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China's Internet Governance: Between Development and Censorship

As the information revolution unfolds, a strong belief emerges in the policy world that the Internet poses a significant threat to authoritarian regimes. In 1993, the government led by the Chinese Communist Party, funded the building of Internet network in China, a decision that transformed the Chinese society. Since then, the Internet has developed rapidly in China and it had about 485 million Internet users by June 2011. However, while China has the largest number of Internet users in the world, it has one of the most sophisticated and effective Internet filtering system. In their book *Who Controls the Internet*, Jack Goldsmith and Tim Wu explain that China “is trying to create an Internet that is free enough to support and maintain the world’s fastest growing economy, and yet closed enough to tamp down political threats to its monopoly on power” (Goldsmith and Wu 89). This research analyzes China’s Internet governance through a comparative study of the *Statistical Survey Reports on Internet Development in China* published by China Internet Network Information Center and the *Internet Filtering in China* by Harvard Berkman Center for Internet and Technology. By studying how the Internet is used as an effective tool to stimulate economic growth and suppress political dissent, this research paper argues that the Chinese government has so far succeeded in maintaining a delicate balance between Internet development and

copyright, but such balance will be increasingly difficult in the future.

I. The Multiple Players in the Chinese Cyberspace

To fully grasp the complexity of the Chinese cyberspace and its influences on the government's control of the Internet, one must understand two major challenges for the Internet governance in China: the perplexing relationship among different state-level regulatory agencies as well as the fierce competition among Internet and telecommunication service-providing companies.

As the Internet has become one of the most lucrative industries, the struggle for power on China's Internet has increased among various ministries and offices that have claimed jurisdiction over parts of cyberspace. Although the Chinese government as a whole has strong control over cyberspace, there exists a confusing division of duties among these government units. At least 14 government units, from the culture and information technology ministries to offices that oversee films and books have some control over China's Internet.¹ As the government felt the need to further centralize power to control the cyberspace, on May 4, 2011, the State Council announced the establishment of the State Internet Information Office (SIIO), a department that would oversee the control of the Internet. The concentration of power in the hand of this new agency is a clear signal that the Chinese government is determined to strengthen its already-tight grip on the Internet. However, driven by the high profitability of the Internet market, other governmental agencies will not easily give up power to the new

¹ Michael Wines, "China Creates New Agency for Patrolling the Internet." *The New York Times*, <http://www.nytimes.com/2011/05/05/world/asia/05china.html> (Accessed November 15, 2011).

SIIO. The division among different governmental agencies, which tried to maximize their own political interests, often led to inefficient Internet governance.

Just like its political counterpart, the power struggle in China's Internet market is complicated because of the high profitability and competitiveness. Until China entered the World Trade Organization in 2001, the MII refused to allow foreign companies to compete with China's Internet service providers. However, the government has loosened such policies in the past ten years. Both domestic and foreign corporations now seek opportunities to take advantage of the exponential growth of the Internet market. Nonetheless, while many Internet companies have profited enormously from the Internet market, their success often come at a high price of self-censorship. For example, Human Rights Watch and a few other advocacy groups have accused Cisco of selling special routers that support filtering to the Chinese government. Under domestic pressure from their countries of origin, many foreign companies like Cisco struggle with their reputation. On the other hand, although domestic Chinese businesses, such as Baidu and Alibaba, agree to "conscientiously safeguard the broadcasting of positive messages online," they are often frustrated with the high "literal financial cost" that Baidu spends to filter their content and services.² Thus, in order to moderate the frustration of these domestic and foreign companies, the Chinese government needs to impose its restriction tactfully and maintain a good partnership with them.

II. The Two-faced Internet Governance

² Gady Epstein. "Baidu, Google And The Literal Cost of Self-Censorship." <http://www.forbes.com/sites/gadypstein/2010/08/06/baidu-google-and-the-literal-cost-of-self-censorship/> (accessed on November 21, 2011)

To further analyze the government's use of the Internet, I look at reports published by different research organizations: the CNNIC's *Statistical Survey Reports* and the Berkman's *Study*. These reports give readers two different angles to look at the government's incentives for its Internet governance.

