthy" behaviour, a category reserved for the most egregious of *laolai*. They tend to all agree on three key definitions. Firstly, acts that pose a serious danger to public health or security, covering food and drugs, pollution, construction, manufacturing and fire safety. Secondly, anything that seriously disrupts the stability of the market, such as bribery, tax evasion, fraud, non-payment of wages, pyramid schemes, IP infringements or monopolistic behaviour. Thirdly, the refusal to comply with legally-prescribed obligations in a way that seriously undermines the credibility of administrative organs. The definition of what constitutes "serious" across these three factors is of course somewhat subjective. Many regulations – though not Jiangsu – include a reference to endangering national defence interests, such as the avoidance of military service or impeding the expropriation of resources for military efforts.

Across each document, there are very few provisions related to the scope and collection of market credit information. In Jiangsu, "credit service establishments" such as industry associations and chambers of commerce are required to keep records on their members for submission to the provincial system.¹⁰² The Tianjin regulations are much more passive, encouraging credit subjects to submit their own information voluntarily. Any market credit information on individuals rather than companies is only shared with the wider system where consent has been granted.¹⁰³

Each province requires the setup of a Public Credit Information Centre responsible for the aggregation and sharing of social credit data both horizontally between departments as well as vertically with the national level system. Additionally, municipal authorities are instructed to provide credit inquiry services through online platforms, mobile terminals, service windows in government buildings or via alternative methods. Zhejiang's rules explicitly forbid the charging of fees for credit inquiries, while Tianjin stipulates that credit subjects have the right to two free reports per year.¹⁰⁴ Different locations have implemented different protocols around data-sharing. In Hubei, for example, public credit

¹⁰² JS, Article 42

¹⁰³ TJ, Article 15

¹⁰⁴ ZJ, Article 19 and TJ, Article 39

information is by definition “open”, with authorities able to share and disclose at will.¹⁰⁵ In Jiangsu, data-sharing is restricted to five different data-sharing arrangements between government departments, third-party operators and the general public.¹⁰⁶

Outputs

The joint rewards and punishment system is the lifeblood of the social credit project, creating real-world consequences that reflect a subjects’ credit record. As discussed above, hundreds if not thousands of different measures have proliferated across the country as departments at all levels of government have sought to apply social credit mechanisms to the enforcement of their own regulations. The provincial *tiaoli* described here represent the first attempt by social credit planners to standardise and harmonise joint rewards and punishments on a regional level.

The definition of trustworthy behaviour and its treatment varies significantly from one province to the next. Neither Hubei, Zhejiang nor Jiangsu clearly define what constitutes a “good” credit status. Tianjin, however, clarifies that trustworthy entities are those that simply have no record of untrustworthy behaviours.¹⁰⁷ All four encourage local government departments to provide streamlined administrative services and procedures for trustworthy subjects. They also stipulate such parties should receive preferential treatment in applications for financial support and in government tendering and procurement. Both Tianjin and Jiangsu are careful to add that in the case of government contract allocation, this preferred status should only be taken into consideration where all other requirements are equal.¹⁰⁸ Zhejiang’s regulations request that financial institutions offer reduced rates of interest and simplified application processes for trustworthy subjects.¹⁰⁹ Similarly, in Jiangsu, industry associations and chambers of commerce are encouraged to act on positive credit records and provide commendations, awards and special treatment for member companies.¹¹⁰ Jiangsu is also the only province of the four studied here to explicitly mention credit points and their deployment in exchange for access to government services and resources.¹¹¹

Just as with the system’s inputs, its outputs with regards to untrustworthy behaviour are mostly related to administrative procedure. In Hubei and Zhejiang, provisions for untrustworthy punishment are very limited, with just three items; revoking administrative privileges, restricting access to government subsidies and tender processes, and the increasing of oversight and inspections. Jiangsu lays out provisions for the withdrawal of

¹⁰⁵ HB, Article 19

¹⁰⁶ JS, Article 39

¹⁰⁷ TJ, Article 25

¹⁰⁸ TJ, Article 25 and JS, Article 44

¹⁰⁹ ZJ, Article 22

¹¹⁰ JS, Article 49

¹¹¹ JS, Article 44

government services based on credit points and levels, as well as the revocation of honorific titles and commendations. Tianjin suggests giving untrustworthy subjects a strong talking to. In a development that reflects broader reforms to the system post-2020 (see Chapter Five), the Jiangsu regulations prohibit both the imposition of punishments that exceed measures set out in laws and other state documents, as well as punishments that impact entities other than the target subject.¹¹² In the case of seriously untrustworthy behaviour, provincial regulations generally restrict participation in certain industries and the right to hold certain positions of authority, as well as access to loans, subsidies and other financial support. Where a company is found to be “seriously untrustworthy”, the Zhejiang regulations allow for punitive measures to be carried out against that company’s legal representatives.¹¹³

