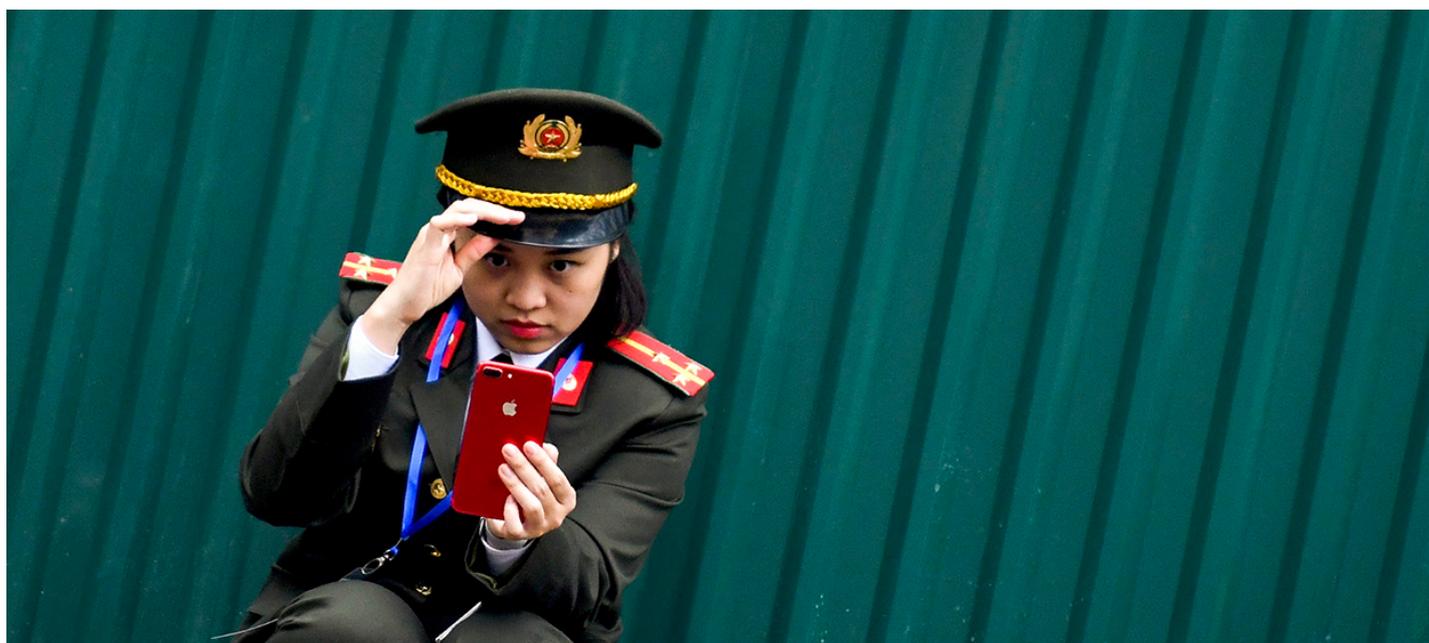


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HOME COMMENTARIES **COULD VIETNAM DEPLOY A SOCIAL CREDIT SYSTEM LIKE IN CHINA?**



A Vietnamese policewoman uses a mobile phone while on a break in Hanoi on February 28, 2019. Vietnam has its own 'personal resume' system which could become a form of social credit similar to China's social credit system. (Photo: Ye Aung Thu, AFP)

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Could Vietnam Deploy a Social Credit System Like in China?

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While Vietnam offers a favourable authoritarian environment, the inherent political risks may preclude its introduction.

China is testing a sophisticated [social credit system](#) based on artificial intelligence (AI). This system ranks individuals, organisations and firms in classifications that carry rewards and sanctions. It has sparked [controversy](#) in Western countries, where voices elevate against the use of big data and AI to establish an ‘Orwellian’ mass surveillance system designed to control and discipline citizens.

The Vietnamese government has not shown any interest so far in creating a similar system. Could this change and could the Vietnamese government replicate this social credit system? Both China and Vietnam are socialist-oriented market economies that restrict basic freedoms and exert strict control over society.

