Abstract

Since 2016, the People's Republic of China's social credit system (SCS) has attracted attention as one of the world's largest social sorting experiments. Its operating principles are as simple as frightening for observers: individuals and companies with a proven record of non-compliance with administrative and legal requirements are deemed "untrustworthy" and punished accordingly. However, based on a study of social credit implementation in the National Statistic apparatus at both central and local levels, we argue that the Social Credit System does not yet have a significant impact on the bureau's operations. Indeed, we found out that while the relevant agencies have drafted social credit regulations, they are seldom put into actual use.

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Contents

Social sorting experiments as surveillance mechanisms are by no means an invention of the early twenty-first century. Practices of archive records, bookkeeping, or watchers existed for centuries and often constituted the pillars of state control and power over the centuries. (Lyon, 2003) Technological improvement allowed for the massification of data collection and integration, creating the modern state surveillance capabilities known today. In modern settings, social sorting tasks various forms depending on their aims and nature: from financial sorting with credit records, and orientation of consumer behaviours in the many scoring mechanisms embedded into service apps, to systemic differential treatments based on individual profiles. (Lyon, 2003).

The development of information technologies has been leveraged by administrations to further improve society's legibility. Mechanically, social sorting mechanisms have become a tool of choice to improve government oversight. As one of the most technologically advanced surveillance societies, the People's Republic of China (PRC) long experimented with tools of social control (Creemers, 2018). In 2014 however, the government formalised the construction of the "Social Credit System" (SCS), which has already been in the making for twenty years. While the system has been largely misunderstood in Western public opinions as a "Black-mirror-esque" fantasy of digital totalitarianism, in practice the system is closer to a modern version of record-keeping, reinforced with a "sanction & reward mechanism" designed to foster "trustworthiness" in society.

In particular, the myth of social credit as a nationwide, all-encompassing scoring mechanism has long been debunked. In 2016, scholars pointed out the limited scope of point-based systems in social credit construction (Daum, 2017). Early point-based systems were heavily criticized by central authorities and scholars alike (Dai, 2018) and later schemes are mostly local, indicative scoring tools more akin to a loyalty program (Lewis, 2018). Most of these programs do not involve any sanctions and are mostly symbolic rewards.

Research question and methods

While the social credit system has been mostly misunderstood, it nonetheless constitutes one of the world's largest social credit experiments. Indeed, the operating principle of the system is to apply differentiated treatment to companies, organisations, and to a lesser extent, individuals according to their compliance records[1]. Even more explicitly, central authorities published 2019 a

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[1] Individuals constitutes less than 15% of social credit related policy documents and around 0.2% of sanctioned entities. https://merics.org/en/opinion/chinas-social-credit-score-untangling-myth-reality

new set of opinions aimed at creating a "classification-based supervision mechanism", and instructed departments at various levels to undertake such construction.[2]

Previous research has shown that social credit implementation is very uneven across administrative levels and bureaucracies, depending on relevant agencies' incentives and willingness to the system. (Dai, 2018, Tsai, 2021). Moreover, we only have scarce evidence of "untrustworthy" companies or individuals and the consequence it had on their behavior. Hence, how can we assess both the realities and the impact of social credit systems on various entities based on general policy documents?

Therefore, any new government plans should be critically contextualized: do they change social credit institutional logic? Does introducing new "classification-based mechanisms" have had any concrete impact on government agencies' use of social credit? Alternatively, does classification-based supervision signal harsh control over companies or individuals?

To answer these questions, this paper is based on a critical analysis of governments, academic papers, and press reports related to social credit construction and "classification-based regulation". As for the local implementation of these systems, I chose to focus mostly on the National Statistics Bureau (NBS) apparatus. That is, I looked at the construction of the Social Credit System in the National Statistics department at both central and local levels. Moreover, I research different local statistics bureau's implementation of SCS; in Shandong provinces, with an additional collection of documents coming from other provinces and counties. We collected over 120 press reports related to "grading and classification" (分级分类) on the credit China database as well as more than 60 blacklist reports on the "public notification database on the "seriously untrustworthy company" (统计上严重失信企业信息公示).[3]

The choice of the National Bureau of Statistics (NBS) is justified by the relative importance of this administration as well as its hierarchical status. Placed directly under the State Council[4], with leaders of the Bureau who also chair the National Development and Reform Commission (NDRC), the NBS is therefore very much connected to the central leadership. Moreover, as we shall see, reliability problems in Chinese statistics and data are a common phenomenon, making it a prime