As outlined above, over the years much of the focus within social credit planning circles has shifted from inward-looking rewards and punishments systems towards external applications of credit information. The Tianjin regulations, published at the end of 2020, instruct government bodies to explore ways that social credit information can be embedded in a wide variety of processes.¹¹⁴ As far back as 2017, the Hubei regulations encouraged the use of credit data in approvals, appraisals and other applications, as a way of simplifying interactions between market, state and public.¹¹⁵ Both Jiangsu and Tianjin have entire chapters of their social credit *tiaoli* dedicated to the topic, as do most more recently-published regulations. These articles support the supply of big data gathered through the social credit system to third-party market service providers for the creation of credit-based tools and products.¹¹⁶ In turn, the Tianjin regulations permit government bodies to purchase these technologies from private companies, integrating them with a range of administrative functions to improve efficiency.¹¹⁷

Rights & Protections

All provincial social credit *tiaoli* contain chapters on the rights and protections afforded to data subjects, with later documents proving particularly developed. These cover a wide range of issues from limitations on what information can be collected and shared, to questions of consent, appeal and correction.

Many systems restrict the inclusion of sensitive data in social credit records. All four schemes surveyed here to some extent ban the aggregation of religious faith, medical history and biometrics such as fingerprints, blood type or genetic information.¹¹⁸ In Hubei and Tianjin, however, such restrictions apply only in the collection of market credit

¹¹² JS, Article 47

¹¹³ ZJ, Article 27

¹¹⁴ TJ, Article 19

¹¹⁵ HB, Article 25

¹¹⁶ TJ, Article 48

¹¹⁷ TJ, Article 48

¹¹⁸ ZJ, Article 14

information.¹¹⁹ In Jiangsu, on the other hand, social credit data collection is much more strictly regulated. Without prior written permission, information on individuals' income, savings, taxes, insurance and property holdings cannot be collected unless explicitly authorised by a state institution – and even then, it cannot be shared except for with the subject themselves.¹²⁰ Hubei, however, explicitly permits the distribution of social credit information that would otherwise be illegal to share in the performance of its credit duties.¹²¹ Both Zhejiang and Tianjin state that social credit information can only be held for a maximum of five years, after which point public credit management centres and service providers must delete information on untrustworthy behaviours and no longer use them as a basis for social credit assessments.¹²²

Several provinces clearly state that credit subjects have the right to know what data are being inputted into their records. In Jiangsu, this extends to a right to know the source of that information, as well as the justification for any changes to their credit status.¹²³ In Tianjin, subjects are given the right to obtain free credit reports from credit service providers detailing the composition of their credit files.¹²⁴

Consent is a topic mentioned more frequently in some regulations than others. The Hubei and Tianjin *tiaoli*, for example, both require consent at a variety of stages across the social credit process. In both provinces, market credit information can in theory only be gathered where an individual has given prior approval.¹²⁵ This consent must be genuine, and achieved without coercion.¹²⁶ Failure to do so opens up credit service providers to up to 200,000 RMB (30,000 USD) in fines, as well as possible criminal liability.¹²⁷ In Hubei, public credit information is again not supposed to be made public without explicit user consent.¹²⁸

Where subjects believe an error has been made, most systems allow for a right of response. Jiangsu's system permits entities to submit written objections and explanations where they believe their social credit files contain mistakes, omissions or possible violations of commercial secrets personal privacy or other lawful rights and interests.¹²⁹ Where this is found to be true, these errors are promptly corrected, deleted or supplemented with additional information.¹³⁰ In Zhejiang, officials are given five days to handle such complaints;

¹¹⁹ HB, Article 17 and TJ, Article 16

¹²⁰ JS, Article 62

¹²¹ HB, Article 21

¹²² ZJ, Article 16 and TJ, Article 42

¹²³ JS, Article 63

¹²⁴ TJ, Article 38

¹²⁵ HB, Article 17 and TJ, Article 16

¹²⁶ HB, Article 34

¹²⁷ HB, Article 34

¹²⁸ HB, Article 19

¹²⁹ JS, Article 64

¹³⁰ ZJ, Article 30

in Tianjin and Hubei, just three days.¹³¹ In Jiangsu, credit subjects have the right to submit statements, pledges and other mitigating circumstances to their file as part of the complaints process.¹³²

