

Háskóli Íslands

Hugvísindasvið

Kínversk fræði

**What are the Chinese up to either way?
Perceived advantages and disadvantages
of the Chinese Social Credit System in foreign media.**

Ritgerð til B.A.-prófs

Joanna Katarzyna Kraciuk

Kt.: 260194-4539

Leiðbeinandi: Dr. Alison Hardie

September 2020

Abstract

The overall purpose of my research was to give an overview of the discourse happening in foreign media about the Social Credit System. The study starts with an introduction of what the credit system is and how it's structured. It then goes looks at the portrayed disadvantages and advantages, with the special focus on how the foreign media have been commenting on this topic. The major findings were that the negative portrayal mostly focused around the negative impact of surveillance technology and its impact on people's privacy, and the way the Chinese Communist Party might use it to enforce their political agenda, both inside the country, with punishing people for not complying with regulations, and outside of it, forcing restrictions on foreign companies that won't comply with the Chinese governments requirements. The main advantages were found to be the role the SCS will potentially play in aiding in Chinas law enforcement and social management, through its systematic encouragement of morally good behaviour, and the role it might play in restoring trustworthiness in the Chinese society. The study then goes on to discuss the findings: the fear amongst foreign media as to how the SCS will be used, particularly in respect to citizens privacy and potential abuse for political the CCPs political agenda, along with other media expectant curiosity as to how this both specialized and comprehensive initiative could be used to solve the unique problems the Chinese society is facing.

Contents

Abstract	2
Introduction	4
Methodology	5
Perceived Disadvantages	6
Question of privacy	6
Freedom of speech.....	7
Next-generation autocratic tool	8
Similarities to Black <i>Mirror</i>	9
Political weapon	10
Perceived Advantages	10
Aid in Law enforcement	10
Aid in social management	11
The Publics approval.....	12
Bringing back Trust.....	13
Lack of trust in the Government.....	13
Lack of trust at the grassroot level.	14
Lack of trust in the Chinese market.....	14
Discussion	14
Conclusion	16
Bibliography	18

Introduction

In the recent years, many countries have seen a proliferation of rating systems, both in relation to rating on online platforms such as eBay, Uber and Airbnb, and in the financial sector, where the concept of credit rating is not uncommon. However, in 2014 China launched an initiative which was to become a far more comprehensive rating system, one that was to cover multiple sectors, rating not only individuals but also companies and even governmental entities: The Social Credit System (From here referred to as SCS) (Mac Sithigh and Siems 2019).

The SCS is supposed to be modern China's answer to the multifaced problems caused by ghost from the past: an omnipresent "lack of trust" in the Chinese society. In the 90s, when China had just begun opening and integrating into the international markets, the massive social shift also brought about rampant fraud, patent and copyright infringement, along with consumer safety scandals and a general disregard for contractual terms and legal agreements. This all resulted in a low-trust environment, where consumers, businesses and other market actors regarded each other with suspicion. Moreover, not only did individuals not trust businesses, the people's view of the government was also heavily affected: The damaging effects of the Cultural Revolution, a weak legal system, in addition to widespread corruption ravaging the public's trust in the rule of law (Schaefer and Yin 2019). Many of these trust-related problems persist in today's Chinese society.

To address the multifaceted issue of "lack of trust", the Chinese decided on a holistic approach: Inspired by Confucianism (Creemers 2018), Chinese policymakers believe that "a person's willingness to fulfil their financial obligation can't be divorced from their willingness to fulfil their personal obligations ", and likewise "..., the trustworthiness of an individual can't be divorced from the trustworthiness of society as a whole." In reality, this means that untrustworthy individuals are believed to give rise to untrustworthy societies which give rise to unstable markets and corrupt government. , which further increase social and economic distrust, "and so on and on in a vicious cycle" (Schaefer og Yin 2019). Since these factors are all interconnected and influence each other, the solution must be comprehensive.

To build a trusting society and economy, the SCS relies on four basic tactics: Aggregating and integrating information (about individuals and companies) within and across geographic regions and professional fields, incentivize "trustworthy" conduct and punish "untrustworthy" conduct, increasing reliance on credit evaluations (such as in transactions, employment, and so forth.), and finally, use the above mentioned mechanisms and moral education to foster a trusting environment (Daum 2017). Simply put, the SCS is term used to describe a broad range of efforts the Chinese Communist Party seeks to employ to improve market security and public safety by "increasing integrity and mutual trust in society" (Creemers 2018).

While the SCSs has been referred to as a systems, it is actually a more complex set of systems, which each having a different goal it is four main kinds of systems, emerging from two approaches (Liu 2019): Firstly, SCS is seen as an infrastructure for economic and financial activities, led by China's central bank, the People's Bank of China(PBOC). The bank oversees designing and implementing a nationwide governmental credit score and rating systems, along with overseeing commercial credit scores and rating systems, with the most famous being the Sesame score, an online platform that gives you a score based on your online behaviour and shopping habits. Secondly, SCS is to be a useful tool for social governance, led by a macroeconomic management governmental agency under the State Council, the National Development and Reform Commission(NDRC) : these SCSs include nationwide governmental blacklists/red lists, created by different central governmental agencies, and municipal governmental SCSs that are being tested at the local level (Daum 2017).

This is the first time such a comprehensive rating system has been proposed, and it has received lots of attention nationally and internationally, with very different reviews. While the domestic media have mostly been covering the SCS with a positive perspective, foreign media perspective tends to be anything but (C. F. Shen 2018). The maximalist measuring and scoring of individuals and companies, combined with China's rapid technological progress, the lack of strong constitutional protections for individual Chinese citizens and weak law enforcement of those that are in place, and the emphasis on stricter Party control under Xi Jinping's administration seem to have struck a nerve: Numerous observers have labelled the SCS as an Orwellian nightmare, claiming that big data and real-life Big Brother are being used by China's autocratic leaders to fulfil their totalitarian impulses. A world where SCS is applied to the daily life of citizen is often claimed to be like the episode of *Black Mirror*, a dystopian television series, in which people continuously rate the interactions with each other and end up living in complete paranoia (Creemers 2018).

