

A Theoretical Foundation and A Mechanism Construction of Credit-breaking Punishment

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Abstract: General office of the State Council (12.2020) “Guiding opinions on further perfecting the system of credit-breaking restraint and constructing a long-term mechanism of credit system” requirements: According to the general idea of law & regulation, protection of the legitimate rights and interests, prudence and moderation, list management, standardize and improve the mechanism of credit-breaking punishment and credit repair, promote the social credit system into a new stage of high-quality development. This paper explores the theoretical basis of credit restraint in the perspective of economic theory, analyses the types and effective elements of credit-breaking punishment from the perspective of mechanism building, summarizes the problems existing in privacy protection and credit repair mechanism of credit-breaking punishment measures, puts forward some suggestions on the formulation of social credit information catalogue & credit-breaking punishment measures list.

1. Introduction

Due to the refined social division of labour and the continuously expanding market, personal credit has gradually evolved into social credit in economic interaction activities. Social credit is an institutional arrangement aimed to reduce transaction costs and expand transaction scale under market economy conditions. It targets at all transaction entities as a universal rule that economic entities should obey when participating in social division of labour and cooperation. The social credit system is an important institutional arrangement in the market economy system also a systematic project [1]. To improve the social credit system, we should take laws and regulations as the basis, take all residents as the main body, give full play to the role of credit records in disclosure, dissemination, and early warning, improve the credit-breaking punishment mechanism, strengthen joint punishment, increase the cost of discredit, encourage honesty and trustworthiness, solve the problem of information asymmetry in social and economic activities to the greatest extent.

The top-level institution regarding China's social credit system started in 2014 in the "Outline of the Social Credit System Construction Plan (2014-2020)". One of the overall goals is to give full play to the role of credit-breaking punishment mechanism by 2020. After years of practice and exploration, China has made great progress in the establishment of credit-breaking punishment mechanism. During the 13th Five-Year Plan period, credit-breaking punishment mechanism has been fully implemented in China in social management fields such as market access, job qualifications, and

restrictions on high consumption. To address the issue of wage arrears among migrant workers, the labor and social security department specially launched the construction of "corporate wage payment integrity system", implemented ABC law-abiding integrity ratings on employers, established a "blacklist" of companies with wage arrears, implemented multi-departmental joint disciplinary action, and increased disciplinary efforts through aspects of restricted government financial support, government procurement, bidding, production permits, qualification review, financing loans, market access, tax incentives, and appraisal. To solve the difficulty in enforcement, the People's Court has established joint credit-breaking punishment mechanism involving more than 60 departments, and increased the punishment for serious untrustworthy behavior through compulsory measures such as restrictions on exit, judicial detention, and prosecution of the crime of refusal, so that the untrustworthy will guard against crime in mind, restrain behavior and receive punishment in case of violation. As of December 2020, a total of 7.51 million untrustworthy persons subject to enforcement across the country have automatically fulfilled their obligations under the pressure of credit punishment, and the enforcement difficulty is therefore generally eased. [2] Of course, some new situations occur in the practice of the credit-breaking punishment mechanism. For example, for untrustworthy behavior of minors, untrustworthy behaviors caused by force majeure such as natural disasters or epidemics, as well as unintentional, minor untrustworthy behaviors, if "one-size-fits-all approach" of credit-breaking punishment is taken by adding the disputes into the blacklist of dishonesty, the result is easily counterproductive and cannot truly achieve disciplinary effect. How to tolerate and prudently identify, record, and punish untrustworthy behaviors with high social attention and inconsistent understanding is also a point for further improvement in the construction of the credit system in the future.