Where a credit file is otherwise correct but a source of some inconvenience or indeed embarrassment, subjects have the right to apply for “credit repair” (信用修复). As will be discussed in Chapter Five, this has proved a big focus of social credit reform in recent years, creating a mechanism for black-listed entities to scrub their record clean. In Jiangsu, this process is open to subjects who have “proactively performed on their obligations, corrected their untrustworthy conduct and eliminated the negative impact of their behaviour”.¹³³ In Tianjin, engaging in government credit training programmes, writing “credit pledges” and participating in charitable activities can all expedite one’s path to de-black-listing.¹³⁴

Liabilities

All provincial social credit regulations contain a section outlining the core legal responsibilities placed on the system’s administrators and providers. Each handles the topic somewhat differently, however. Most make a distinction between state and market actors, while all contain provisions for improper data collection and disclosure as per the requirements of their respective *tiaoli*. They all forbid the fabrication, alteration or improper deletion of credit records, while Hubei and Zhejiang explicitly ban the sale of social credit data and Jiangsu warns against the solicitation of bribes in carrying out social credit work.¹³⁵ This is where the likenesses end, however, with a range of additional responsibilities mapped out on a province-by-province basis. The Hubei regulations compel authorities to produce and publish a Public Credit Information Catalogue, where others do not.¹³⁶ They also establish legal liability for failure to properly securitise the system’s data management.¹³⁷ In Zhejiang, social credit officials are legally responsible for the publication of public credit information that contains errors or omissions inputted negligently.¹³⁸ The inclusion of personal credit data acquired without authorisation or through some form of compelled authorisation is forbidden in Jiangsu.¹³⁹ Most provinces are less stringent on market credit service institutions than they are on state bodies. Tianjin is the only system surveyed here that applies the same rules to private as to public institutions. It is also the only province to

¹³¹ ZJ, Article 31, Article TJ 41

¹³² JS, Article 37

¹³³ JS, Article 66

¹³⁴ TJ, Article 45

¹³⁵ JS, Article 69

¹³⁶ HB, Article 40

¹³⁷ HB, Article 40

¹³⁸ ZJ, Article 34

¹³⁹ JS, Article 69

hard code performance metrics such as handling complaints and credit repair work within three business days and deleting credit information after five years.¹⁴⁰ Across all systems, personnel directly responsible for credit information management are held legally liable for all of the above. Where malpractice constitutes a crime, prosecution is said to be pursued. Many systems leverage fines against individuals and organisations found to have infringed these liabilities. Zhejiang is the most lenient, fining companies between 10,000-100,000 RMB and employees between 1,000-10,000 RMB, whereas fines in Tianjin go up to 300,000 for entities and 100,000 for individuals.

CONCLUSION

Local level social credit regulations simultaneously demonstrate significant alignment on a range of social credit definitions, structures and rhetoric, as well as undeniable divergence on key features such as what conduct should be considered within the system's scope, how should such behaviours be incentivised, and what rights are afforded to subjects. These documents nevertheless represent a first attempt at distilling the myriad methods and mechanisms that have exploded across the social credit system into a set of standardised formats. Tracing and comparing their publication over time provides a snapshot of the policy priorities at a given moment in the system's history. Early *tiaoli* such as those in Zhejiang and Hubei are much vaguer on key terms, emphasising structure and technology. Later documents such as Tianjin's show a much more refined approach to credit rights and protections. Even later editions such as those from Jiangsu illustrate a re-insertion of central-level planning (see Chapters Four and Five), as well as the beginnings of an expansion of the system beyond its traditional scope through the creation of credit services. Each represents a milestone in the development of social credit at not just the provincial but also the national level, bolstering the system's foundations in law.

As I have shown in this chapter, each *tiaoli* is the product of a highly localised process of testing and learning. Right from the very offset, social credit pilots have been encouraged as part of a policy of active experimentation. Particularly in the system's earliest days, there existed at the central level a genuine belief that social credit's strength came from the diversity of its implementation. As Lian Weiliang once said, "the more pilots there are, the richer the content and the more solid the practical foundation, making it easier to form consensus in the advancement of social credit system construction".¹⁴¹

The vagueness of top-down parameters coupled with bottom-up enthusiasm for the potential of new tech-enabled governance tools saw a mushrooming of social credit applications at the local level. The majority of these consisted of black-lists of untrustworthy entities – predominantly companies – shared across multiple jurisdictions for joint

¹⁴⁰ TJ, Articles 41 and 42

¹⁴¹ Lian Weiliang, 'Become a Role Model and Accelerate the Construction of the Social Credit System'.