As SCSs is a complicated topic, it has been widely debated what its goals are and what is hoped to be achieved. The criticism has faced has been proportional to the huge amount of attention it has received in media and the academia. While there has been lots of coverage from the foreign media, most of them are one-articles, which search for shocking headlines to bring readers in. However, there is a lack of articles, and research on articles, when it come to the general overview of the discourse happening in foreign media on the topic of the Social Credit System. Such a study could give us a better look at what the general attitude of the foreign media is to the Social Credit System. Therefore, I aim to study the SCSs perceived disadvantages along with following criticism, and conversely, what the advantages and reasons for approval might be.

Methodology

Due to the nature of the subject and limited available publications, especially in printed form, all the articles and documents used in my research will have been coming from online sources. In my research, I used online media articles, to get a general for the discourse happening on the topic, and research papers, as a source of reliable information and could

facts to be used as a backdrop against the often profit-seeking and drama-loving news articles. Research papers will be sourced from websites such as China Quarterly, SSRN and ProQuest, all well-known sources of academic papers, and when looking for media resources, I mainly stuck to those quoted in scholar papers, many which are on Media Posts “100 most Important Online Publishers”, such as *New York Times*, *The Wall Street Journal*, *Time*. The reason I choose Mediapost is due to them arguably being the “largest and most influential media, marketing and advertising” site in the U.S., and therefore a relatively credible list of most influential online news sources.

Additionally, the complexity of SCS has led to different scholars to describing and defining its structure and goals differently. When writing about these topics, I decided to stick to the definitions that seemed the most logical to me, and would make it most accessible to people with no previous knowledge of the SCS.

Perceived Disadvantages

Question of privacy

A big chunk of Western media criticism of the SCS have mostly focused on journalistic accounts that portray the initiative as leading China to a “data enabled, big-brother style dystopia” (Dai 2018). At the heart of this perceived threat is the surveillance technology that will be incorporated into the SCS and what the state is supposedly using it for: *New York Times* wrote an article titled “Inside China’s Dystopian Dreams: A.I., Shame and Lots of Cameras”, mentioning the fact that China boasts over four times more surveillance cameras than United States, around 200 million. China is supposedly embracing technologies like facial recognition and artificial intelligence to “identify and track 1.4 billion people” (Menendez 2020).

Critics fear that the Big data lead initiative is a huge potential for breach of privacy, with multiple sources claiming that the SCS “scheme” will be mandatory for all citizens by 2020 (Xiao og Xu 2018), with no opting-in or consent for data collection and end-use (Vinayak 2019). Private companies are sharing data with the government and each other, and product of this cooperation are controversial apps like ‘Deadbeat Map’ (Minter 2019): an application that shows personal details of any person that is on the government blacklist within 500 meters of a user, and allows reporting on social media. Seems like the Chinese will have no way to retain their personal information from the Chinese government.

An individual’s information can be used not only against himself, but also those closest to him. (Vinayak 2019). *CGTN* reports the story of a high-school student that suffered restrictions because of his father’s low social credit score: The Beijing-based, high-tier university gave the boy named Rao a call, explaining that he might not be able to complete his enrolment because of his father’s low score on the country’s social credit system, due to a unpaid fine, As a result of being blacklisted by the court, the fathers social credit rating

dropped, which in turn affected his sons application to a top-tier university (CGTN 2018). By making benefits available to children based on their parents score, China turns the concept of sanctity of family units on its head (Vinayak 2019).

The government might choose to use the acquired data for their benefits, but so could other, less “well-intentioned” entities: Sources claim that the volume of data being collected and stored increases the risk of hacking of personal information (Vinayak 2019), and being digital by nature, it could even be forged and used for criminal activity, such as bypassing security checks: Ahmed gives an example of the security checks at Beijing airport, where those with high enough Sesame score and travelling domestically can go opt for a faster check, which could pose a “threat to national security” from a determined enough actor (Ahmed 2017). The wider the audience the SCS can reach, and the higher the rewards it will provide, the more people will want to hack it: Articles and threads explaining how to improve one’s score are already on the rise (H. Shen 2017).

To combat misuse of data obtained, the Chinese government passed its first cybersecurity laws in 2016: Implemented in 2017 (Cho án dags.), the Cyber Security Law was to be used as a guideline for “maintaining network security, protecting the rights and interests of individuals and organizations, and promoting the secure development of technology.” To obtain these objectives, the law requires that obtained data is stored within China and that both private and public organizations, along with network operators to submit their data to the government for security checks (Maranto 2020).

However, critics point out that the government-conducted security checks of obtained data could become security *breaches* (Wagner 2017). International experts have warned that companies could be required to provide confidential information, such as source code, encryption etc. for review by the authorities: This would increase the risk of the information shared being lost, passed on to local competitors, or even used by the authorities themselves (Wagner 2017).

Although the country enacted multiple laws meant to protect individuals information, most recently with a comprehensive data protection law in September 2018 (Feng 2019), there are still challenges when it comes to enforcing these laws: Yang Feng writes that these problems arise mostly due to hasty implementation of the information and communication technology, a currently weak legal system and unprepared scholars and law makers, making the enactment of data protection law a challenging task (Feng 2019). Therefore, this task is likely to be delayed, suspended, or even fail completely if the mentioned challenges are not resolved: As of 2019, China had yet to adapt a personal data-protection law (Arsene 2019).

Freedom of speech

Although laws are being passed to protect personal privacy, critics claim that those will apply to private companies, while the matter of personal data sharing between citizens and the state is a “completely different story”. Lilkov writes that various pieces of national legislation in China have given the government exclusive access to private-sector data on grounds of state and public security. To put it simply, if the Chinese state wishes to acquire certain

personal data, be it from Internet providers or lines or correspondence between users on Chinese social media, there is little standing in their way (Lilkov 2020).