In China, the social credit system is designed to improve governance and market stability, enhance the government’s efficiency in providing services, and foster a trust culture as a bulwark against fraud, corruption, counterfeit, tax evasion, and crime. It is [implemented](#) by a few dozen local governments and eight IT firms, including Tencent, Baidu, and Alibaba’s Ant Financial. While the former collects public records from the Public Security Ministry, the Taxation Office, and legal financial institutions, the latter gleans big data from smartphone and internet users, especially through loyalty schemes. These data are used to rank individuals, companies, organisations, and institutions in red and black lists. This ranking assesses their ‘social credit’ (*xinyong*), meaning their creditworthiness and trustworthiness.

The scoring program that has generated [more attention](#) recently is Alibaba’s Ant Financial Sesame Credit (Zhima Credit in China). It leverages the vast database of Alipay, a payment app with over 900 million users. It collects data through its built-in features to rank voluntary users based on credit history, behaviour, features and social network. ‘Trustworthy’ users with high scores are rewarded privileges such as waivers for car rental and hotel bookings and higher limits for Huabei, Alipay’s virtual credit card. Firms with good regulatory compliance history enjoy lower taxes, rapid administrative procedures and other perks.

On the contrary, low-score users may experience difficulties in lending, renting, and finding jobs, whereas blacklisted organisations and companies may have penalties and restrictions imposed on them by state agencies. Sesame Credit arouses mixed feelings in the West and in China. In the West, there is concern regarding the use of big data and AI to govern and repress human activity by an authoritarian regime. In China, citizens perceive Sesame Credit as an innocuous, trustworthy, and secure payment app that provides incentives for people to do social good. However, a few local governments testing the social credit system are [sceptical](#) about its capacity to improve society and express concern about its legality.

From an administrative viewpoint, China's social credit system aligns with the Chinese state's long tradition of monitoring citizens and guiding their behaviour. It is inspired by an old 'public record' system called *dang'an*, which contains education transcripts, professional qualifications, work appraisals, political affiliations, records of participation in political activities, social and political awards and sanctions, and employment history.

Some Vietnamese retired cadres and intellectuals support this initiative to classify, and reward or punish good and bad citizens.

Could Vietnam follow this digital monitoring and behaviour nudging system? Administrative practices, political structure, and technological advancement could lay the foundation. Vietnam has its own *dang'an* system called 'personal resume' (*sơ yếu lý lịch*). It facilitates expert classification of individuals and families and associated rewards and sanctions aimed at shaping citizens in a particular way. *Lý lịch* data include one's home address, ethnicity, religion, family background and composition, education and schools attended, language proficiency, occupation and qualification, salary level, data and place of admission to the Communist party, social activity participation and rewards, and so forth. Local authorities collect these data where citizens have their household registration (*hộ khẩu*). The pending digitalization of the household registration system, which the 'personal resume' system depends on, will make it easier for the government to collect and organise personal data. It could also allow it to implement some form of social credit if the Vietnamese government decides to replicate the Chinese social credit system.

Vietnam has a political regime similar to China's. Both countries use AI to monitor and exert control over society. The Vietnamese government could deploy a social credit system to strengthen its grip over citizens and nudge behaviour. The government subsidises and collaborates with state-owned conglomerates such as FPT (formerly Corporation for Financing and Promoting Technology), especially its AI division ([FTP-AI](#)), to unlock the power of AI and embrace the 4th industrial revolution. The Vietnamese government already uses AI to develop monitoring systems such as facial recognition to track citizens and human activity. In the near future, it could also co-opt big-data-based credit scoring technology from FPT-AI and other Vietnamese fintech firms to test an experimental social credit system.

Overall, a favourable political, administrative, and technological environment could lay the ground for replicating a Chinese digital monitoring system. Some Vietnamese retired cadres and intellectuals [support](#) this initiative to classify and reward or punish good and bad citizens. However, the Vietnamese government has remained cautious. It gains legitimacy by ensuring economic growth and political stability and supporting public conglomerates. The grip over conglomerates like FPT allows for the leveraging of AI and new technologies to sustain control over the population.