punishments in the belief that the weight of increased penalties and, in some cases, publicity would improve rates of regulatory enforcement, a model typical of what central planners set out to create. Over the years, an ever greater number of schemes have also used the social credit system to distribute rewards for positive behaviours. This was done partly as an attempt to further widen the gap between the treatment of trustworthy and untrustworthy actors thus increasing the opportunity cost of defaulting conduct even more, and partly as a reflection of the CCC's increasing insistence on social credit as a tool for trust culture construction. This development saw the emergence of some of the more extreme iterations of social credit at the system's fringes. Schemes with an explicitly moral agenda – and especially those that incorporate points– have proved highly controversial (see Chapter Five). Municipal credit scores are too readily dismissed by scholars as irrelevant to social credit, however. It is true that they arguably do little to further the system's regulatory aims. At best, they are a propaganda tool offering paltry perks to a small subsection of the population. At worst, they undermine the system's usefulness and even legitimacy. Either way, they should not be ignored; during social credit's peak years, they were present in most major municipalities – though levels of adoption are admittedly unclear – and have until very recently been actively encouraged through central level assessments.

Piloting social credit in this way is clearly only useful to national planners if accompanied with tools for benchmarking progress. To this end, the NDRC has designed a number of ways to monitor the development of social credit at the local level, from the creation of a composite index tracking a wide variety of metrics, to the anointment of model cities in the fostering of best practice, as well as knowledge-sharing through regular reports, trainings and events such as the annual credit summit. Tracing the shifting ways in which success has been measured at the city level grants us a lens on to the evolution of central social credit thinking. Across the period studied here, interoperability has proved a key trend. At first, this was viewed in a relatively insular way, encouraging different departments to collaborate on data-gathering and rewards and punishments. More recently, it has been much more about sourcing innovative applications for credit data beyond the traditional boundaries of the system. CreditEase Plus was an important precursor to wider shifts that would come post-2020, with credit information used to simplify and streamline administrative processes as part of a wider desire to improve digital governance and reduce the bureaucratic burden (see Chapter Six). This opening up of certain aspects of the system has come at the same time as others have been tightened up (see Chapter Five).

If nothing else, this chapter has described a system very much in flux. As I will show in Chapter Five, however, this feature of social credit's networked design risked becoming a bug. Before getting to questions of reform, however, Chapter Four provides a detailed case study of provincial social credit in action, exploring what it takes to make a model social credit system.

Chapter Three

Figure 11: City Credit Status Monitoring and Early Warning Indicators (2019 Edition)

First-Level Indicators (5)	Second-Level Indicators (16)	Third-Level Indicators (40)	Fourth-Level Indicators (60)	Points (140)	Information Gathering Method	
Incentives for the Trustworthy and Governance of the Untrustworthy (88 points)	Confirmation and promotion of major examples of trustworthiness (1 point)	Numbers of people of outstanding trustworthiness and enterprises of excellent trustworthiness		1	Big data monitoring	
	Composite qualitative assessment of untrustworthiness (12 points)	Status of blacklists determined by unified national standards and status of focused watch lists	Total number of blacklists and focused watch lists as a proportion of the nationwide total (weighted according to city size)	1	Original data provided by the National Public Credit Information Centre and calculated by China Economic Network	
			Number of blacklists and focused watch lists as a proportion of legal entities	3		
			Monthly additions to blacklists and focused watch lists as a proportion of legal entities	3		
			Monthly removals from blacklists and focused watch lists as a proportion of the total number of blacklists	3		
			Number of illegal records on blacklists and focused watch lists	2		
	Industry credit evaluation and supervision (10 points)	Comprehensive evaluation of public credit	Low-level enterprises as a proportion of legal entities		8	Provided by the National Public Credit Information Centre
		Industry credit supervision	Development of areas for industry credit supervision		2	Submitted by the city
	Governance of the untrustworthy performance evaluation (16 points)	Government judgement defaulters		2	Provided by the NDRC Department of Finance and Credit Construction	
		Blacklists in the financial sector		2		
		Special governance for ecommerce		2		
		Central Guidance Commission on Building Spiritual Civilisation's 19 "focused governance" projects		10	Big data monitoring	
	Joint rewards and punishments performance evaluation (24 points)	Red- and black-lists determined by local governments based on provincial standards (in accordance with NDRC No. 1798 [2017])		2	Submitted by the city	
		Joint rewards and punishments	Joint rewards and punishments coverage		1	Submitted by the city
			Joint rewards and punishments case numbers (weighted according to city size)		4	
			Rewards and punishments measures implementation rate		3	
			Areas in which joint rewards and punishments has been implemented		1	
			Number of participating departments		1	
			Whether or not automated joint rewards and punishments system has been established		1	
			Areas in which automated joint rewards and punishments has been implemented		1	
Credit repair		Credit repair mechanism construction		1	Submitted by the city	
		Number of companies participating in credit repair training (weighted according to city size)		2		