Unsurprisingly, SCS is seen by many as just another restriction for the Chinese freedom of speech. (Lilkov 2020). Therefore, the questions being asked are not so much if the SCS will limit the freedom of speech, but rather how: For example, will a critical comment online about the government lower one's social credit score? (Chorzempa, Triolo og Sacks 2018).

Next-generation autocratic tool

A country where democratic values like privacy and freedom of speech are at risk (Lever 2015), it is unsurprising that controlling methods of governing have long been used: China has been surveilling their citizens even before any surveillance technology was around (Menendez 2020). The Chinese dynasties used an ever-evolving form of *baojia* system, when groups of neighbour were responsible for mutually enforcing proper behaviour. (Hornby 2016)After the foundation of the People's Republic of China in 1949, people were organized in socialist work units, where access to rations, housing and other benefits was enforced by "local spies": Citizens secretly employed by the communist party, whose job was to report any "suspicious" behaviour from their neighbours (Chang 1992).

To keep track of its citizens, the PRC government needed to store it somewhere: A person's behaviour, along with other personal information, has been then recorded in their *dang an* since 1953 (Moss 1996). This Chinese dossier system is rumoured to contain a variety of individuals personal information: Physical characteristics, employment record, their photograph and so on. It is also believed that it contains information that would be considered private in other cultures, such as appraisal by supervisors and peers, academic reports from the time they entered primary school until they graduate university, political history (such as membership in the CCP) etc (Creemers 2018).

Not only does the *dang an* to this day store a citizens information, it has historically been also used to exert control on citizens. The document was consulted by the working unit officials, as they made major decisions about the people they managed. Permission for marriage, changing workplace and even childbirth all had to be obtained from the working units officials, making it a tool for restricting and controlling citizens life. Basically "nothing could be done without the *dang an* (Parton 2018)".

However, the PRCs' authoritarian tool is speculated to be losing its control. As the Chinese economy developed, the system doesn't go well with market-oriented labour contracts and things have changed: Graduates have been able to choose their own field of work since mid-90's in most regions, and there no need for marriage permission since 2003. Additionally, private and foreign enterprises are supposedly no longer needed to inquire about a person's *dang an* (Schaefer og Yin 2019). To put it simply, the *dang an* system seems to be outdated.

As the *dang an* loses its bite, the SCS is seen as it's digital reincarnation: the CCPs new tool to further its oversight of the Chinese population and limit their privacy (Menendez 2020).

Unlike the *dang an*, where an individual's information was only available to a select few- i.e. authorized government officials and bosses, SCSs' goal is to make the data public. (Chorzempa, Triolo and Sacks 2018).

The SCS aims to take obtained data in order to publicly either "shame" or "praise" people into obedience (Cho án dags.): If people behave "properly", they are rewarded and put on so called *red list*, while those who misbehave are punished and put on the government's blacklists. The shame part comes in when those who have been caught displaying any wayward behaviour have their personal information displayed on public websites for everyone else to see: An example would be the website of The Cyberspace Administration of China, which keeps a track of individuals that "violate social morality" online.

Due to the SCS claimed use of technology of monitoring, rating and imposing restrictions on its citizens, China has been described being at the forefront of digital authoritarianism (Polyakova and Meserole 2019). This new model of authoritarianism is described by *Globe and Mail* as one that can "mine a person's digital existence", like an individual shopping habits, friends, criminal records or even political views. Once it has the data, it then judges individuals "according to the state's standard of reliability" (Vanderklippe 2018).

Similarities to *Black Mirror*

Although the SCS has not yet been implemented fully, many fear that it will be like in an episode of the British series *Black Mirror*, dividing people into first and second class citizens based on how well they follow arbitrary rules set by society (Nguyen 2016). The series focuses on examining modern society, particularly regarding "the unanticipated consequences of new technologies" (Brooker 2011). Their third seasons' first episode titled "Nosedive" is set in a world in which people continuously rate their interaction with each other. This episode has been widely compared to the proposed and exiting Social credit system: The citizens who act "properly" get a five star review and preferential treatment, but those citizens that misbehave might drop to one star review, which makes them a second-class citizens – they are socially shunned, fired from their job, forced to pay premium leases, and discriminated against in myriad other ways (Nguyen 2016).

The *Black Mirrors* "Nosedive" episode even claims to have similar objectives as SCS has to encourage untrustworthy individuals to repent and act properly, according to what society considers "good".

However, the irony in the episode is that the system that was to encourage "proper" moral behaviour ends up creating a culture of disingenuity. Everything becomes a "numbers game", with people acting fake to impress those with high ranks, instead of simply trying to become a better person. Thus, if the SCS future can be predicted with the "Nosedive" episode, it does not seem to be a bright one (Nguyen 2016).

Political weapon

Another major concern with the SCS is it's the potential for abuse in terms of political power: Media argue that there is no real protection for the people and entities subject to the system, claiming that the Chinese Communist party can suddenly decide to make apolitical regulations political, if that fits the party's agenda. An article in *China Brief* claims that Deng Xiaoping famous saying, "China must grab with both hands, grasping firmly with both" really implied that the CCP's political control must become inseparable from China's social and economic development, and this ideology is supposedly still being upheld by the CCP (Hoffman 2018). In this context, SCS is seen as another step in the Party's continuous exploration of ways to fuse political control and economic prosperity.

And due to China economies reach, some accuse China of trying to use the socio-political fusion of SCSs as a way of forcing outside entities to conform to the Party's political objective: On the 25th of April in 2018, the Civil Aviation Administration of China, which is also the PRC's civilian airline regulator, had contacted dozens of international airlines, demanding that their websites changed how they showed Taiwan: Not as a separate country, but a part of the People's Republic of China. (Bloomberg 2018)

The CAAC used a trail version of the *Civil Aviation Industry Credit Measures*, which was supposedly written solely to support the construction of the SCS, to force foreign airlines to give in to China's demands. The Airlines that refused to comply would see their "act of serious dishonesty" recorded on their credit records. These *Measures* name the consequences: an act of dishonesty can lead to more frequent inspections of the concerned entity, and that they should be penalized "as severely as possible" (Hoffman 2018).