The "14th Five-Year Plan and the Outline of Long-Term Goals for 2035" clarifies that we should establish and perfect a system of credit laws, regulations and standards, formulate a public credit information catalogue and a list of credit-breaking punishment measures, and improve credit repair mechanisms for untrustworthy entities. In advancing the work, three important principles need to be highlighted: First, strictly follow laws and regulations. Records of untrustworthy behaviors, identification of serious untrustworthy subjects, and credit-breaking punishment relate to the vital interests of individuals, enterprises, etc. which must be strictly handled within the track of the rule of law. Second, we should accurately define the scope of credit information and identification of the list of severely untrustworthy entities, reasonably implement credit-breaking punishment measures, and resolutely prevent improper use or even abuse. Third, we should see to appropriateness in punishment, and punishment measures of different types and strengths shall be implemented in strict accordance with the law in view of the field, severity, and influence of the untrustworthy behavior, thereby effectively protecting the legitimate rights and interests of credit subjects [3].

2. Theoretical Foundation of Credit-breaking Punishment

2.1. Information Asymmetry

People have different understanding towards information in market economic activities. Usually, the party who masters more information is often in a more favourable position, while those with relatively poor information are often in a more disadvantaged position. Due to information asymmetry, two kinds of risks are inevitable: adverse selection before the event (lie) and moral hazard after the event (fraud). The so-called adverse selection means that in a transaction, the party with information advantage can use its own information advantage to sign a contract beneficial to itself, and form a breach of trust against the party with information disadvantage. The so-called moral hazard means that in a transaction, one party to the transaction can infringe on the counterparty's interests or transfer risks by concealing actions or information.

Regarding the problems of adverse selection and moral hazard failure caused by information asymmetry, the general consensus in economics on how to reduce or eliminate this impact is to let both parties to the transaction tell the truth through market mechanisms. The first mechanism is information transmission, that is, find a way to let the information superior party transfer information to the information inferior party. The second mechanism is information discrimination, that is, find a way to make the party without information induce the party with information to disclose information, thereby achieving the purpose of information discrimination. The second-hand car market is the most typical "lemon market" with information asymmetry-bad money drives out good money, and under equilibrium, low-quality second-hand cars are sold. To eliminate or mitigate such "market failure" caused by dishonesty, the seller can hold an authoritative second-hand car quality inspection report issued by a recognized third-party institution in the market, so that the quality information of the second-hand car is shared between the two parties to the transaction, thus forming "incentive compatibility" and achieving Pareto improvement of market efficiency.

To solve the problem of information asymmetry, we must not only encourage the trustworthy, but also punish the untrustworthy, because credit-breaking punishment is the greatest incentive for trustworthiness. If we let the untrustworthy bear higher punishment costs, so that the expected utility brought by dishonesty is not greater than that brought by trustworthiness, both parties to the transaction will choose trustworthy behavior to maximize respective interests.

2.2. System Transaction Costs

Coase transaction cost theory believes that social transactions have costs. If there are no rules to follow in the process of resource allocation, just the invisible hand of market allocates resources, then utilization of resources will definitely not reach Pareto optimal status. Therefore, as long as there are transaction costs, it is necessary to establish a corresponding system to reduce transaction costs.

The economics community believes that a system is "a social organization that strives to form a fixed and standardized mode of behavior through the role of tradition, custom, and legal constraints." [4] System is a code of conduct that must be followed by all members of society in a market economy. How an individual acts depends on the benefit incentives provided by the corresponding system, or the cost of laws and regulations that the corresponding system can impose. System can suppress potential arbitrary and opportunistic behaviors in social interpersonal communication activities, and help people form expectations of others' actions. If credit-breaking punishment system is not established, due to the motives of opportunistic behavior, coupled with market uncertainty and information asymmetry, the bounded rational person is very likely to conduct untrustworthy behavior, which will increase transaction costs and is thus unfavorable for conclusion of market transactions.

