

Demystifying the Chinese Social Credit System (and Why Everyone Likes It)

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Late last year I was travelling on one of the newest high-speed trains (the Fuxian, which cruises at 350 km per hour). At one point during the journey, an announcement was made: if anyone has not yet purchased a ticket, please contact a conductor. Failure to do so would register as a negative on the Social Credit System, with potential restrictions on travel.

This was my first real-life introduction to the new Social Credit System (*shehui xinyong tixi*) being rolled out across China. Much has been the misinformation concerning this system in a small number of formerly colonising countries, with evocations of George Orwell's 'Big Brother' and the usual belief in ghosts – that is, communist parties are paranoid outfits terribly afraid of their people.

Let us set the record straight. Not so long ago hereabouts there was the law and then there was everyday practice. In between was a significant grey zone. For example, outside of the gates where I work was *the* place to buy China's best fake student identity cards. These would enable you to travel at student discounts, especially during the major festivals. The police knew perfectly well what was going on, but as long as it was kept somewhat low-key, there was no problem. Once, I actually inquired about a fake identity card for myself and managed to get the price down to 100 RMB, before smiling and walking away.

This was only one example of a rampant fake id business. But it was characteristic of what happened nearly everywhere. Under a hotel room door, a prostitute would slip a card. In a phone call, a fraudster would call and try to sell something. Disabled people would be paraded through metro trains in order to sequester cash. Contracts would not be honoured, debts could be avoided, and it was common to receive an envelope full of cash for work done. Unhealthy ingredients were mixed with food (even baby formula) and companies could exploit workers with impunity – as long as the companies in question lined the pockets of the inspectors. Needless to say, corruption at nearly all levels of government was common. The examples could be multiplied, but you get the picture.

Do not get me wrong: it was chaotic, exciting, a free-for-all; nearly everything could happen. But it was not an environment that bred trust and stability.

Enter Xi Jinping, a cleanskin and an old-fashioned communist hardman. He was not elected out of the blue, since the CPC knew something had to be done. Xi Jinping was the man to do it.

Among many initiatives, Xi Jinping began to advocate rule of law – a socialist rule of law (which I have discussed earlier). But it is one thing to make announcements concerning rule of law; it is quite another to make it work.

Inside the CPC, the task was relatively easy: the most thorough and wide-ranging

anti-corruption campaign since Mao Zedong, the promotion of communist values, monthly study sessions, the recovery of 'criticism and self-criticism' sessions, party unity ... these and more are commonplace today. The result has been that the CPC has risen in popular consciousness from an embarrassment to a party of which people are proud and which they trust.

But among the rest of the population, the task was much tougher. Communist billboards and placards make a small impression, although they are a welcome part of the urban landscape these days. The many levels of police, from citizen watch groups, through the local 'public peace' officers, to serious crime investigation are more comprehensive.

The question remained: how really to breakthrough and effect fundamental change in daily behaviour? Think laterally, as is the custom, and consider China's world-leading technology sector – hence the Social Credit System.

First trialled in 2013, officially announced in 2014, tested through the big tech companies like Alibaba, expanded to more and more places, the Social Credit System is now a reality in ever more parts of everyday life.

By early 2019, the results of the system have become quite clear. The big focus until now has been debt defaulters. It could be anyone, from those trying to skip paying tax, avoiding train fares, or a business trying to slip away from a bigger debt. As a result, a staggering [17.46 million](#) people have been banned from taking flights since 2013, with a further 5.47 million people banned from boarding high-speed trains. A loss of revenue? Maybe, but like the anti-corruption campaign, it is popularly seen as more than worth it. On a positive side, 3.51 million had repaid their debts and fines within the time limit to avoid a negative score on social credit.

While we are on the negative side, let me add that in [Beijing alone](#) 5,028 people had been banned from taking planes by the end of January, 2019. Why? 70 percent of them had carried or consigned dangerous and prohibited goods, and almost 23 percent – believe it or not – had fabricated identification for flights.

The old way of doing things is very quickly passing. Thus far, about 150 penalties apply, including prohibitions on violators holding public office, taking air and high-speed train travel, making property purchases, seeking certain jobs and educational opportunities. There is widespread agreement that penalties need to be developed further to be more effective.

There is, of course, a positive side: you can easily exit the list of defaulters by simply paying your overdue tax, fine, debt or fee. And if you build up good social credit by following the rule of law, you can get more favourable treatment for job applications, education, government support for start-ups, social security, and – for foreigners – work visas.

At a deeper level, what has been the result? Back in 2010, a magazine conducted a [survey](#) and found that more than 70 percent of the respondents said that they did not trust their local governments. Anecdotally, I used to find a decade ago that old party members

were embarrassed about the party itself. Fast forward to 2019 and the results are telling. In the monthly Ipsos survey, Chinese citizens average 90 percent confidence in the direction the country is heading. Further, the 2019 Edelman Trust Barometer noted that trust in government and its institutions continues to rise among the general public: 86 percent of them have such trust, while it is even higher among educated younger people. As for party members, they are now keen not only on the CPC, but also to promote its value internationally. How things change.

It should be no surprise that the vast majority of Chinese people are firmly in favour of the Social Credit System. After all, trust and honesty are not merely traditional Chinese values, but they are also hallmarks of communist ethics.

Let us go back to the fake ID peddlers near where I work. They have completely gone by now. This is not merely because the local police have cracked down on them, but more because no-one wants to buy a fake ID only to get busted at the train station or airport. This once lucrative business has simply dried up. As have more and more of the dodgy practices I mentioned earlier.

In short, socialist rule of law has found an extraordinarily effective means of implementation.