Additionally, any breaches will be recorded on an aviation industry platform, which will then be shared with other credit platforms, such as "Credit China", "Credit Transportation" and the "National Enterprise Credit Information Publicity System". This suggests that the aviation credit platform is supposed to feed into the national level credit platforms, allowing the PRC government agencies to be informed of any "serious" dishonesties, and allow for implementation of joint disciplinary measures. The SCS was thus used as the Parties tool to force foreign companies to conform to their political agenda. (Hoffman 2018)

Perceived Advantages

Aid in Law enforcement

China has had a historically weak legal system which has made law enforcement and subsequently, establishing a harmonious society, very difficult. Since the communists took power in 1949, the Chinese rule was characterized by legal nihilism and continued turmoil: The Party's Leaders interpretation of the current policies was "more important than, and

could even substitute for, the comprehensive stipulation of law". Due to the long period of neglect, many of the developments in legal systems that happened around the world never saw light in China. For example, the judicialization of constitutional protection along with introduction of human rights-based practices, like it had in the West after the Second World War, omitted the Middle Kingdom. Instead, the Leninist government continued to affirm the supremacy of the ruling Party (Creemers 2018).

However, as the Chinese communist state grows in power both nationally and internationally, it has recognized the need for strengthening its rule of Law. It's increasing importance in the world market as well as its participation in international negotiations have led to China being pressured by Western countries to reform its legal system. Additionally, as China gains more international spotlight with hosting important events such as the 2008 Olympics, the CCP wants to form a legal system that would boost its legitimacy in the eyes of its citizens and the rest of the world. (Rauillián dags.).

But for law to be socially valid as a normative order, some force of compliance has to be present (Deflem 2008), and the CCP needed something that would help in strengthening its historically weak law enforcement: A tool that would fit the bill of be a set of "mechanisms and systems of control, which would secure control thorough norm enforcement. Through its joint system of rewards and punishment, the SCS is just that: By making the information of the misbehaving entities public, it is using what Deflem calls "informal responses and normative expectations" to encourage such actors to act according to the law. Thus, one of the SCS appliances has been as a law enforcement tool, that helps the CCP to strengthen its laws systems validity, and subsequently, the Chinese governments legitimacy, both inside and outside China (Von Blomberg 2018).

Aid in social management

The SCS was developed at a time when CCP was simultaneously looking for solutions to societal and economic problems it's weak legal system couldn't tackle and researching the way in which new technologies could aid in the governance of the Chinese state. The initiative was introduced at the CCP's 4th plenum, it's official goal being 'establishing the idea of a sincerity culture, and promoting honesty and traditional values, it uses encouragement for trustworthiness and constrains against untrustworthiness as incentive mechanisms, and its objective is raising the sincerity consciousness and credit levels of the entire society. Basically, the SCS is to be a set of mechanisms, both online and offline, that provide rewards and punishments as feedback to actors, not only based on their lawfulness, but also on the morality of their actions (Creemers 2018).

And so, China's citizens face additional obstacles or rewards in their day-to-day life, all related to their moral conduct both on and offline: Some citizens find that they are unable to buy property, taking out a loan and or even applying for credit cards, while others receive privileges such as speed up travel applications to foreign countries and being able to book hotels without deposits. (Ma 2018) SCS is therefore described as the most ambitious

attempt yet, by any government, to fuse technology and behavioural control to make such a comprehensive social management tool (Vanderklippe 2018).

And the SCS's aim to foster a good moral behaviour in its citizens seems to be paying off: A study found that a high share of SCS participants had changed their behaviour for the better at least once, especially in a few categories, including changing shopping behaviour and following traffic regulations. Although SCS has seen backlash since it is to become a mandatory-participation by 2020, the study showed those participating in the mandatory government run SCS programs changed their behaviour more often than those participating in the voluntary. Furthermore, responses are driven in large by material and symbolic motivations (such to influence scores in a positive way, with punitive elements playing less of a role. (Kostka og Antoine 2019).

The punishments that in place, although they seem restrictive on the surface (Nittle 2018), do have their innate logic to them. For example, if you're on several blacklists, such as the Supreme People's Court blacklist, the most common punishment is that you can't engage in luxury consumption. The logic behind it is, if you default a judgement, especially a financial judgement, how could you have the means to pay for expensive plane tickets or hotels? Without being overly restrictive, the punishments are still enough to influence the person life and encourage better behaviour (Creemers 2018).

The Publics approval

Given the publicity in the West, one would think that there would be general discontent and disapproval of the SCS amongst the Chinese public. However, the studies on the topic showed surprising results. Amongst them is a 16-month ethnographic study which found that of the 500 participants the author spoke to, most seemed to welcome it (Wang 2019). A surprising reaction from a public that supposedly has been oppressed and forced into compliance.

One could speculate that the publics overwhelmingly positive reception of SCS is due to the Chinese supposed low sensitivity toward privacy issues and the potential privacy breaches and other dangers that accompany technology for collecting user's data. For example, the deep-fake app "Zao" who's function was to allow the user to put his face on that of film and TV characters, was readily welcomed by the Chinese public within the first few days of debut. Since its debut on a Friday, it became the number one app in the Apple App Store as of Sunday. People seemed to have no problem uploading images of themselves to the app's server (Wang 2019).

However, the Chinese public opinion quickly changed. Its end-user agreement sparked controversy, as they gave the developers „the global right to permanently use any image created on the app for free and to sell the images to third parties (A. Coleman 2019). In a country where facial recognition is widely used as form of payment, with more than 100

million Chinese having registered to use the technology (as of October 26, 2019) (Kawakami og Hinata 2019) , the possible breach of data security sparked understandable outrage.

And the strongest approval seems to be coming from the unlikely direction: the highly educated and elderly. A study found that in general, Chinese citizens attitudes towards privacy protection are shaped by age. People between 30 and 50 years of age were found to be the most suspicious of data collection by enterprises which involve economic activities and „thus pay much attention to privacy protection “. In addition, the study found that highly-educated respondents also care more about their data privacy protection. Given these results, it would be understandable to expect more sceptical reception of the SCS from older and highly-educated respondents (G. Kostka 2018).