Chapter Three

			Status of untrustworthy entities' issuing of public credit commitments (in accordance with NDRC No. 893)	2	Big data monitoring				
			Status of untrustworthy entities' submission of credit reports (in accordance with NDRC No. 893 [2018])	3	Submitted by the city				
			Status of untrustworthy reminders and warning interviews (in accordance with NDRC No. 893 [2018])	1	Submitted by the city				
			Proportion of blacklisted companies that have completed credit repair	1	Submitted by the city				
	Monitoring and evaluation of incidents of seriously breaches of trust (25 points)	Serious breaches of trust in government affairs	Administration in accordance with the law, construction of trust systems, and promise-keeping	18	Big data monitoring				
						Serious breaches of trust in commercial affairs	Manufacturing, distribution, finance, transportation, ecommerce, engineering and construction, government procurement, pricing, taxation, tourism, advertising and accounting		
								Serious breaches of trust in societal affairs	Health and medicine, social security, culture, sports and education, intellectual property, environmental protection
		Governance and feedback of incidents of serious breaches of trust			5				
		Degree of disclosure of credit events			2				
Credit System and Infrastructure Construction (16 points)	Completeness of credit system (5 points)	Refinement and implementation of national regulatory documents		1	Big data monitoring				
		Coverage status of <i>Planning Outline</i> trust system		2					
		Construction status of innovative systems		2					
	Credit information disclosure (3 points)	Status of "double disclosure"	Provincial disclosure rate provided by third-party credit institutions (quarterly)		1	Provided by the NDRC Department of Finance and Credit Construction			
			Municipal "double disclosure" rate		1	Submitted by the city			
			Volume of "double disclosure" information (weighted according to city size)		1	Submitted by the city + big data monitoring			
	Credit information gathering and sharing (5 points)	Construction status of credit information sharing platform	Has a sharing platform been built		1	Submitted by the province			
			Volume of data gathered by the platform (weighted according to city size)		1				
			Integration status between public enterprises and institutions and the credit information sharing platform		1				
		Construction status of municipal credit website	Is the credit website up and running		1	Big data monitoring			
			Number of credit website clicks as a proportion of the city's population		1	Submitted by the city + big data monitoring			
	Unified social credit code conversion (3 points)	Repeat error rate		1	Provided by the Code Centre				
		Correction rate		1					
Code conversion and mapping rates		1	Provided by the Code Centre + submitted by the city						

Chapter Three

Trust Culture and Trust Construction (8 points)	Trust culture, propaganda and education (4 points)	Status of propaganda activities through channels such as media, campuses, enterprises, streets, communities, villages and towns		2	Big data monitoring
		Status of “Walking a Thousand Miles of Trust Construction” campaigns		2	Submitted by the city
	Trust construction (4 points)	Construction status of personal trust points		1	Submitted by the city
		Market entity “credit pledges”	Market entities “credit pledges” coverage and sample size	3	Big data monitoring
Credit Services and Credit Innovation (14 points)	Credit services and applications (10 points)	Development status of credit for the benefit of people and businesses	Credit applications such as CreditEase Loans and CreditEase Travel	7	Submitted by the city
		Number of credit service institutions and credit products	Municipal credit service agencies	1	Submitted by the city
			Types of credit products used by municipal government	1	
	Credit index information provided by accredited third-party credit service agencies	Indexing status of third-party credit service institutions such as “Sesame Credit” and local government accredited institutions	1	Provided by Sesame Credit and local government accreditation agencies	
	Credit risk warning (2 points)	Volume of risk warnings		2	Big data monitoring
	Investigations into breaches of trust (2 points)	Ratio of verified breaches of trust against the number documented in the media		2	Submitted by the city + provided by the State Public Credit Information Centre
Business Environment (14 points)	Construction status of the business environment (14 points)	Status of CreditEase Approvals	Ratio of departments that have implemented credit-based approvals against the number with administrative approval authority	3	Submitted by the city
		“One-stop-service”	Has the government service hall integrated with credit information sharing platform and credit website	1	Provided by the State Public Credit Information Centre
			Is the government service platform online and running?	1	Big data monitoring
			“One-stop service” service coverage	2	Big data monitoring
			Average processing time	1	Submitted by the city
	Contract enforcement	Number of cases involving contract disputes in the Supreme Court (weighted according to city size)	2	Big data monitoring	
	Proportion of A-class corporate tax-payers		2	Original data provided by the National Public Credit Information Centre and calculated by China Economic Network	
Proportion of advanced customs certified enterprises		2			

