

An Initial Research on Inclusion of Association Standardization Practice into Credit Recording System

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Abstract—Since the State Council proposed the development of association standards in *Reform Program on Further Improving Standardization Work* in March 2015; more and more China's social organizations have taken part in association standardization work. Social credit recording system is established in accordance with laws and regulations, using credit records for assigning credit rating to every person involved in activities concerned. It aims at standardizing the collection and use of credit information and thus facilitating a system where keeping your promise is to be encouraged while breaking your promise is to be punished. Currently, China is at the initial phase of association standardization development where social organizations are proliferating but inadequate for standardization development and/or inexperienced in association standardization development and breach of faith are often observed in developing association standards. Thus, it is necessary to explore and eventually build a credit recording system for association standardization practice that includes the standard development practice of social organizations in the system. This paper proposed to include the standardization practice of social organizations into the social credit recording system, an alternative road to sustainable development of China's association standards, with a view to promoting the translation of association standardization theories and methods study and its deliveries into practice, and sustainable development of China's association standards.

Keywords—association standard; social organization; Credit Recording System

I. INTRODUCTION

As association standards are an innovation for China and supporting policies and/or measures are under development, social organizations are faced with the absence of good practice in developing association standards. Many of them are confused with a reform initiative or guideline with only general description. On the other hand, according to statistics, there are up to 330,000 social organizations as legal persons in China. Breach of faith is often observed in association standardization development. Therefore, in the long term, it is necessary to include the association standardization practice of social organizations into the credit recording system so as to ensure the sustainable development of association standardization. General Administration of Quality Supervision, Inspection and Quarantine of the

People's Republic of China (GAQSIQ) and Standardization Administration of the People's Republic of China (SAC) jointly released GB/T 20004.1 *Social organization standardization-Part 1: Guidelines for good practice*. The development project of GB/T 20004.2 *Social organization standardization-Part 2: Requirement for the evaluation of good practice* was approved. It is now under development, aiming for building good practice for association standardization and mechanisms for the evaluation and adoption by the third party [1]. Both of the national standards aim at standardizing association's activities with a view to a boom of association standards in an orderly way. By looking into current state of China's association standardization development, this paper examined the way to include association standardization practice of social organizations into the credit recording system and proposed a system of supervision as an advice to the reform in the regulation of China's standards development.

II. CURRENT STATE OF CHINA'S ASSOCIATION STANDARDIZATION DEVELOPMENT

In March 2015, the State Council released *Reform Program on Further Improving Standardization Work* (hereinafter referred to as "the Reform Program"), which is viewed as a milestone in the course of China's standardization development. The goal of standard development reform as stated in the Reform Program is to build a new standard system where standards developed by the government and the players in the market can work with each other and to improve the standard development regulation system. They work to form a standardization development regulation system, which gives an impetus to stakeholders to participate in standards development under the leadership of the government and coordinate all elements to function. By using standards as "rigid restrictions" on quality, it provides support for the construction of united market system in hope for a leap to medium and even upscale economy in China [2]. Among these standards, those developed by players in the market are association standards or enterprise standards.

Players in association standardization development are social organizations and industrial technical alliances. The fact that the government lets association standards be

developed by players in the market suggests that the China's standard system is transforming from being run only by the government into being co-run by the government and players in the market. The government has been adapting to the change with regard to the regulation of association standards. Firstly, it has committed itself to building a favorable framework by making policies on association standardization development. In March 2016, GAQSIQ and SAC jointly released *Guidance on Fostering and Developing Association Standards* in accordance with the Reform Program. These guidelines define general requirements, fundamental principles, management styles and working plans for association standard development. In Dec. 2015, General Office of the State Council released *The Development Program of State's Standardization System Construction (2016-2020)*, which proposes to "develop association standards as a new part of the standard system, include critical innovations with patented IPR into association standards and supervise association standardization development". These moves were taken to direct association standardization development at national level. Moreover, a few moves were taken at industrial level, e.g. China Certification & Accreditation Association introduced *Regulations on Association Standard Development of CCAA (Trial)*; and China Federation of Logistics & Purchasing introduced *Regulations on Association of CFLP*. At local level, the Bureau of Quality & Technical Supervision of Shanxi Province introduced *Regulations on Association Standards of Shanxi Provinces* and the Bureau of Quality & Technical Supervision of Guizhou Province introduced *Circular Concerning Good Practices for Association Standard Development*. These documents built a framework for association standardization development at industrial or local level. Secondly, GB/T 20004.1 *Social organization standardization-Part 1-Guidelines for Good Practice* were released. Thirdly, efforts were made to build a system of supervision over association standardization development. Association standards are normative documents to be developed by societies, associations, chamber of commerce and industrial technical alliances capable of developing standards, on the basis of openness, transparency and consensus. As voluntary market standards, association standards are beyond the administrative licensing. Currently, the system of supervision remains to be improved, the supervision is not harshly enforced, stakeholders are not well aware of their responsibility for supervision, proper channels for public supervision have yet to be established and supervision by public opinions is not in place. Laws and regulations are an important guarantee for supervision over association standardization development. As existing *Standardization Law of the People's Republic of China* doesn't define the status of association standard, there is not a legal framework for the supervision.

There are now a diverse range of China's social organizations, which may be roughly classified into academic, trade, professional and association. Their jobs overlap to a certain degree. Their organization structures remain to be improved. They need to develop self-discipline. They are neither resilient nor creative. Many of them have never developed association standards and thus are

inexperienced in this aspect. Therefore, it is necessary for the government to direct and supervise these social organizations, standardize association standardization development activities and give an impetus to corporate self-discipline.