Systems can be divided into formal and informal systems [5]. Formal systems are a series of behavioral rules consciously created by people, and various rules set in accordance with certain procedures, including various laws, regulations, rules. Formal systems are often enforced from top to bottom, and punishments are enforced in an organized manner by the corresponding authority. Informal system refers to the rules unconsciously formed by people in long-term social life. Such rules have lasting vitality and can be passed on from generation to generation. They form part of the culture, including various ethics, public order, good customs, and ideologies. The punishment of informal system usually comes from condemnation of other community members. For instance, uncivilized behaviors such as spitting everywhere, jumping a queue when waiting for the bus, etc., will be condemned by public opinion. Regardless of formal system or informal system, the goal is to punish and deter the untrustworthy so that they cannot gain a foothold in society. In this way, we can guide the behavior of market economy entities, make them consciously keep their promises, and form a good social credit atmosphere.

2.3. Contract Theory

A contract refers to an instrument related to sale, mortgage, lease relationships, etc., concluded by two or more parties [6]. Contract as an agreement is an indispensable element of economic analysis. As an agreement reached between transaction subjects, contracts include explicit contracts with legal effect, as well as some default contracts.

Contract is essentially to keep promises. From a philosophical point of view, in the natural state, there is no such thing as justice and injustice without a contract. With the presence of contract, it is just to observe the agreement and fulfill the credit terms, and it is unjust to breach the contract and refuse to fulfill the credit terms. The prerequisite for keeping promises is fairness. If there is no fairness, there is no way to talk about credit. Fair competition is an external guarantee for the normal operation of contract. Without fair competition, the contract cannot operate normally and the credit of both parties to the contract cannot be guaranteed.

The modern market economy is actually a credit economy, and contracts provide basic guarantees for credit. First, the contract stipulates the responsibilities and obligations that must be fulfilled by the parties, which is the behavior basis for the parties to achieve the set interests. Second, the performance of the contract is based on the mutual dependence of the parties. Trust includes trust in expected results and trust in the other party's willingness and ability to undertake obligations. The firm belief in the value of the contract constitutes the concept and moral basis for the parties to abide by their promises. Third, implementation of the contract is the result when the parties fulfill their obligations as promised. Fulfilling obligations is the key to the implementation of the contract, and contract provides an institutional guarantee for credit activities in the market economy.

It should be noted that due to bounded rationality and opportunistic tendencies, the existence of transaction costs, externalities and information asymmetry in practice, complete contracts do not exist. In other words, it is unrealistic to solve all possible situations through a contract. Since the incompleteness of the contract exists objectively, credit-breaking punishment is a good choice to ensure the implementation of the contract while saving transaction costs. Credit-breaking punishment can eliminate the uncertainty and irrationality in contracts, and make keeping promises a universal basis and objective standard.

3. Construction of Credit-Breaking Punishment Mechanism

The credit-breaking punishment mechanism refers to the establishment of a set of game rules. Using approaches including laws, regulations, systems, ethics, etc., it makes the personal interests of market entities consistent with the established goals of the society under decentralized decision-making based on free choice and voluntary exchange. The mechanism construction pursues Pareto optimality, that is, when everyone pursues personal interests subjectively, they also objectively achieve the established goals of society at the same time. From the perspective of mechanism construction, credit-breaking punishment is to use information screening, transmission, incentive and restraint mechanisms to make the personal interests of market entities consistent with social goals so that benign incentives and restraints are formed at relatively low information costs.

3.1. Market-Based Punishment Mechanism

The market-based punishment mechanism is mainly implemented through information transmission, screening mechanism, and incentive and restraint mechanism. Where, information transmission and screening mechanism is the method adopted by market entities to solve the problem of adverse selection under information asymmetry. Its purpose is to allow information to be disclosed and shared in the market, thereby solving the problem of dishonesty. In reality, through a third-party "credit