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[2] 关于加快推进社会信用体系建设 构建以信用为基础的新型监管机制的指导意见 (*guanyu jiakuai tuijin shehui xinyong tixi jianshe goujian yixinyong weijichu de xinxingjianguan jizhi de zhidao yijian* - guiding opinions on the acceleration of social credit system construction & construction of new type of reglementation mechanism based on credit) http://www.gov.cn/zhengce/content/2019-07/16/content_5410120.htm

[3] http://www.stats.gov.cn/tjfw/sxqygs/gsxx/

[4] China's government executive arm, equivalent to the Prime Minister's office.

target for the use of social credit in sanctioning untrustworthy behaviours. Shandong Province …
(insert justification)

Based on these documents and case studies, we find that while statistics bureau social credit regulations have very strict definitions of "untrustworthy behaviours", especially those targeted at individuals, it seems the statistics bureau's SCS is rarely used. Moreover, data transfer in the statistical apparatus seems to face hurdles, as well as data exchange with other institutes.

Background

The history of social credit construction can be traced back to the 1990s and is linked to the outcomes of market liberalisation in China. On the financial side, the PRC needed to introduce new methods for credit management and risk evaluation, both for healthy market development and to comply with WTO entry requirements (from the mid-1990s to 2001). On the political side, CCP elites and thinkers dealt with the post-Tiananmen era (1989 and after), admitted the extent of the "moral crisis" sweeping through society, and attempted to strengthen moral and ideological education. As a result, social credit became a convenient vehicle for different groups of interests regarding the promotion of their social agenda.

Hence, the first fifteen years of social credit system construction were decentralised and conducted under the leadership of various administrations and municipalities (Creemers, 2018). At the central level, the central bank and market regulation authorities both develop scoring mechanisms and data collection systems. (Dai, 2018) At the local level, various cities experimented with point-based classification tools that attracted criticism from both civil society and central authorities (Dai, 2018). As the system grew more chaotic, the State Council centralised 2014 social credit construction in the hands of the National Development and Reform Commission (NDRC) and subsequently released the guiding outline in social credit construction.

Social credit system implementation follows the usual logic of the Chinese administration. Central planners devise outlines and action plans at the national level and then task every local authority to build corresponding systems at the local level. By doing so, local authorities usually have some room for manoeuvre in building variations on the system and conducting local experiments. In the case of the social credit system, two batches of more than twenty pilot projects have been approved. (Brusse, 2021)

With the social credit system becoming more and more institutionalized, scholars' interest in the system received increased academic attention. Contextualised in the history of State control, financial modernization as well as "social engineering" tropes of the Chinese Communist Party

(Creemers, 2018; Knight 2021), the SCS is nonetheless mostly viewed as part of the reinforcement of administrative oversight over the economic behaviours. Indeed, scholars have highlighted how social credit aims at strengthening government enforcement capabilities without strengthening legal institutions. (Jee, 2021)

Social credit as social sorting

Social sorting is not a new phenomenon: it grew along the reach of the state in society as the former tried to render the latter more legible and easier to administer (Scott, 1994). In post-1949 China, social sorting and classification became a powerful repressive tool in the hands of the CCP and especially Mao Zedong. In the Mao era, such social sorting techniques translated into the extensive use of labels against perceived opponents or more generally vulnerable groups. Most notoriously, a negative label - such as bad class background, counter-revolutionary elements, rightist, etc. - was sometimes a death sentence during times of upheaval such as the Cultural revolution. (Yang, 2008; Leese, 2019). Besides the use of classification mechanisms as repression tools against individuals, they are widely used in regulating the economy. Classifying companies based on their respect for legal compliance, product safety, etc. is common.[5]

As for China, a new strand of discussion emerged in early 2000, as the government sought to reform its way of regulating the economy (Pearson, 2007). At that time, the Social Credit system was still in its infancy (Knight, 2021), and there were already experiments related to the management of the "economic *hukou*".[6] Official comments argued that classification from A to F would make it easier to follow through on companies' registration and supervision process.[7] Indeed, as the number of "market entities" (that is, non-state-owned enterprises) grew exponentially in the 1990s and 2000s, classifying companies according to nascent "credit files" would allow them to focus on the ones who have a history of evading regulatory oversight.[8]

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[5] Examples are countless: company classification schemes (that is, which business area they operate in) ; classification mechanisms for industrial sites (SEVESO in France), etc.