Chapter Three

Figure 12: Reference Indicators for the Evaluation of Social Credit System Construction Model Cities (2016 Edition)

Project	Assessment Content	Points Criteria
Construction of credit information sharing platform (25 points)	Construction of credit information sharing platform (10 points)	Ten points are awarded for building and operating a credit information sharing platform; no points will be awarded in other cases. <i>(Scoring based on project documents and actual operation conditions. If the province, district or city where it is located has clearly stated that the provincial level will build a unified credit information sharing platform and the municipal level will therefore no longer build its own separate sharing platform, the provincial level sharing platform construction situation and the actual situation of the city will be used as the basis for scoring. Provincial sharing platforms will be used to collect and share information and scores as appropriate)</i>
	Collection and sharing of credit information (10 points)	Every city-level department and unit (including water, electricity, gas, transportation, telecommunications, banking etc.) that provides information to the credit information sharing platform on a regular basis will earn 0.2 points, up to a maximum of 10 points. <i>(Scoring based on information sharing directories and actual collected information)</i>
	Credit information reporting (5 points)	One point will be awarded for every one million pieces of credit information on natural persons, legal persons and other organisations in the city shared with the national credit information sharing platform, up to a maximum of five points. <i>(The province (region, city) where the city is located will calculate the amount of information reported by the city to the national credit information sharing platform. County-level cities and urban areas will only be scored according to 20% of the above standards)</i>
Construction of credit websites (15 points)	Website construction and maintenance (2 points)	Two points will be awarded to cities who build credit websites and keep information updated in a timely manner; no points will be awarded in other cases. <i>(Scoring based on project documents and actual operation conditions of the website)</i>
	Credit information inquiry (3 points)	Three points will be awarded to cities who provide "one-stop" credit information inquiry services online; no points will be awarded in other cases. <i>(Scoring based on the actual operation of the website)</i>
	Publication of administrative licensing and administrative punishment information (10 points)	One point awarded for every 20,000 pieces of administrative licensing and administrative penalty information published on the city credit website and reported to the "Credit China" website, up to a maximum of 10 points. <i>(Scoring based on statistical data provided by the "Credit China" website. County-level cities and urban areas will only be scored based on 20% of the above standards)</i>
Implementation of a unified social credit code system for legal persons and other organisations (15 points)	Code assignment for new registered subjects (3 points)	Three points will be awarded where the provincial Administration for Industry and Commerce, Ministry of Civil Affairs, Organisation Commission or other registration departments issue unified social credit codes to newly registered legal persons and other organisations; no points will be awarded in other cases. <i>(Scoring based on the actual work of relevant registration management departments)</i>
	Publication of newly assigned code information (3 points)	Three points will be awarded where unified social credit codes and related information of newly registered legal entities and other organisations are publicly announced on city credit websites; no points will be awarded in other cases.

Chapter Three

		<i>(Scoring based on actual publicity on city websites)</i>
	Stock code conversion (3 points)	Three points will be awarded where new unified social credit codes for all legal entities and other organizations registered before the reform are generated, with the relationship between old and new codes mapped out and reported to the "Credit China" website through the province, region, city or directly; no points will be awarded in other cases. <i>(Based on the relevant statistical data provided by the "Credit China" website)</i>
	Renewal of stock certificates (6 points)	Six points will be awarded where certificates, licenses and codes for all existing entities have been renewed; five points for a renewal rate is only 90%; four points for between 80-90%; three points for between 70-80%; two points for 60-70%; and one point for 50-60%; no points will be awarded in other cases. <i>(Scoring based on data from relevant national and local registration management departments)</i>
Application of credit information and credit products (10 points)	Setup of public credit information inquiry service (2 points)	Two points will be awarded where cities set up credit information sharing platforms and services for municipal departments and units, or opens a special public credit information inquiry hall or inquiry window in a government service centre; no points will be awarded in other cases. <i>(Scoring based on the actual situation of inquiry service provision through halls, windows or networks. If the province, district or city where it is located has made it clear that the municipal level will no longer build a separate sharing platform, scoring will be based on the information inquiry services at the provincial level)</i>
	Credit information inquiries in the provision of administrative and public services (8 points)	Each time a relevant municipal departments or units queries public credit information when providing administrative approval, bidding, government procurement, and use of fiscal funds, 0.2 points will be awarded up to a maximum of eight points. <i>(Scoring based on relevant documents and cases in which various departments and units query and use credit information)</i>
Construction of credit-based market supervision mechanisms (20 points)	Publication of market entity credit commitment letters (4 points)	One point will be awarded for every 1,000 credit commitment letters published on a city's credit website as well as on the "Credit China" platform, up to a maximum of four points. <i>(Scoring based on the actual number of commitment letters published on the "Credit China" website)</i>
	Industry credit classification supervision (4 points)	Relevant market regulatory authorities and industry authorities shall implement hierarchical and classification supervision based on the credit status of market entities. Each department that implements credit classification supervision systems will score 0.4 points, up to a maximum of four points. <i>(Scoring based on relevant documents and cases of various departments implementing classification supervision)</i>
	Joint rewards for the trustworthy (6 points)	Each multi-departmental joint reward for the trustworthy implemented will be awarded 0.05 points, up to a maximum of six points. <i>(Scorings based on relevant documents and cases of joint rewards implemented by various departments)</i>
	Joint punishments for the untrustworthy (6 points)	Each multi-departmental joint punishment for the untrustworthy implemented will be awarded 0.05 points, up to a maximum of six points. <i>(Scorings based on relevant documents and cases of joint punishments implemented by various departments)</i>
Task safeguards and measures for the advancement of implementation (15 points)	Organisational leadership (2 points)	Two points will be awarded for cities that establish organisational mechanisms and structures for pilot work that are led by municipal leaders; no points will be awarded in other cases. <i>(Scoring based on relevant documents)</i>