Replicating a look-alike Chinese social credit system to further control and suppress political freedom though would tarnish Vietnam's international image, reinforcing the view that the government disregards human rights and personal freedom. This risk, in turn, could affect

investment, growth, and political stability. The possible advent of a social credit system in Vietnam will depend on how the government balances these trade-offs.

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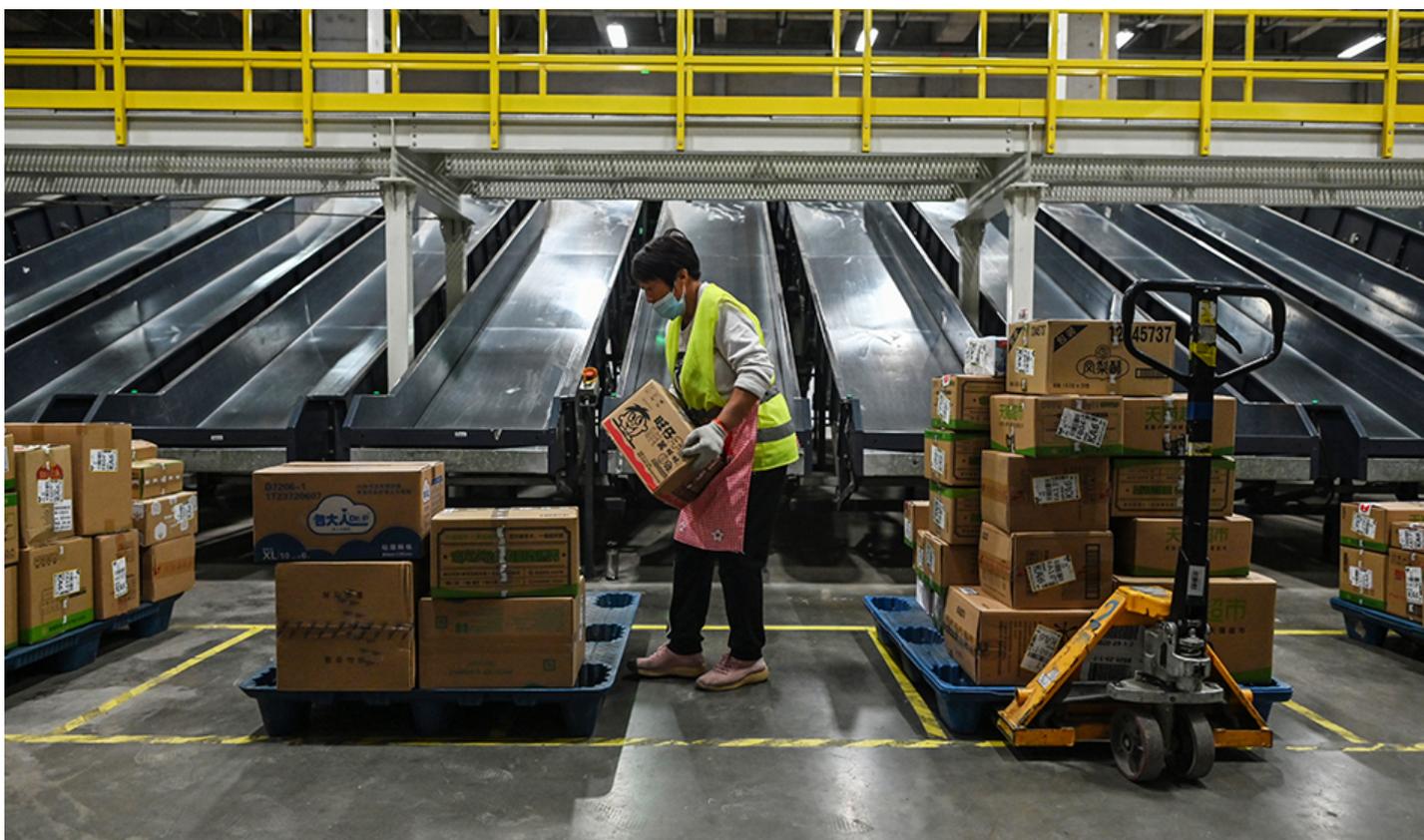


