

Establishing Efficient Social Credit System in China from American Experience of Social Credit System¹

ETABLISSEMENT D'UN SYSTÈME EFFICACE DE CRÉDIT SOCIAL EN CHINE D'APRÈS LES EXPÉRIENCES AMÉRICAINES

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Abstract: This paper analyses American social credit system. Social credit is defined as the belief that the provisioning capabilities of a nation are a result of collective effort and should be used in a democracy way as a fund from which each citizen receives an equal share in the form of a basic income. Many difficulties would be faced without a sound social credit system, so the establishment of a nationwide social credit system should be sped up to improve the development of social credit. The paper discusses what to do as to the development of social credit system.

Key words: credit investigation, social credit system, intermediary agency, credit consciousness, credit organizations.

Résumé: Le présent article analyse le système de crédit social américain. Le crédit social est défini comme la croyance que la capacité d'approvisionnement d'une nation est le résultat de l'effort collectif et devrait être utilisée de façon démocratique comme un fonds dans lequel chaque citoyen peut recevoir une part égale en forme d'un revenu de base. On devrait confronter beaucoup de difficultés sans un système efficace de crédit social. Ainsi, un système de crédit social à l'échelle nationale doit être établi le plus vite possible pour promouvoir le développement du crédit social. Le présent article explore ce qu'il faut faire en faveur du développement du système de crédit social.

Mots-Clés: investigation de crédit, système de crédit social, agence intermédiaire, conscience de crédit, organisations de crédit

America is a developed country, which has built up relatively perfect social credit system through their many years' practice. The main characteristic of the credit pattern is that credit services are completely operated by private organizations. The government only carries out the credit administration legislation in the social credit system, and the surveillance carries out the practice. Analyzing American social credit system can provide beneficial experience to China in establishing and improving the social credit system.

1. STRONGER CREDIT CONSCIOUSNESS PROMOTES CREDIT ADMINISTRATION SYSTEM DEVELOPMENT.

In the U.S., it is very common to see credit transaction. With a deficient credit recording or bad credit record, it is very hard for an enterprise or a person to survive or develop. What is worse, the person with a bad credit record may not be employed as everyone gets an SSN (social security number) in America which can make all individual credit record together. Therefore, no only

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enterprises but also individuals have very strong credit consciousness.

2. CREDIT INTERMEDIARY AGENCY PLAYS A VITAL ROLE IN CREDIT SYSTEM.

In the U.S., credit-reporting agency is engaged in credit rating, business account pursues receives and the world famous commercial organization specialize in information service. These main intermediary agencies such as Dun&Bradstreet (the New York Stock Exchange code: DNB), TransUnion, Experian and Equifax are world famous credit reporting organizations. The term credit-rating will be restricted to agencies such as Moody's and S&P. The effective management of business credit can contribute to the overall economic health.

3. THE GOVERNMENT AND PROFESSION ASSOCIATION MAKE EFFORTS TO FORM MORE COMPLETE LEGAL FRAME SYSTEM.

The U.S. is the most advanced country in credit economy today and its credit laws and regulation systems are most perfect. The role played by the government is quite limited in the credit profession management while related departments and courts get up the function which in the credit surveillance, main supervising department is the credit administration profession, such as Federal Trade Commission, National Association of Credit Management(NACM), Consumer Credit Protection Act(CCPA), Truth in Lending Act (TILA), Formulated Fair Credit Reporting Act(FCRA), promulgated Equal Credit Opportunity Act(ECOA), (Uniform Consumer Credit Code, UCCC) and so on. In the United States, many related laws have been passed through to prohibit credit transaction discrimination behavior and make difference in forming the credit administration. As a result, a complete frame system has been founded at present.

Huge gap in China still exists in social credit system compared with America's. China should establish its social credit system efficiently to propel market economy development, from the experience in society credit system construction in America. The experience has provided the following model.:

3.1 To cultivate credit culture and credit education

The credit has already seeped into social economy life and become the first need in market economy. Credit education should be stressed highly in different ways, such as propagandizing credit, establishing good faith code of honor as the core values and moral view. The reason why American social credit system is perfect is that its market economy system is already mature, the social credit system and the credit economy development system have been set up and the combined environment has also been established. At present, the government in China must strengthen essential factors, speed up the advancement society credit system and get up the credit consciousness about "the credit is the wealth", "the credit is the life", for creating cultural atmosphere is very important to improve social credit.

3.2 To cultivate perfect society credit rating organization.

Society credit rating organization has played a key role in shaping credit system to ensure the performance social credit system. According to the high international standard, to establish society credit rating organization will be helpful for China to participate in global competition. Disperse credit recording files in different departments with information resource should be unified to society credit rating organization as share resources, such as judicature, tax payment condition, financial property and so on, which will be done by the social credit rating organization independently and the rating result will be released to the public on time.

3.3 To play a critical role for the government, not directly participates in the activity.

The practice in China indicates that credit management led by the government will lead to less responsibility and obligation, bringing about relevant problems. Laws and regulations should be mapped out by the government to propel the establishment of the credit system. The function of the government is to concentrate on enhancing social credit consciousness, cultivating people's credit ability, making policies and beefing up supervision and it should promote enterprises credit system establishment, but not undertake commercial credit activities.

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