Chapter Three

	Task safeguarding (7 points)	<p>Cities that appoint full-time, dedicated staff to work in the leading social credit construction department will be awarded three points; those that set up public credit information collection and technical support units with full-time staff will get a further two points; those that allocate specific funding will be awarded a further two points. No points will be awarded in other cases.</p> <p><i>(Scoring based on the establishment of organisations, financial department documents and other materials)</i></p>
	Advancement of implementation (4 points)	<p>One point will be awarded for the formulation of a detailed work plan for piloting work, clarifying responsible units and progress requirements; one point will be awarded if the municipal Party committee and municipal government hold a working meeting on the construction of the social credit system; one point will be awarded for each region or department within the city that conducts supervision and assessment of social credit construction; one point will be awarded to cities that organise and implement additional pilot schemes within their jurisdiction; no points will be awarded in other cases.</p> <p><i>(Scoring based on relevant documents)</i></p>
	Propaganda, education and public opinion guidance (2 points)	<p>One point will be awarded to cities that organise social credit system construction training classes or carry out other forms of credit construction education and activities; an additional point will be awarded to cities where local media launch a special column or broadcasts a special TV program on trustworthiness construction, or carries out other forms of trustworthiness publicity and culture construction.</p> <p><i>(Scoring based on information on relevant activities)</i></p>
Innovation and outstanding contributions (<20 points)	<p>Where model cities have innovated and achieved significant results that form local characteristics but also a replicable experience, or have made outstanding contributions to the construction of the national social credit system, provincial social credit departments can issue a recommendation, to be evaluated and scored by a third-party in consultation with the NDRC and PBoC, up to a total of 20 points.</p>	

Chapter Three

Figure 13: Comparison across model social credit city assessment indices

2017	2019	2021
<p>Joint rewards for trust-keeping and joint rewards for trust-breaking(10 points)</p>	<p>Credit supervision: Building with new credit-based supervision mechanisms as the core (22 points)</p>	<p>Credit supervision (25 points)</p>
<p>For each individual example of a local-level system for joint reward of the trustworthy or joint punishment of the untrustworthy (must have at least 10 use cases), 0.2 points shall be awarded up to a maximum of eight points.</p>	<p>Credit commitment work is scored according to its rate of coverage using the following formula; (the number of active commitment types + industry self-discipline types) / number of market entities + number of administrative approvals that leverage commitments as a substitute / 19 + number of administrative approvals that are accepted based on commitments / total number of administrative approvals + number of repairs to untrustworthiness achieved through commitments / number of blacklists in operation; all up to a maximum score of four points.</p>	<p>Credit commitments will be scored according to the ratio of credit commitment information reported to the national credit information sharing platform that meets the requirements and the total number of enterprises within the jurisdiction. Cities with 100% coverage will get seven points, while those with less than 65% will receive no points. those in between will receive a proportional number of points.</p>
<p>Sharing red- and black-list information with other localities so as to implement cross-regional joint rewards and punishments shall be awarded one point.</p>	<p>Pervasive supervision of untrustworthy behaviour is scored according to the proportion of records for untrustworthiness between individuals and their units by dividing the number of records for trust-breaking behaviour that can be linked to the person in charge of a unit by the total number of records for untrustworthy behaviour, and then multiplying that by two, up to a maximum of two points.</p>	<p>In accordance with the requirements of the "Guiding Opinions on Accelerating the Construction of the Social Credit System and Building New Credit-based Supervision Mechanisms" (State Council [2019] No. 35), relevant departments shall use public credit comprehensive evaluation standards and results to introduce mechanisms for supervision based on credit classification. Cities implementing such schemes shall be awarded 0.5 points for each instance, up to a maximum of seven points.</p>
<p>Collaborating with private companies or societal organisations to implement joint reward and punishment measures shall be awarded one point.</p>	<p>Coverage of the joint rewards and punishments system is scored according to the number of areas where joint rewards and punishments are implemented, by taking the number of areas across the city where joint rewards and punishments are being implemented and dividing it by 40, up to a maximum of one point.</p>	<p>The querying and use of credit information should be embedded in government tenders and procurement, the allocation of state capital, the transfer of state-owned land, and in finance, with joint rewards for trust-keeping and joint punishments for trust-breaking set up in accordance with laws and regulations. Each domain in which this is implemented will be awarded one point, up to a maximum of seven.</p>