Similarly, a recent large-scale online survey that focused on the public preference found that „younger, wealthier, and better-educated urban elites in provinces with higher levels of development have stronger preferences for democratic institutions and liberal view. “ (Pan og Xu 2018). One would expect that liberal views in China would also predict lesser appraisals of SCSs. However, the study’s findings are that those exact groups show the highest support for SCSs.

Bringing back Trust

If the Chinese public are aware of the possible threats stemming from SCSs, what possible reasons can they have for supporting it? In Wangs study, people stated reasons such as fear of fraud and worry of the “intensifying crisis of public morality “, otherwise known as the “issue of trust” (*xinren weiji*) (Wang 2019). This term is widely used to describe the rise in social apathy in the Chinese society, uncivil behaviours, cheating and extortion of “good Samaritans“ by the very people they have assisted. (Steinhardt and Delhey 2019). There has even emerged a saying “*zuohaoshi bei e*” which means “attempting to be helpful but ending up as the victim of extortion”.

The precise origin of “crisis of trust“ is debated. Some experts point to the 1966-76 Cultural Revolution and other political campaigns in the first decades of the communist rule, which forced family members and friends to denounce each other, breaking basic rules of human connection. Additionally, some experts cite the influence of a market economy on a society without a well-developed legal or regulatory system. Others believe that a lack of religion or a meaningful belief system under communism leaves people morally adrift. Whatever its origins, it is undeniably present.

The lack of trust is a multifaced problem and can be introduced in three segments (Creemers 2018):

Lack of trust in the Government

Historically, the Chinese government has been hard on its people and given them little reason to develop trust: In its thousand years of history, the state authorities

have usually imposed heavy taxes on people (Lai án dags.), and there has been much corruption among officials that is still very present in modern times (BBC News 2010). Moreover, periods of horrible mismanagement of the Chinese society, Cultural Revolution being a famous example, and lack of state benevolence have all contributed to the Chinese of having „low expectations of its government “. (Lai án dags.)

Lack of trust at the grassroot level.

The lack of trust is also seen on the most basic, human to human interaction level.: From less serious behaviour such as refusing to lend one’s own mobile phone to strangers or to be hesitant about answering surveys that might need personal information (Dan 2013), to much more serious cases of people in need being suspected to be pulling a scam and ending up not getting the help they need, ending up heavily injured or be left to die: A tragically famous example is that of a toddler, that got run over twice before anyone came the child’s help.. The incident caused understandable outrage, and many questioned the moral state of their society. (Hong and Jiang 2011)

Lack of trust in the Chinese market.

Additionally, trust is seen as “The basis of capitalism” by many: A high-trust society has individuals and organizations that have the confidence to co-operate, without needing outside(government) assistance. However, in a low-trust society such concerns abound, resulting in long-term interests being sacrificed for selfish short-term gain and legal costs are high as everything needs to be legally enforced, instead of based on common trust and confidence (M. Coleman 1997). The negative effect absence of trust in the marketplace has been having on the economy is recognized by the Chinese themselves: A study written for the Peking University argues that “sustainability of further economic development of China much depends on how fast China can build trust-facilitating institution” (Zhang og Ke 2004).

Clearly, the lack of trust is a longstanding, multifaced problem for the Chinese, with prospects of reoccurring societal problems if nothing changes (Dai 2018).

Consequently, worries about anti-social behaviour and criminality are higher in China when compared with Western countries, whilst trust in strangers is lower. All in all, the feeling of mutual trust are said to have “detreated to the lowest level that any society can possibly hit” (Magnier 2006).Therefore, much of the Social Credit System has been geared towards addressing widely perceived “lack of trust”-related issues (Rieger, Wang og Ohlberg 2020). After seeing the multifaced impact the “issue of trust” has on the Chinese society, it is no wonder that the Chinese are trying to find new solutions and employing various methods, such as the SCS, to solve it.

Discussion

Through my research, I have found that the portrayal of the Chinese Social Credit initiative is very varied, with strong arguments from the media for both its advantages and disadvantages:

For the disadvantages section, the major findings were that foreign media were very critical of the way the SCS might be using China's surveillance technology, with fears of data breaches and lack of privacy running high. Additionally, it has been called the "the next-level authoritarian tool", in the sense that the SCS will supposedly allow the government to have information on its citizens that will allow the CCP to force people into obedience, with some predicting it to be like *Black Mirror*, where a SCS-like system ended up creating a culture of disingenuity due to people's paranoia. Another critique the SCS system faced was due to the way the CCP might and has used the SCS as a political tool, to force foreign countries to abide by rules that support their political agenda, such as penalizing airlines that would list Taiwan as a country.

The fears portrayed in the disadvantages section of my research can be interpreted in such a way that the foreign media is hugely distrustful of the Chinese government that stands behind the SCS initiative, both in relationships with its citizens but also outside entities. It shows that in many ways, the CCP is not being trusted to govern its own citizens: Most fears arise on how the communist party wants to restrict the Chinese public and strip them of their right to personal freedom and other international human rights laws. Additionally, it shows fears foreign countries seemingly have about China expanding its political and again, restrictive and authoritarian rule, abroad.

When it comes to the advantages, they focused on the SCS as being a solution to many problems the Chinese society is facing. The Social Credit Initiative is being used as a law enforcement tool in China, allowing for better enforcement of penalties and following through with the implementation of existing policies and laws. It is also seen as aiding in social management, with people being awarded for their proper moral conduct, and therefore naturally encouraged to be better citizens. Additionally, it is a CCP effort of condensing scattered information into one database, which would allow for a more effective cross-organizational cooperation between the government and selected private companies, which in general would aid in a more successful implementation of the SCS initiative. Another important point that has been made is the SCS as a solution to China's omnipresent "lack of trust", where people don't trust the government, Chinese companies and even each other, through its efforts of establishing a trusting environment in the Chinese society.