In order to facilitate association standardization development, China National Institute of Standardization built a National Information Platform for Association Standard (hereinafter referred to as the platform) under the leadership of SAC. 733 social organizations have now been registered on the platform and more than 1265 association standards were released on the platform. And the number of registered users or association standards is increasing. It is said that all of the 733 social organizations had been registered with bureaus of civil affairs at either national or local level such as Beijing, Guangdong, Xinjiang and Shandong, ranging from industry, forestry, livestock farming, fishery, mining, manufacturing, energy, building, transportation, IT, scientific research and technical service to healthcare and culture.

SAC piloted association standard development in 39 social organizations, which are expected to develop such association standards as Robot Palletizer Manufacturing & Testing Standard and Principles of Environment-friendly Printing Materials Classification & Identification, which shall accommodate technical innovations and particular market needs. SAC will formulate rules and regulations for association standard development and select the pilot social organizations to develop and introduce association standards. It will give an advice on supporting, directing, standardizing and supervising association standard development, introduce good practice evaluation and refine the framework for association standard development to facilitate policies favorable to association standard development and sustainable economic development. Currently, the first batch of pilot association standard has been completed and will be followed by expanded pilot.

III. EXPLORING THE INCLUSION OF ASSOCIATION STANDARDIZATION PRACTICE INTO THE CREDIT RECORDING SYSTEM

To explore the inclusion of association standard practice into the credit recording system, preparation for a survey should be made, including collecting and compiling experiences in and/or good practice in and outside China, taking lessons from overseas credit management, conducting a survey of association standard development across 39 pilot social organizations and active social organizations, identifying elements constituting credit information with regard to association standardization practice and grasping social organizations' credit status with regard to association standardization practice. For instance, sample association standards developed by social organizations and check for compliance with Chinese laws and regulations and/or Chinese mandatory standards. Noncompliant practice will have a negative impact on credit records. Both credit collection system and credit rating system are critical for the inclusion of association standardization development practice into the credit recording system.

A. Collection of Credit Information on Association Standardization Practice

It refers to building a credit collection system by collecting and analyzing credit information on association standardization practice that accommodates the characteristics and current state of standard development by social organizations. Developing procedures and good practices for standard development and promotion involved by association standardization development may be included in the credit recording system. Additionally, the standard development procedures, corporate governance, standard development performance and external assessment may be included into the credit recording system. Considering that China's social organizations exist in various types and large numbers and differ in standard development infrastructure and capability to develop standards, which means troubles to the collection of credit information, the association's credit information on standard development may be collected via the platform at initial phase of association standardization development. Good practice evaluation column on the platform may be used as an important part of credit information collection. When China's association standard makes progress to a particular degree and a sufficient number of social organizations participate in association standardization development, standard development practice by the association may be included into the evaluation system of a bureau of civil affairs.

B. Credit Evaluation System for Association Standardization Practice

Credit evaluation for association standardization practice is a process of measuring credit information on the part of social organizations in accordance with particular standards and/or indicators and thus determining a credit rating. A credit evaluation system should be built following the collection of credit information. The third party can be invited for credit evaluation for association standardization practice. The point is to build a blacklist system against breach of faith. Any association put on the blacklist is barred from developing an association standard unless corrective actions are taken or even has a bad entry on its credit record. Credit evaluation for association standardization development may be conducted in accordance with China's laws and regulations for standard development and good practice for standard development initially released by SAC, such as *Guidance on Fostering and Developing Social Organization Standards* and GB/T 20004.1 *Social organization standardization-Part1-Guidelines for Good Practice*. GB/T 20004.2 *Social organization standardization-Part 2: Requirement for the evaluation of good practice*, which is under development, will be used as an important basis for the credit evaluation. The evaluation shall be open and transparent and results shall be made publicly available as soon as possible.

IV. SUPERVISION SYSTEM

This paper explores a supervision system for the inclusion of association standardization practice into the credit recording system. On the basis of ethics and in

accordance with China's laws and regulations concerned, government regulation and corporate self-discipline shall be strengthened and judicial supervision, self-discipline and public supervision shall be coordinated, with a view to an effective framework for association standardization development. Any association rated as creditworthy in association standardization development are given priority when applying for good practice evaluation for legitimacy or excellence, and are publicized via media as an example of keeping faith. A blacklist system may be built to bar a community violating its promise from participating in association standardization development. A reward & punishment system covering different regions and sectors may be built to privilege compliant social organizations and deny noncompliant social organizations access to association standardization development. Push all kinds of social organizations to build specific binding mechanisms. Formulate specific self-discipline rules and supervise members obeying them. Any noncompliant member shall be warned, publically criticized, publically denounced, disqualified and reported to authorities concerned. Encourage societies, trade associations, chamber of commerce and industrial technical alliances to formulate code of professional ethics to standardize professional practice and create an atmosphere favorable to integrity. Help trade associations and chambers of commerce with education and training about integrity for their members to make them play a role in credit building.

V. CONCLUSION

Both credit collection system and credit evaluation system are critical for the inclusion of association standardization practice into the credit recording system. Only by establishing both of the systems and a supporting supervision system will ensure that association standard be developed by China's social organizations in a sustainable way. It is recommended that credit information on standardization development practice is included into the evaluation system for social organizations by bureaus of civil affairs.

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