[6] The *hukou* is an internal passport given to every Chinese citizen delivered by the relevant city or village. Hukou condition the access to social services and education in the corresponding city. In this context, economic hukou means the registration file attached to every company.

[7] 徐茜 (XU, Qian) ; "夯实信用监管基础 搞好巡查执法工作" (*hangshi xinyong jianguan jichu / gaohao xuncha zhifa gongzuo*, strengthen the foundation of credit regulation & improve inspection and enforcement) . 中国工商管理研究 (*zhongguo gongshang guanli yanjiuyuan*, China Industrial & Commercial management Research Centre), no. 06 (2004): 43–45.

[8] 杨再学 (YANG, Caixue), and 张宝和 (ZHANG, Baohe). "深化企业监管方式改革 建立企业信用监管体系" (*shenhua qiye jianguan fangshi gaige / jianli qiye xinyong jianguan*, deepen the reform of companies regulation methods & establish a corporate credit supervision system) 工商行政管理 (*gongshang xingzheng guanli*, Industrial & Commercial administration management), no. 19 (2003): 24–25

"Credit-based classification mechanisms" has been ongoing for twenty years, and the central government stepped in 2019 to further harmonise the initiatives. In 2019, the State Council published "Guidance on accelerating the construction of a social credit system and building a new credit-based regulatory mechanism".[9] instructed relevant departments at various levels to go forward with the social credit system and argues in favour of using social credit-linked information and information systems to build a "credit-based new type supervision & regulation mechanism" (以信用为基础的新型监管机制).

Among the different instructions for state organs and local government agencies, one item specifically advocates for the promotion of classification-based tools.[10] The purpose of these tools is to apply differential treatments of social credit entities based on their credit level. For example, inspection works by relevant authorities - say, food & safety, health, labour bureaus, etc. - are time-consuming events for companies who are often forced to close operations during the times of the inspections. Hence, inspections are a powerful coercion tool by the government to extract taxes or force companies into agreeing to local government demands. Hence, one of the objectives of credit-based regulation would be to reduce the inspection burden for companies with higher credit rankings.

Therefore, new pilot programs in different cities and provinces as well as across different market fields started to emerge. Based on a database composed of 112 entries of press reports collected from the Credit China website, pilot programs concern various fields ranging from food and health administration safety, health, and hygiene commission (including medical equipment), environment protection related work to labour protection, intellectual property and culture, and tourism.[11] Experiments are going on all around the country. Most notably, some cities (Guangzhou, Beijing, Jinan, and Hohhot for example) are deploying not only "industry-based regulation" but also city-wide classification systems.

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[9] 加快推进社会信用体系建设构建以信用为基础的新型监管机制的指导意见 (*jiakuai tuijin shehuixinyong tixi jianshe ／goujian yixinyong weijichu dexinxing jianguan jizhide zhidao yijian*) http://zjzd.stats.gov.cn/tjfz/gzwj/202105/t20210510_99650.html

[10] Ibid, section 3. alinea 7.

[11] 山东威海食药领域实行信用分级分类监管 (*Shandong weihai shiyao lingyu shixing xinyong fenji fenlei jianguan,* Shandong Weihai Food & Medication area practical credit classification and grading regulation) ; 安庆市卫生健康委积极推进信用分级分类监管 (*Anqing weisheng jiankangwei jiji tuijin xinyong fenji fenlei jianguan* – Anqing Health and Hygiene Committee on actively promoting credit based classification and grading regulation); 呼和浩特市在多个领域开展信用分级分类监管 (*hohehaote city zai duo ge lingyu kaizhan xinyong fenji fenlei jianguan* - Hohhot City develops classification and grading regulation in difference domains)

This brief introduction to social sorting in China demonstrates that classification systems are everything but new in this context. The social credit system hence isn't a brand-new Orwellian tool to stiff dissent. As an "information gathering institution" (Jee, 2021) it does allow - in theory - for a new level of data collection that can be harnessed to improve government enforcement capabilities. As such, the SCS does mark an important extension of social sorting techniques into economic and work regulation. The next set of questions is therefore to ask how such systems are implemented, what are the legal basis and how do they work in practice.