The positive portrayal has shown us that to understand the perceived advantages of the SCS, some foreign media have considered China's unique history and culture. Because of their rooting in China's history and willingness to explore the "Chinese" side of the story, we get the feeling that the problems China is facing are so specific to it and it alone, that the solutions, although they might seem overly restrictive abroad, not only might but are working in solving some of the Chinese society's problems.

Due to the SCS novelty, and the fact that there is very little in terms of printed materials on this topic, the materials I used were mostly articles about the topic or research, never a part of a more comprehensive literature. Additionally, the SCS is a very complicated phenomenon and the data found on topics related to it, even in research papers, has been often than not been very vague or inconclusive with other sources. Particularly anything related to numbers, such as the amount of surveillance cameras in China, with three different sources giving me three different numbers. Thus, the accuracy of my study has suffered due to the confusing nature of the topic.

The foreign media portrayals, and subsequently, my research have also been affected by the foreign and, maybe even exotic to some, nature of the SCS. The initiative is coming from “the” China: Both the culture and language is drastically different from other countries, especially those outside of Asia. Due to the language barrier, some experts claim that the term ‘social credit’ has different connotations in English than it does in Chinese and thus might be a base for many of the misunderstandings. For example, the term “social credit”: in English the two words might signal a reference to interpersonal relationships, in Chinese the term is more understood as having to do with “public trust”. This might have contributed to the way the SCS is perceived, especially the way some foreign media seem to emphasize the complete lack of privacy that the SCS will supposedly lead to.

What was an interesting finding was the way the SCS is perceived inside of China and outside of it. When foreign media wrote about the ways of the SCS being incorporated into the lives of the Chinese citizens, the focus was on the ways it was or would be restricting their lives, how it would be stripping them of the little freedom they have living under the communist authoritarian regime. While the SCS is mostly seen as having a negative impact on the Chinese individual, all peer reviewed research I could find and encountered was on people’s response could all be classified as “overwhelmingly positive”.

It would be interesting to zoom in for causes of the misportrayals, and research why there’s such a difference in the way peer-reviewed foreign research portraying the Chinese view of the SCS and in the way foreign media does, mostly as “oppressed citizens”. Basically, it would be asking: Does the foreign media have bias against China? Or does the foreign media have bias against the way China treats its citizens, and why? Similarly, it would be interesting to look at why the discourse varies between foreign media, if some are biased against or even for China, and if the political nature of the media influences how it reports on the communist China.

Conclusion

In my study, the goal was to look at the perceived disadvantages and advantages of the Social Credit System, as portrayed in foreign media. Through my research, I have found that the major critique the initiative is facing is related to the SCS being the CCPs political tool and the perceived threat to its citizens and foreign entities, while most approval was seen in media where the SCS was portrayed as an unique solution to a unique problem. With these findings, I have contributed to the general discourse on the Social Credit System and how the foreign media perceive the SCS of today and what it is to become in the future.

The limitations of this are largely due to the novelty of the topic, and the accompanying lack of research. Additionally, lack of sufficient language skills has affected the sources I have used, possibly leading to me missing out on important documents and articles, which could have caused a potential misportrayal. Due to the limited scope of my study, further research should focus on areas which I wasn’t able to cover, such as the influence of political standing of media sources on its critique of the SCS, why the Chinese public is portrayed as oppressed in the media when peer-reviewed papers show high approval of the system nationally, and of course, if foreign media have any biases that might affect the way China-related topics are reported on.

The Chinese Social Credit System has been widely debated on and will probably continue to be commented on for years to come. This is partly due to the credit system being a never-seen-before

type of rating system, both in terms of its scope, where it aims to be mandatory for all Chinese citizens, and due to the multifaceted effect it sets out to have on the Chinese society. There is a complete lack of similar rating systems in countries outside of China, where financial credit systems and other online platforms have been used, but never as aid in governing a whole country. As the initiative is still in its beginning stages, it will be interesting to see how it evolves, and see which side of the foreign media discourse will prove to have been right in its speculations of the initiative's future: The feared expansion of digital authoritarianism, or the welcomed establishment of a harmonious society? Or both?

Bibliography

- Ahmed, Shazed. 2017. "Cashless Society, Cached Data." *Citizen lab*. 24 January. Accessed 08 12, 2020. <https://citizenlab.ca/2017/01/cashless-society-cached-data-security-considerations-chinese-social-credit-system/>.
- Arsene, Severine. 2019. "China's Social Credit System: A Chimera with Real Claws." *Ifri*. November. Accessed 08 17, 2020. https://www.ifri.org/sites/default/files/atoms/files/arsene_china_social_credit_system_2019.pdf.
- BBC News. 2010. "China executes top Chongqing official for corruption." *BBC*. 7 July. Accessed 08 31, 2020. <https://www.bbc.com/news/10535226>.
- Bloomberg. 2018. "Beijing's demand to refer to 'China Taiwan' still being defied by US airlines." *South China Morning Post*. 26 June. Accessed 05 20, 2020. <https://www.scmp.com/news/china/diplomacy-defence/article/2152459/beijings-demand-refer-china-taiwan-still-being-defied>.
- Brooker, Charlie. 2011. "Charlie Brooker: the dark side of our gadget adiction." *The Guardian*. 1 December. Accessed 04 02, 2020. <https://www.theguardian.com/technology/2011/dec/01/charlie-brooker-dark-side-gadget-addiction-black-mirror>.
- CGTN. 2018. "Father with low credit score causes university to suspend son's admission application." *CGTN*. 13 07. Accessed 08 12, 2020. https://news.cgtn.com/news/3d3d774d79637a4e78457a6333566d54/share_p.html.
- Chang, Jung. 1992. *Wild Swans: Three daughters of China*. London: Anchor paperback.
- Cho, Eunsun. n.d. "The Social Credit System: Not just another Chinese Idiosyncrasy." *Journal of Public and International Affairs - Princeton University*. Accessed August 13, 2020. <https://jpia.princeton.edu/news/social-credit-system-not-just-another-chinese-idiosyncrasy>.
- Chorzempa, Martin, Paul Triolo, and Sam Sacks. 2018. "Policy Brief: China's Social Credit System: A Mark of Progress or a Threat to Privacy?" *Peterson Institute for International Economics*. 06. Accessed 08 07, 2020. <https://www.piie.com/publications/policy-briefs/chinas-social-credit-system-mark-progress-or-threat-privacy>.
- Coleman, Alistair. 2019. "'Deepfake' app causes fraud and privacy fears in China." *BBC*. 4 September. Accessed March 24, 2020. <https://www.bbc.com/news/technology-49570418>.
- Coleman, Marc. 1997. "Trust: The Basis of Capitalism." *Studies: An Irish Quarterly Review*, Summer: 156-164.
- Creemers, Rogier. 2018. "China's Social Credit System: An Evolving Practice of Control." *SSRN*. 22 May. Accessed March 25, 2020. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3175792.
- Dai, Xin. 2018. "Toward a Reputation State: The Social Credit System Project of China." *SSRN*. 24 June. Accessed 01 31, 2020. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3193577.