rating" report, on the one hand, it is possible to understand the credit status of the counterparty before signing a contract, thus achieving the purpose of dishonesty prevention. On the other hand, through the sale and use of credit reports, a market-based punishment mechanism is formed, and through information disclosure and diffusion, one party's dishonesty towards multiple parties will evolve into one party's dishonesty towards the whole society. In this way, the deterrence generated therefrom will guide market players to conscious trustworthiness. The incentive and restraint mechanism emphasizes not only rewards for trustworthy behaviors, but also punishments for untrustworthy behaviors, and punishment takes precedence over rewards. The reason is that credit-breaking punishment incurs a higher cost of dishonesty and motivates market entities to spontaneously keep faith. From the perspective of rational economic man, to maximize their own interests, market entities must measure which of the expected utility of trustworthy and untrustworthy behaviors is greater. If the expected return from untrustworthy behavior is smaller than that from trustworthy behavior, then trustworthy behavior will be chosen automatically.

In market economic activities, business risks and financial risks are always present, and companies failing in business operations and facing heavy debt are not uncommon. As long as the entrepreneur does not maliciously refuse to repay the debt, market-based punishment mechanism should give correction opportunity to those untrustworthy people who maintain honesty and actively repay debts, thus helping them stage a comeback. In this aspect, there are typical positive and negative entrepreneurs in reality. Entrepreneur Mr. Luo pursued high-quality industrial design when he founded Hammer Technology. In the fiercely competitive field of mobile electronic products, Hammer Technology is a niche start-up brand. Due to insufficient resources and limited audience, it owes a debt of nearly 600 million yuan to suppliers. Mr. Luo himself was also added to the blacklist of dishonesty which restricted high consumption. Although he was burdened with huge debts, Mr. Luo did not choose to emigrate, but bravely stood up and promised that he would repay the creditors' losses in whatever approach no matter how long it would take. Since then, Mr. Luo engages in E-commerce livestreaming marketing, accepts game endorsements, and actively raises money in various ways. So far, he has repaid more than 400 million yuan of debt. For entrepreneurs who keep their promises, creditors under the market-based punishment mechanism are willing to extend the repayment period and give more opportunities to the untrustworthy. After all, doing so can minimize economic losses. A sharp contrast example is Mr. Jia, an entrepreneur who escaped to the United States. His LeTV was successfully listed on A-share market ten years ago and became the "first online video stock" in China. Since then, LeTV, which started from video, expanded vigorously and entered the "Internet smart car" industry. Car building is an asset-heavy project, which features huge initial investment of funds, long recovery period in the later period, so there is great financial risk. Even it is a listed company without shortage of funds, LeTV was eventually dragged down, and the balance of loans owed to financial institutions alone was as high as 13 billion yuan, so the company was unable to repay it. Facing the foreseeable market penalties such as "restricting exit and restricting high consumption", Mr. Jia hurriedly escaped to the United States. In the end, LeTV was delisted, Mr. Jia went through bankruptcy reorganization. Although Mr. Jia once said that he "would return to China next week" and "would not evade responsibility," he has become an actual deadbeat. The short-term maximization of the utility of such untrustworthy expectations is actually an overdraft of the long-term market credit value and a temporary relief leading to the loss of the entrepreneur's trustworthiness.

3.2. Regulatory Punishment Mechanism

Regulatory punishment mechanism refers to institutional and standardized punishment approaches under the constraints of laws and regulations, including administrative penalties, economic

compensation, industry injunctions, judicial decisions, etc. The purpose is to increase market entities' cost of discredit and facilitate the formation of a benign credit system for the whole society. Sound laws and regulations are the guarantee for the establishment and improvement of the modern social credit system. Strengthening the construction of institutional restraint mechanism and increasing the credit-breaking punishment mechanism will inevitably increase the creditworthiness of market entities and standardize market behavior. In reality, the inhibitory and corrective effects of regulatory punishment on untrustworthy actors are very obvious, which is because it gives third parties such as judicial institutions, administrative agencies, and industry associations the power to rule and punish untrustworthy behavior that occurs after market transactions. However, there are conditional requirements for the regulatory punishment mechanism to take effect: On the one hand, the disciplinary subject must be able to provide assurance, that is, under information asymmetry, it should provide assurance to the party with information disadvantage in the market. Once the party with information advantage breaks promise, it will suffer severe punishment; on the other hand, the disciplinary subject must have authority and can form a binding force, that is, the authority to punish the party with information advantage in the market after it breaks its promise. Otherwise, the previous assurance will be unconvincing.