Social Credit and the National Statistics Bureau

As with other central and local government agencies, the National Bureau of Statistics (hereafter NBS) has been tasked to establish its social credit system apparatus. The NBS is a "prime target" for social credit implementation as it long faces credibility problems and unreliable data. (Ghosh; 2014) To fight this perennial problem, China's government introduced a Statistics Law in 2010 which criminalizes tempering, harbouring, stealing, or simply hiding statistics and interfering in statistics work and inquiry.[12]

Recent campaigns aimed at improving reliability and professionalism in the NBS contain various references to the role of social credit.[13] In 2016, the Central Committee of the CCP and the State Council published "opinions regarding the deepening of the reform of the statistical management system to improve the authenticity of statistical data", which calls for using the Social Credit System to better coerce organisations or companies hampering statistical work.[14] In 2018, a new directive from the CCP Central Committee and State Council advocates for stricter punishment, and counterfeit data also refers to trustworthiness mechanisms in punishing falters.[15]

Practical implementation of the Social Credit System in the Statistics apparatus can be traced back to 2014, in the wake of the official 2014 Outline. However, early documents from 2014 to 2017 were mostly temporary regulations. Definitive versions of the social credit implementation

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[12] 中华人民共和国统计法 (*zhonghua renmin gongheguo tongji fa*) - 2009
http://www.stats.gov.cn/zjtj/tjfg/tjfl/200906/t20090629_8791.html & 中华人民共和国统计法实施条例
(*zhonghua renmin gongheguo tongjifa shishe tiaoli*) - 2017
http://www.stats.gov.cn/zjtj/tjfg/xzfg/201706/t20170620_1505293.html
[13] See for example : 关于加强和完善部门统计工作的意见 http://www.gov.cn/zhengce/content/2014-12/16/content_9300.htm & 防范和惩治统计造假、弄虚作假督察工作规定
http://www.gov.cn/gongbao/content/2018/content_5326352.htm
[14] 关于深化统计管理体制改革提高统计数据真实性的意见 (*guanyu shenhua tongji guanli tizhi gaige tigao tongji shuju juzhenshixing de yijian* - opinions on the deepening of reform of the statistical management mechanism and improving the authenticity of the statistical data); 2017   (Baike) full text :
http://www.xxtq.gov.cn/xxtqsyj/zcfg/zcfg_15120/t4740465.html
[15] 防范和惩治统计造假、弄虚作假督察工作规定
http://www.gov.cn/gongbao/content/2018/content_5326352.htm

opinions (2017 - 99) are mostly a to-do list of system components that need to be implemented at each level of the statistics apparatus. [16] For example, drafting documents related to untrustworthiness for companies and individuals; information-sharing mechanisms, black and red list systems, etc.

Untrustworthy companies and individuals

Besides these general documents, the core two documents that define social credit in the statistics apparatus are related to the definition of untrustworthy behaviours and related sanctions. A first trial version of these documents was published in 2017, with a new version in 2019.[17]The two documents articulated individuals' and companies' "statistical credit files" separately.[18] They both are constructed in the same way: a section on what are credit files and what information is included in them; a description of the different classifications & levels of trustworthiness. There are four levels of classification for companies and three for individuals, with associated behaviors and sanctions. The following tables sum up the main categories.

Individuals	Companies
统计守信行为 - trustworthy statistics [employee] behaviours	统计守信企业 - trustworthy statistics company
统计警示行为 - warning statistics [employee] behaviours	统计信用异常企业 - abnormal credit statistics company
统计严重失信行为 - seriously untrustworthy statistics [employee] behaviours	统计一般失信企业 - average untrustworthy statistics company
	统计严重失信企业 - seriously untrustworthy statistics company

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16 国家统计局关于加强统计领域信用建设的若干意见

17 In late May 2022, as this paper was in the final revision, a new document came out partly overseeing the two documents forming the basis of this paper. Although the new document does alter fundamentally the conclusion of this study, it might change future implementation of the system. https://www.creditchina.gov.cn/zhengcefagui/zhengcefagui/zhongyangzhengcefagui1/202205/t20220525_294305.html

18 The two documents : http://zjzd.stats.gov.cn/tjfz/gzwj/202105/t20210510_99650.html - 统计从业人员统计信用档案管理办法 & http://zjzd.stats.gov.cn/tjfz/gzwj/202105/t20210510_99649.html - 企业统计信用管理办法

Describing every violation that would land one person or company into each of these categories is beyond the scope of the article. However, we can make an important conclusion. As is the case in other social credit regulations [19], every one of the behaviours listed is linked to effective administrative and criminal laws. For example, forging or modifying data is illegal according to the national statistics law, hence it is one behaviour that could land an individual or company in the serious untrustworthiness category. While the reasons for being on an untrustworthy blacklist are clear and rooted in the law, the text still allows for some flexibility in writing "other untrustworthy behaviours".