- Dan, He. 2013. *Trust among Chinese "drops to record low"*. 18 02. Accessed 05 09, 2020. https://www.chinadaily.com.cn/china/2013-02/18/content_16230755.
- Daum, Jeremy. 2017. *China through a glass, darkly*. 24 12. Accessed 07 05, 2020. <https://www.chinalawtranslate.com/en/china-social-credit-score/>.
- Deflem, Mathieu. 2008. "Social Control: the Enforcement of Law." In *Sociology of Law. Visions of a Scholarly Tradition.*, by Mathieu Deflem, 227-49. Cambridge: Cambridge University Press.
- Feng, Yang. 2019. "The future of China's personal data protection law: challenges and prospects." *Taylor & Francis online*. 05 August. Accessed 08 17, 2020. <https://www.tandfonline.com/doi/abs/10.1080/10192557.2019.1646015?src=recsys&journalCode=rplr20>.
- Hoffman, Samantha. 2018. "Grasping Power with Both Hands: Social Credit, the Mass Line, and Party Control." *China Brief* 11-15.
- Hong, Haolan, and Steven Jiang. 2011. *CNN World: Outrage in China after toddler run over, ignored*. 18 10. Accessed 05 09, 2020. <https://edition.cnn.com/2011/10/17/world/asia/china-toddler-hit-and-run/index.html>.
- Hornby, Lucy. 2016. "China reverts to "grid management" to monitor citizens' lives." *Financial Times*. 3 08. Accessed 08 13, 2020. <https://www.ft.com/content/bf6a67c6-940e-11e5-bd82-c1fb87bef7af>.
- Kawakami, Takashi, and Yusuke Hinata. 2019. "Pay with your face: 100m Chinese switch from smartphones." *Nikkei Asian Review*. 26 October. Accessed March 24, 2020. <https://asia.nikkei.com/Business/China-tech/Pay-with-your-face-100m-Chinese-switch-from-smartphones>.
- Kostka, Genia. 2018. "China's Social Credit Systems and Public Opinion: Explaining High Levels of Approval." *SSRN*. 25 12. Accessed 04 29, 2020. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3215138.
- Kostka, Genie, and Lukas Antoine. 2019. "Fostering Model Citizenship: Behavioural responses to China's Emerging Social Credit Systems." *Research Gate*. July. Accessed 08 30, 2020. https://www.researchgate.net/publication/334741528_Fostering_Model_Citizenship_Behavioral_Responses_to_China's_Emerging_Social_Credit_Systems.
- Kurth, James. 2003. "Western Civilisation: Our Tradition." *Intercollegiate Review* 39 (1/2): 5-13.
- Lai, Hairong. n.d. "East West Center." *Building trust in government in China*. Accessed 08 31, 2020. https://www.eastwestcenter.org/sites/default/files/filemanager/Research_Program/Politics_Governance_and_Security/AGDI/Trust%20in%20Government%20in%20China.pdf.
- Lever, Annabelle. 2015. "Privacy, democracy and freedom of expression." *Cambridge*. July. Accessed August 12, 2020. <https://www.cambridge.org/core/books/social-dimensions-of-privacy/privacy-democracy-and-freedom-of-expression/B68992B16554F5F9F8392193475D2B87>.
- Lilkov, Dimitar. 2020. *Made in China: Tackling Digital Authoritarianism*. Research paper, Brussels: Wilfried Martens Centre for European Studies.