Since the regulatory punishment mechanism applies great restrictions to the untrustworthy person, in practice, concept of good faith and civilized execution should be introduced into credit-breaking punishment, so that we can adhere to principles and maintain flexibility at the same time. In earlier campus loan chaos, under the banner of college students' P2P financial services, college students who submit information online, pass the review, and pay a certain fee, can easily apply for a credit loan. A small number of young college students purchase non-necessities in learning life such as brand-name bags, cosmetics or fashionable electronic products. With insufficient repayment ability, they use online campus loans to make advanced consumption, but fall into the trap of high interest rates and are unable to repay, thus becoming untrustworthy people. Regarding such college students who have become targets of compulsory credit-breaking punishment due to campus loans, the Supreme Court clearly stated in the "Good Faith and Civilized Enforcement Opinions" issued at the beginning of 2020: for full-time school students who become person subject to enforcement due to "campus loan" disputes, generally, we should not include them in the list of dishonesty or restrict the consumption. At the same time, the people's court strengthened the concept of good faith and civilized execution. Based on their performance willingness, degree of dishonesty, a grace period of one to three months should be given to the person subject to credit-breaking punishment, thus deterring and urging the person to actively perform duty. In addition, for people having restricted consumption in practice and needing to take transportation to other places due to emergency situations such as seeing a doctor or seeking medical treatment, the people's courts will also grant temporary exemption permission owing to humanitarianism considerations, which reflects flexibility of regulatory punishment measures. In the previous incident in Zhengzhou, "a 9-year-old girl became deadbeat" and was restricted from high consumption. Such regulatory measures of consumption restrictions on minors are too mechanical, which does not take into account the warmth of the world. Fortunately, the people's court issued an apology in a timely manner and lifted the consumption restriction order in accordance with the law.

3.3. Informal Institutional Punishment Mechanism

Informal institutional punishment mechanism refers to the rules that form informal constraints on people's behaviors, such as customs, ethics, cultural traditions, values, and ideologies gradually formed in people's long-term social life. In reality, although informal restraint rules are not compulsory, they can also restrain people's untrustworthy behaviors that violate social norms and

cultural concepts, such as dishonesty. Generally speaking, untrustworthy behavior at the market economy level is restricted by the formal dishonesty system, while untrustworthy behavior at the moral level is mainly restricted by informal institutional punishment mechanism. In addition, it needs to be clarified that informal institutional punishment mechanism has limitations. Non-rigid restraint only works within the scope of a specific group. Non-authoritarian restraint can only play a role in enlightenment in thought and behavior. Once the environment does not support it, informal institutional punishment mechanism is difficult to take effect.

Informal institutional punishment mechanism can play a good role in guiding and deterring specific targets and untrustworthy behaviors that occur in public spaces. For example, if film and television practitioners are found to have behaviors that violate the core socialist values, such as drunk driving, drug abuse, tax evasion, surrogacy, they will be blacklisted and completely banned, so that tainted and rumored entertainers will always stay away from the public view, thus purifying the bad practices in the entertainment circle. For another example, in the field of public transportation, there are always individual passengers who do not obey social ethics, deliberately asking for seats on buses and subways, deliberately occupying seats on high-speed trains, and fighting with adjacent passengers on airplanes. They will also be included in the industry blacklist, who will be restricted from transportation for a certain period, thus purifying the travel environment in public transportation. Another example is uncivilized behaviors in tourism, such as scribbling and engraving on cultural relics and ancient buildings, not obeying order, jumping queues, littering, spitting, which will also be punished by scenic spots and included in the list of unwelcomed visitors.