Memorandum of action

The last document, no less important, is the Memorandum of Understanding which "actually gives the teeth" to Social Credit sanctions systems. (Daum, 2017) A Memorandum of Understanding ensures that signatory departments work together in applying sanctions on one entity. The 2018 Memorandum regarding the Joint-Punishment of Severely Untrustworthy companies and individuals is signed by 45 departments in total (around the same as the SCS most potent blacklist, the Judgement defaulters list).

These sanctions are very broad (42 items) and can have a far-reaching effect, but they are also very "classic" administrative penalties   It should be noted that only individuals or companies are deemed "severely untrustworthy". Sanctions include "online publicity" (on online social credit databases) for a year, administrative penalties, restrictions on participation in public bidding, draft projects, procurement systems, patent applications, etc.

These documents contain specificities related to statistics works. Two main variations are deemed of interest. First, the regulations distinguish between two types of individuals, those working for state statistical organs and those working for "investigation units". If the sanctions are the same Different criteria apply to judge their behaviours as well as their untrustworthiness. State employee: a strong emphasis on non-leaking state secrets and very strict behavioural limits for state employees including tampering with data (forging, modifying, faking, refusing to transfer data) but also interfering with the investigation (blocking, refusing, alerting others on the investigation.

To sum up, at the central level, the NSB SCS construction is very much in line with the overall social credit construction in other cities or departments. Central planners at the department level build a unified set of documents that defines the extent of the systems, the behaviours deemed untrustworthy, and the sanctions that can be applied. As it has been pointed out in other spheres

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of social credit construction, the behaviours and sanctions are strictly linked to legal justifications. (Daum, 2017). Building on these documents issued by central authorities, let's shift focus and examine local implementation.

<u>**Local implementations**</u>

Provincial-level implementation

In a very top-down approach, provincial-level statistics bureaus are then tasked with replicating and implementing the outlines drafted above. The first set of documents replicates exactly - a perfect copy-paste - the document issued at the national level. The Shandong Bureau of Statistics, for example, issued a try-out version of the regulation concerning statistics departments' employee credit files management in 2020, which is a year after the national ones.

Shandong isn't the only province replicating national-level legislation. Indeed, we collected additional provincial documents from Qinghai[20], Hunan[21], Jiangsu[22], etc. A similar development can be found in cities (Nanjing[23], Changsha[24]). Such development isn't surprising: the local level Bureau of Statistics does not have much autonomy to adapt places according to their priority.

It doesn't mean the local statistics bureau has no initiative at all when it comes to publishing policy documents. In 2017, Shandong provincial NBS issued a notice related to the promotion of credibility building in the statistical domain.[25] This general policy calls for the implementation of the national-level policy described above as well as more general education campaigns related to trustworthiness. In doing so, it advertised for the "Trustworthy Shandong Brand", a propaganda initiative launched in 2004.[26] Such types of propaganda campaigns demonstrate social credit construction relies on explaining policies and the principles of trustworthiness to officials and citizens alike.

City-level implementation

City or district-level authorities play an important role in day-to-day governance and are also tasked with implementing portions of the social credit system. For this report, we chose the city of Weihai, which happens to be a social credit system pilot city (Jee, 2021). In 2021, the bureau of statistics of the city issued a try-out guidance notice on establishing a hierarchical, differentiated type of