- Liu, Chuncheng. 2019. "Multiple Social Credit Systems in China." *Economic Sociology: The European Electronic Newsletter* 22-32.
- Ma, Alexandra. 2018. "China has started ranking citizens with a creepy 'social credit' system - here's what you can do wrong, and the embarrassing, demeaning ways they can punish you." *Business Insider*. 29 October. Accessed August 10, 2020. <https://www.businessinsider.com/china-social-credit-system-punishments-and-rewards-explained-2018-4?r=US&IR=T>.
- Mac Síthigh, Daithí, and Mathias Siems. 2019. "The Chinese Social Credit System: A Model for Other Countries?" *Research Gate*. 29 September. Accessed 04 28, 2020. https://www.researchgate.net/publication/335623102_The_Chinese_Social_Credit_System_A_Model_for_Other_Countries.
- Magnier, Mark. 2006. "A Crisis of Trust Takes a Toll on Chinese Society." *Los Angeles Times*. 24 September. Accessed March 23, 2020. <https://www.latimes.com/archives/la-xpm-2006-sep-24-fg-trust24-story.html>.
- Maranto, Lauren. 2020. "Who benefits from China's Cybersecurity Laws?" *Center for Strategic and International Studies*. 25 June . Accessed August 13, 2020. <https://www.csis.org/blogs/new-perspectives-asia/who-benefits-chinas-cybersecurity-laws#:~:text=In%20June%202017%2C%20the%20China,for%20China's%20present%20day%20guidelines.&text=The%20law%20requires%20that%20data,to%20government%2Dconducte%20security%20>.
- Matsakis, Louise. 2019. "How the West Got China's Social Credit System Wrong." *Wired*. 29 07. Accessed 03 31, 2020. <https://www.wired.com/story/china-social-credit-score-system/>.
- Menendez, Robert. 2020. "Minority Staff Report - The New Big Brother: China and Digital Authoritarianism." *United States Senate Committee on Foreign Relations*. 21 07. Accessed 08 07, 2020. <https://www.foreign.senate.gov/imo/media/doc/2020%20SFRC%20Minority%20Staff%20Report%20-%20The%20New%20Big%20Brother%20-%20China%20and%20Digital%20Authoritarianism.pdf>.
- Minter, Adam. 2019. "Why Big Brother Doesn't Bother Most Chinese." *Bloomberg*. 24 January. Accessed 08 12, 2020. <https://www.bloomberg.com/opinion/articles/2019-01-24/why-china-s-social-credit-systems-are-surprisingly-popular>.
- Moss, William W. 1996. "Dang'an: Contemporary Chinese Archives." *The China Quarterly*, March: 112-129.
- Nguyen, Clinton. 2016. "China might use data to create a score for each citizen based on how trustworthy they are." *Business Insider*. 26 October. Accessed 08 17, 2020. <https://www.businessinsider.com/china-social-credit-score-like-black-mirror-2016-10?IR=T>.
- Nittle, Nadra. 2018. "Spend "frivolously" and be penalized under China's new social credit system." *Vox*. 2 11. Accessed 08 30, 2020. <https://www.vox.com/the-goods/2018/11/2/18057450/china-social-credit-score-spend-frivolously-video-games>.
- Pan, Jennifer, and Yiqing Xu. 2018. "China's Ideological Spectrum." *Journal of Politics* 254-273.

- Parton, Charles. 2018. "The fourth weapon." *The Spectator*. 17 11. Accessed 08 10, 2020. <https://www.spectator.co.uk/article/the-fourth-weapon>.
- Polyakova, Alina, and Chris Meserole. 2019. "Policy Brief: Exporting digital authoritarianism." *Brookings*. August 26. Accessed August 31, 2020. https://www.brookings.edu/wp-content/uploads/2019/08/FP_20190826_digital_authoritarianism_polyakova_meserole.pdf.
- Rauilli, Danielle. n.d. "Why is the Rule of Law in China Unsuccessful?" *Hamilton College*. Accessed 08 29, 2020. https://www.hamilton.edu/documents/levitt-center/rauilli_danielle_article.pdf.
- Rieger, Marc Oliver, Mei Wang, and Mareike Ohlberg. 2020. *What do young Chinese think about social credit? It's complicated*. 26 Mar. Accessed September 3, 2020. <https://merics.org/en/report/what-do-young-chinese-think-about-social-credit-its-complicated>.
- Schaefer, Kendra, and Ether. Yin. 2019. "Understanding China's Social Credit System." *Trivium Social Credit*. 27 August. Accessed 07 25, 2020. <http://socialcredit.triviumchina.com/wp-content/uploads/2019/09/Understanding-Chinas-Social-Credit-System-Trivium-China-20190923.pdf>.
- Shen, Chris Fei. 2018. "Social Credit System in China." *Konrad Adenauer Stiftung*. February. Accessed August 2020, 2020. https://www.kas.de/documents/288143/4843367/panorama_digital_asia_v3a_Shen.pdf/a55cefce-8e97-32d6-63a4-2e4cc47c0513.
- Shen, Haoxiang. 2017. "如何提高芝麻信用分？芝麻信用能否刷分？." *知乎*. 21 February. Accessed 08 12, 2020. <https://www.zhihu.com/question/30790316>.
- Steinhardt, H.Christoph, and Jan Delhey. 2019. "Socio-Economic Modernization and the "Crisis of Trust" in China: A Multi-Level Analysis of General and Particular Trust." *Research Gate*. March. Accessed March 23, 2020. https://www.researchgate.net/publication/331651443_Socio-Economic_Modernization_and_the_Crisis_of_Trust_in_China_A_Multi-Level_Analysis_of_General_and_Particular_Trust.
- Vanderklippe, Nathan. 2018. "Chinese blacklist an early glimpse of sweeping new social credit control." *The Globe and Mail*. 3 January. Accessed 08 08, 2020. <https://www.theglobeandmail.com/news/world/chinese-blacklist-an-early-glimpse-of-sweeping-new-social-credit-control/article37493300/>.
- Vinayak, Vrinda. 2019. *The Human Rights Implications of China's Social Credit System*. 6 September. Accessed 08 03, 2020. <https://ohrh.law.ox.ac.uk/the-human-rights-implications-of-chinas-social-credit-system/>.
- Von Blomberg, Marianne. 2018. "The Social Credit System and China's Rule of Law." *Mapping China* 77-113.
- Wagner, Jack. 2017. "China's Cybersecurity Law: What you need to know." *The Diplomat*. 1 June. Accessed 08 13, 2020. <https://thediplomat.com/2017/06/chinas-cybersecurity-law-what-you-need-to-know/>.
- Wang, Xinyuan. 2019. "China's social credit system: The Chinese citizens' perspective." *University Collage London*. 2019 December. Accessed March 23, 2020.

<https://theconversation.com/hundreds-of-chinese-citizens-told-me-what-they-thought-about-the-controversial-social-credit-system-127467>.

Xiao, Bang, and Vicky Xiuzhong Xu. 2018. "China's Social Credit System seeks to assign citizens scores, engineer social behaviour." *The ABC*. 2 April. Accessed August 13, 2020.

<https://www.abc.net.au/news/2020-01-02/china-social-credit-system-operational-by-2020/11764740>.

Zhang, Weiyang, and Rongzhe Ke. 2004. "Trust in China: A Cross-Regional Analysis." *SSRN*. 19 08. Accessed 05 09, 2020. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=577781.