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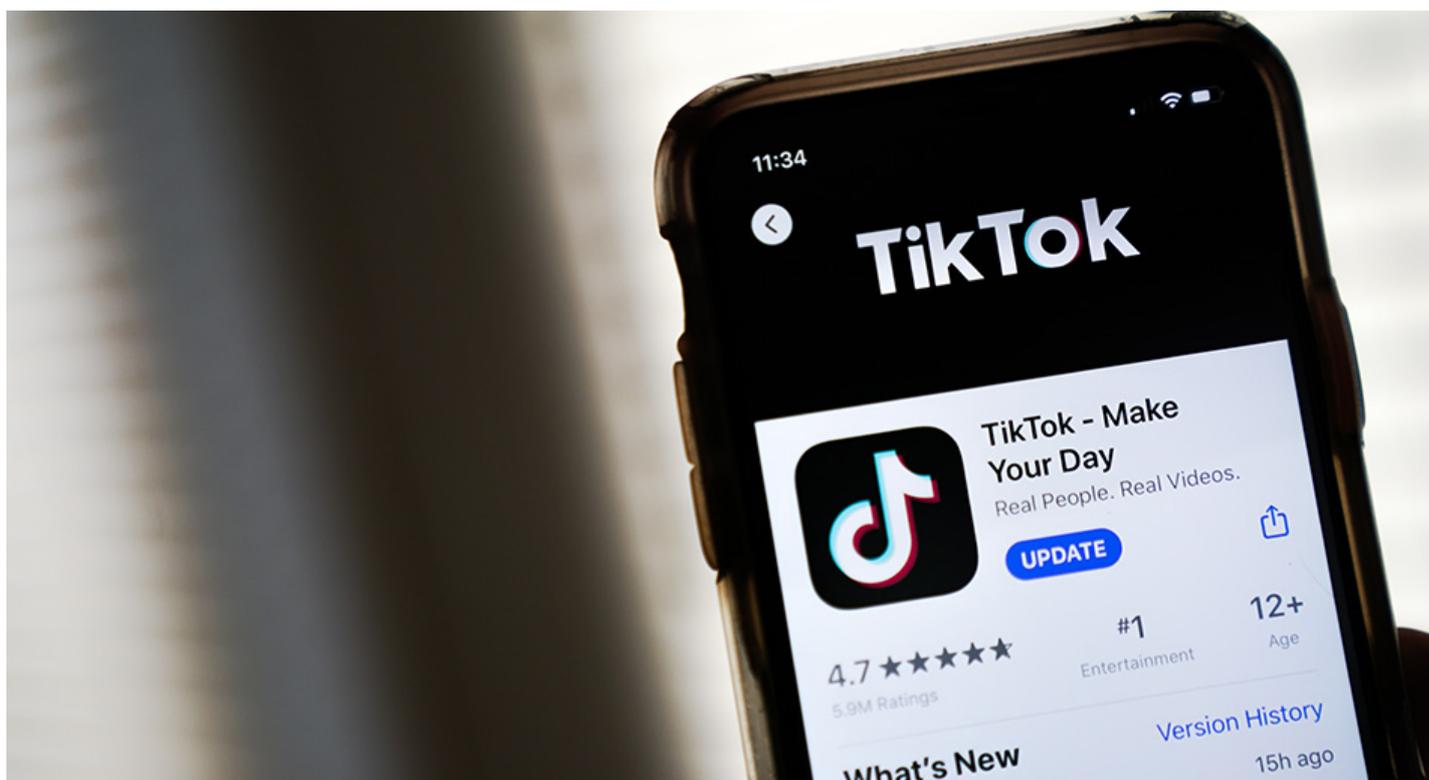
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