3.4. Effective Elements in the Construction of Credit-Breaking Punishment Mechanism

The first is the full disclosure of credit information. The openness, transparency and accessibility of credit information is a prerequisite for the effectiveness of the credit-breaking punishment mechanism. Information disclosure itself is a fatal punishment for untrustworthy persons, and such punishment may be implemented by non-government body. It is entirely possible to use market mechanisms, legally disclose the bad information of untrustworthy persons to information users, thereby stopping or suspending transactions with them through traders. In particular, disclosure of government affairs information, by providing credit information resources for the whole society, and providing credit processing raw materials for credit service enterprises, serves as the acting point in implementation of credit-breaking punishment mechanism.

The second is an objective and fair credit service market entity. As the main body of the credit-breaking punishment mechanism, the market-based punishment mechanism will inevitably require accelerated cultivation and growth of credit service entities, so that they can produce and launch credit products, meet the demand for credit products in the market, disclose and transmit valuable credit information, thus truly implementing effective market punishment. Therefore, the credit requirements for credit service entities themselves are also extremely high, which must be objective and fair. Otherwise, maintenance will be difficult.

The third is to assign punishment responsibility to individuals. Organizations such as enterprises, governments, and social groups are composed of individuals, and their untrustworthy behavior is ultimately caused by human behavior. Therefore, credit-breaking punishment must be targeted to the specific responsible person. That is to say, the object of credit-breaking punishment is a person or a personified organization, and only person and personified organizations have the ability to assume responsibility for their dishonesty and therefore accept punishment. If the credit-breaking punishment is not implemented to the responsible person, the binding force of the punishment will be greatly reduced.

The fourth is a complete system of laws and regulations. The basis for the effectiveness of the credit-breaking punishment mechanism is laws and regulations. In fact, the punishment of untrustworthy acts and untrustworthy persons must adhere to the principle of punishment according to law, take laws and regulations as basis and facts as criterion. At present, China does not have a special law specifically targeting at the establishment of credit system, and the legislative work is lagging behind. In particular, the compulsory regulations for credit-breaking punishment are not yet perfect, and the work pattern of joint punishments and co-management by government departments needs to be strengthened.

4. Strengthen Privacy Protection and Smoothen Complaint Repair

4.1. Strengthen the Protection of Citizen Information Privacy

In the context of Internet + big data, the personal information collection scope is rapidly expanding. In addition to traditional credit information, big data information such as behavioral data and location information on the mobile Internet may be captured. Personal information and personal privacy are facing the risk of unlimited, indiscriminate collection and use. Regarding how to regulate the collection and processing of personal information, how to protect the legitimate rights and interests of information subjects, and what kind of judicial remedies can be provided, etc., there are no corresponding specific regulations, and personal privacy protection is facing a lawless dilemma.

To strengthen privacy protection, we must first strictly limit the collection and use of personal credit information from the source. We must promptly formulate a public credit information catalog. Any institution should strictly follow the public credit information catalog in collection and use of personal credit information, and must clearly state the purpose, method, and scope of information collection and use. Without individual's consent, it is forbidden for any unit or individual to collect and use personal credit information for life without authorization, compulsory authorization or one-time authorization. Secondly, credit-breaking punishment measures should be implemented in accordance with laws and regulations. It is necessary to give full play to the role of inter-ministerial joint meeting in coordinating and organizing implementation functions. Relevant departments shall compile a basic list of credit-breaking punishment measures in accordance with laws and regulations, and update it regularly. We should implement credit-breaking punishment by increasing obligations or reducing rights and interests, take the facts of untrustworthy behavior as the basis, directly invoke laws and regulations, departmental rules, and policy documents, and handle it within the scope of the list to prevent severe punishments on the minor offence or excessive punishment.