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[20] Translate, 'Social Credit & the Law'.
http://tjj.qinghai.gov.cn/xxgk_2458/xxgkml/yjgl/lostCredit_2900/fgwj/202011/t20201126_70735.html
[21] http://tjj.hunan.gov.cn/xxgk/tjxy/sxrygs_919/fgwj_919/201908/t20190806_5410520.html
[22] http://tj.jiangsu.gov.cn/art/2019/8/20/art_75591_8677483.html
[23] http://tjj.nanjing.gov.cn/njstjj/201911/t20191113_1706093.html
[24] http://www.hunan.gov.cn/zqt/zcsd/201804/t20180420_13558442.html
[25] 关于转发山东省统计局《关于加强统计领域信用建设的施意见》的通知
[26] 诚 信 鲁 统 — — 山 东 统 计 文 化 的 品 牌 -
http://tjj.shandong.gov.cn/art/2018/12/20/art_187338_10284022.html

regulation mechanism based on credit reports. It should be noted similar systems exist in Changle District[27] (Shandong), Shenzhen[28], Nan'an City[29], Fuzhou[30] (Jiangxi), and Henan[31] , and most likely other cities as well.

While these local regulations do not change the conditions for being labelled untrustworthy, they introduce a new classification system. These local systems sort out individuals and companies into categories ranging from A to D.[32] An inclusion in the A category leads to access to "green channels": allowing for reduced inspection from government agencies, and favourable access to talent programs. On top of these advantages, A-class Haibei Score (local Weihai scoring mechanism) allows for premium access to statistical products (that is yearbook with data on every industry) as well as preferential access to "statistical training".[33] AA+ companies or individuals are allowed to access it.

For companies with C and individuals with D rankings, sanctions include cancellation of statistical work-related honours, encouragement certification, and inclusion into heightened scrutiny. That is, they are subject to more stringent investigation by relevant departments which in turn impair their work. This increased administrative oversight comes on top of the administrative sanctions detailed in the national regulations as well as the memorandum.

Illustration

In this last part, we delve into concrete examples of blacklisted companies or individuals. To do so, we look at public databases meant to expose untrustworthy entities or individuals at the local level and national levels. We looked at databases from Chongqing Shaping District[34], Dazu District[35] Guangzhou[36], Gansu[37], Weihai City[38] , and the national level. In all our research except for the

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[27] http://www.changle.gov.cn/bmzc/xycl/zcfg/202112/P020211210663081315566.pdf

[28] http://tjj.sz.gov.cn/gkmlpt/content/9/9498/post_9498234.html#21992

[29] http://www.nanan.gov.cn/zwgk/zfxxgkzl/bmzfxxgk/tjj/zfxxgkml/202112/t20211220_2672082.htm

[30] http://tjj.jxfz.gov.cn/art/2021/12/27/art_4354_3775519.html

[31] http://xywg.zgwg.gov.cn:1080/c/%E8%88%9E%E9%92%A2%E5%B8%82%E7%BB%9F%E8%AE%A1%E9%A2%86%E5%9F%9F%E4%BF%A1%E7%94%A8%E5%88%86%E7%BA%A7%E5%88%86%E7%B1%BB%E7%9B%91%E7%AE%A1%E5%88%B6%E5%BA%A6

[32] It means that "trustworthy" now corresponds to "A", "average untrustworthy" to B, "seriously untrustworthy", etc. From A to C for individuals and A to D for companies since they have different classification systems.

[33] http://www.stats.gov.cn/tjsj/tjbz/tjypflml/

[34] http://www.cqspb.gov.cn/bm/qtjj_64050/sy_64051/tjcyryyzsxxwxxgs/yzsxxwxx/

[35] http://www.dazu.gov.cn/qzfbm/qtjj/tjsxqyxxgs_122421/yzsxqyxx_122423/202105/t20210531_9345846.html

[36] http://www.zc.gov.cn/jg/qzfbm/qtjj/tjcyryyzsxxwgs/

[37] http://tjj.gansu.gov.cn/tjj/c116281/tjj_tjsq_2_list.shtml

[38] http://tjj.weihai.gov.cn/art/2018/5/29/art_13163_450182.html

national level platform, most of the local NBS do not declare any untrustworthy individuals and very few companies. In Weihai city, for example, the platform has not been updated since 2018 for companies and 2020 for individuals.[39] In both cases, records are empty. In Chongqing, lists have not been updated since 2021.