Chapter Three

	<p>The institutionalisation of joint rewards and punishments is scored according to the level of information entered into the system. Scoring is calculated by multiplying the number of fields that incorporate joint rewards and punishments into their information systems and workflows by 0.1, up to a maximum of two points.</p>	<p>In accordance with the requirements of the "Plan for Focused Governance of 'Repeated and Unrepentant' Serious Illegal and Trust-Breaking Behaviours " issued by the NDRC, where the subject withdrawal rate is 100% two points shall be awarded. If the withdrawal rate is 0% then no points shall be awarded, with anything in between awarded proportionately.</p>
	<p>Joint reward and punishment cases are scored proportionately by dividing the number of effective joint reward and punishment cases by the total number of red- or black-listed subjects in operation, and then multiplying this by five, up to a maximum of three points.</p>	<p>In accordance with the "Plan for Focused Governance of Trust-Breaking Credit Service Institutions" issued by the NDRC, if the withdrawal rate of relevant governance objects reaches 100%, where the subject withdrawal rate is 100% two points shall be awarded. If the withdrawal rate is 0% then no points shall be awarded, with anything in between awarded proportionately.</p>
	<p>The effectiveness of blacklist rectification is calculated according to the proportion of entities that are removed from blacklists after rehabilitation. This is done by dividing the number of blacklisted parties that have been successfully de-black-listed after rectification by the total number black-listed subjects in operation, and then multiplying by five, up to a maximum of three points.</p>	
	<p>Credit repair training is scored according to the proportion of subjects to have had their credit repaired. This is done by dividing the number of black-listed entities receiving repair training by the total number of blacklisted subjects in operation, and then multiplying by two up to a maximum of two points.</p>	
	<p>Credit reporting is scored according to the proportion of credit reports submitted by relevant entities. This is calculated by taking the total number of credit reports submitted by black-listed entities or market entities with a 'poor' rating and dividing by the the total number of those entities, and then multiplying by five, up to a maximum of five points.</p>	

Chapter Three

Figure 14: Structures of provincial social credit regulations

No. Articles	Ningxia	Sichuan	Guangxi	Yunnan	Guizhou	Shanxi	Hubei	Heilongjiang	Shaanxi	Jiangxi	Liaoning	Gansu	Jilin	Hainan	Jiangsu	Chongqing	Qinghai	Inner Mongolia	Guangdong	Tianjin	Shandong	Henan	Zhejiang	Hebei	Shanghai	Hubei
	68	66	74	65	60	49	46	55	55	63	55	68	53	37	73	57	38	43	58	66	61	70	36	54	56	44
General Provisions	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Social Credit System Construction	X		X					X							X											
Determination of Credit Statuses															X											
Social Credit Information																				X					X	
Credit Information Management	X	X	X	X	X*	X		X	X	X	X			X	X				X							
Social Credit Information Collection							X						X			X	X	X			X	X		X		X
Social Credit Information Disclosure							X						X					X			X	X*	X*	X		X
Social Credit Information Inquiries																								X		
Rewards for Trust-Keeping and Punishments for Trust-Breaking	X	X*	X	X	X	X	X*	X	X*	X	X	X	X	X	X	X*	X*	X	X	X	X	X	X	X	X*	X*
Rights and Protections of Credit Subjects	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X*	X	X	X	X	X	X	X	X	X
Development of the Credit Services Industry	X	X	X	X	X	X	X		X		X	X*			X	X*			X		X	X	X*			X*
Construction of the Social Credit Environment		X		X	X		X	X			X*	X	X			X			X		X	X	X			X
Legal Responsibilities	X	X	X	X	X	X*	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Year Published	2023			2022					2021								2020		2019		2017					