In commercial activities outside the public domain, the protection of private information needs to be strengthened urgently. According to the CCTV March 15th Evening Party, unscrupulous merchants collect personal information on a large scale and use facial recognition technology to distinguish customer labeling, which seriously infringes on citizens' privacy right. In the era of Internet + big data, although collection of citizens' private information is inevitable, the collecting subject must expressly state the purpose and obtain consent. Some merchants use technology to collect user information. If it is only for the purpose of precise push and marketing, it is not impossible, but the abuse or even illegal trafficking of this information should be severely cracked down by the law.

4.2. Smoothen Complaint Repair Channels

The credit-breaking punishment mechanism involves all levels of society. Where, information accuracy, timeliness and completeness are the prerequisites and foundations for the effective operation of this mechanism. However, even if the law is perfect, there will still be information data

errors or late update of partial information data. “Difficulty in credit repair” still exists due to cross-regulation of departments and industries, absence of full-time staff, unclear acceptance time limit, and collection of fees. Once the credit-breaking punishment mechanism is implemented, the objection and complaint mechanism should be implemented simultaneously, and the channel for credit remediation and relief should be opened.

Establish an objection complaint mechanism, and set a time limit for acceptance, review and correction of disputes in public credit information, and handle them in a timely manner to avoid unnecessary troubles. Disclosure of personal credit information must be based on clear regulations or administrative decisions and orders, and must be desensitized to avoid objections and complaints. In particular, before a decision is made to establish a list of seriously untrustworthy entities, the parties shall be informed of the reasons for the decision, basis and rights enjoyed by the parties in accordance with the law. If the parties raise objections, it shall be verified and the results shall be fed back within the prescribed time limit.

Establish a credit repair mechanism conducive to self-correction and active rehabilitation. Except for clearly irreparable untrustworthy information, untrustworthy entities can apply for credit repair if they require correction of untrustworthy behavior to eliminate adverse effects. It is necessary to improve the credit repair efficiency, strengthen information sharing, speed up the establishment and improvement of coordination and linkage, so that one network can handle all issues and matters can be settled within the prescribed time limit without charging. The retention period of untrustworthy information and the time limit for punishment should be reasonably set, and the cost of punishment execution and opportunities for improvement and goodwill should be taken into consideration for overall planning.

The construction of smooth complaint and repair channels must be time-sensitive to avoid causing trouble to the parties. According to reports, Luoshan County, Henan Province was listed as a key area for combating civil aviation theft in 2016 by the Ministry of Public Security. For this reason, the local Public Security Bureau adopted three levels of county, township, and village investigations and conducted information research and judgment. High-risk personnel with long-term loss of contact and unknown dynamics according to village groups, who were suspected of stealing civil aviation passengers' properties as reported by the masses or having frequent entries and exits, were put under control first. Then, these key personnel were marked as high-risk personnel by the public security, civil aviation, and high-speed rail systems, and Mr. Yu, a native of Luoshan, Henan, who was living and working in Shanghai for a long time is one of them. Since then, every time Mr. Yu travels by civil aviation or high-speed rail, he will be interrogated by the police, and the numerous interrogations trouble him a lot. Since 2017, Mr. Yu has been appealing to Luoshan County Public Security Bureau for revocation, but it was not until October 2020 that Luoshan County Public Security Bureau issued a document, stating that Mr. Yu's listing information was wrong and should be revoked. It is thought that the mislisting incident has been corrected, but in March 2021, Mr. Yu was again interrogated by the police at the Shanghai Airport, and it was confirmed that his mislisting information had not been corrected for more than four years. This case reflects that the credit supervision department has not yet reached seamless connection in terms of information sharing in complaints and repairs, and has not broken through the barriers in handling record deletion. Of course, it may also be caused by the inaction and slow action of specific staff. In short, whatever the reason is, the credit supervision department should take active action, and avoid adding unnecessary troubles to the parties.

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