On the national database, a few companies appear to have been blacklisted. In total, the National Statistics Untrustworthy Company database contains 60 seriously untrustworthy companies.[40] Data mostly originates from three provincial-level databases: Guangxi, Guizhou, and Tianjin. To be precise, 81% of the entries were sent from Guangxi province (49 entries), 9 from Guizhou, and 2 from Tianjin. The companies have been added to the blacklist between June 2021 and February 2022. All companies have been classified as seriously untrustworthy for faking statistics,[41] on top of that, two companies also create original records which do not conform to national standards.[42] In terms of sanctions, the exposed companies all received an "administrative warning", a fine ranging from 50.00 to 200.000 Yuan. Such sanctions are way below what the memorandum for understanding allows for "seriously untrustworthy companies".

An important part of the Social Credit system is related to information sharing among administration at different levels. Therefore, we ran the name of these companies on the national (NDRC-led) platform "Credit China" to verify if the information on statistical untrustworthiness is also reported on the central database, as required by the NBS SCS guidelines. While we found lacking information or inaccurate information between the two information systems, the inaccuracies vary a lot depending on the provinces. For example, none of the companies deemed untrustworthy in Guangxi were reported on the "credit china" database. Some were even labelled "trustworthy" for deeds other than statistics-related works. However, all the companies from Guizhou were accurately accounted for.

Reasons for these discrepancies are difficult to assess without access to interviews or further fieldwork. Central authorities often blame the "siloing" of administrations who do not share data (Brusse, 2021; Dai, 2018). It could be that the statistical departments at the local level follow their rationale and refer untrustworthy companies to their higher-ups only. In any case, further research needs to be done to better assess the scale of data sharing (or non-sharing) between administrations at the local and central levels.

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[39] http://tjj.weihai.gov.cn/col/col13163/index.html
[40] http://www.stats.gov.cn/tjfw/sxqygs/gsxx/index.html
[41] http://www.stats.gov.cn/tjfw/sxqygs/gsxx/202109/t20210909_1821906.html
[42] http://www.stats.gov.cn/tjfw/sxqygs/gsxx/202109/t20210909_1821906.html

Besides the discrepancies, the total number of exposed companies is very low, especially when compared to other departments which have been more proactive in using social credit to punish untrustworthy companies. For example, most notices on the credit China database include information emanating from the provincial and tax bureau. Drawing on Tsai (2021) and Dai (2018) we can hypothesize that the NSB apparatus is reluctant to punish individuals in its administration, or more generally that it does not consider the social credit system a priority.

This non-exhaustive analysis of the statistical social credit system at the local level shows that implementation is very uneven. While the local statistical bureau does draft corresponding social credit guidelines and systems, they do not seem to be put into actual use. Drawing on Tsai (2021), we could hypothesise that drafting relevant policy texts is an "easy" achievement for the local cadres, enough to please the hierarchy without investing too much effort. Such a hypothesis is further supported by the very low number of blacklisted companies and virtually zero blacklisted individuals. Given this situation of the social credit implementation in the statistical apparatus, we argue that the further construction of "credit-based regulation systems" is still in its infancy.

Conclusion

This paper examined social sorting experiments in China through the prism of the social credit system. This vast information-gathering apparatus constitutes one of the most ambitious government-led social sorting experiments. In organising nationwide administrative data collection, assigning different labels to legal behaviours to companies, individuals, and organisations, does create categories of individuals and companies that are treated differently according to their behaviours.

This behaviour classification does not take place in a legal vacuum. The general policy does set up a limit to what kind of data might be included in "credit files" and what behaviours are deemed untrustworthy are established criminal violations. Similarly, sanctions are specified explicitly as well as the process for an individual to get out of blacklist systems. These items are carefully defined to prevent abuse as much as to provide guidelines for administrative implementations.

While this policymaking is very coherent at the central level, local implementation offers variable realities. Based on our case study of the National Bureau of Statistics, we show that while local administration does draft (or reproduce) social credit policy documents. Moreover, the actual use of the system varies greatly, even to the point that the system seems to be barely used in the case of some provinces. As for the progressive introduction of "classification-based regulation", its impact is hard to evaluate since it would require interviews with subject companies.

This uneven reality does not mean that social credit constitutes a policy failure, nor that social sorting does not exist, it simply illustrates that local constructions vary between localities and different sections of the administrations. In the case of the National Bureau of Statistics apparatus, it seems social credit is of low priority. Hence, this study highlights the need for further study of "classification-based regulation" in other fields. In this regard, research is needed to compare between social credit systems apparatus and better understand the realities of social sorting in Chinese governance methods.

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