Firstly, I examine the *Reports* on Internet development and policy announcements published by the China Internet Network Information Center (CNNIC). The CNNIC, founded in 1997, is a state-owned research center of China's Internet. Since the *Reports* were published under the guidance of MII and official reports in Chinese politics are often propaganda rather than unbiased reports, these *Reports* serve as a window to understand how the government makes sense of the rapid Internet development and acts upon such development. Interestingly, all the Chinese reports are properly translated into English, which suggests that the government hopes to reach the international audience through these reports. I examined the reports ranging from the 15th Survey Report (published in January 2005) to the 28th Survey Report (published in July 2011). The series of surveys all used the same methodology for data collection: each investigation collected data from a total sample of 30,000 respondents, with 15,000 fixed-line telephone users and 15,000 cell phone users. The samples covered 31 provinces in mainland China. Through analyzing the large amount of data, these reports covered a wide range of issues to show the rapid Internet development in China.

It is not surprising that the *Reports* only provide information about the economic and social progress of Internet, but fail to mention nothing about the censorship and

filtering system. To supplement the economic and social analysis from the reports by CNNIC, this research takes a close look at the *Internet Filtering in China in 2004-2005: A Country Study* published by the Harvard Berkman Center for Internet and Society. Sponsored by the OpenNet Initiative Project, researchers Jonathan Zittrain and Benjamin Edelman tested a wide range of keywords and websites to examine the method of China's Internet censorship and filtering system and the kind of content that it censored. The basic method of the ONI project was to generate lists of domain names and URLs that had been or were likely to be blocked and test if they were accessible. Due to the complexity and the secrecy of the filtering system, the project also deployed special methods of in-state testing as well as proxy testing. The analysis of the *Study* helps researchers to understand the dynamic Internet filtering system in China.

III. Findings

First, the CNNIC reports shed light on how the state strongly promotes the Internet-driven economic development in order to increase its popularity and public satisfaction. The main goal of these reports aims to show that the rapid economic growth of the Internet market has brought great convenience and economic opportunities for different types of Internet users and therefore contributed to the increase of satisfaction of the public. The 27th *Report* state: "The rapid increase of mobile net citizens ... has strongly promoted reform of economic development, social progress and people's living methods." Such a statement expresses the determination of the Chinese government to use the Internet to stimulate growth and satisfy the public.

According to the state news agency Xinhua Agency, the government strove to make Internet “an impetus in transforming economic growth mode and in optimizing industrial structure.”³ As Shanthi Kalathil and Taylor Boas point out in *Open Network, Closed Regime*, “the Internet may present significant opportunities for entrepreneurship in a developing economy, possibly leading to the invigoration of an independent private sector or the emergence of new domestic business elite” (Kalathil and Boas 8). The Chinese government has clearly recognized the advantage of the various Internet business models that helped to create more diversified commercial opportunities for the Chinese society.

In addition to stressing the overall Internet growth and its social benefits, the *Reports* emphasize certain aspects of Internet development. One example is the significant focus on Internet development in rural China. The government has made much effort to increase accessibility of the Internet in rural China, especially in poorer and western provinces like Yunnan and Gansu. On September 7, 2007, the CNNIC published “Survey Report on the Internet Usage in Chinese Rural Area,” the first full scale survey report on the Internet development in rural areas of China. This report suggested that the government should help build the Internet infrastructure to support individuals and businesses and boost economic growth in rural area. By providing greater accessibility to Internet users, particularly rural Internet users, the Chinese government promised that all Chinese citizens would benefit from the technological

³ “China to foster Internet development in four areas.” *Xinhua Agency*, http://news.xinhuanet.com/english2010/china/2011-08/23/c_131069427.htm (accessed on November 23, 2011).

development. According to the 27th *Report*, the government's strong promotion of Internet development in rural China has paid off. The *Report* highlights that "the number of rural net citizens has reached 125 million, occupying 27.3% of all net citizens, with an increase of 16.9% compared with that of last year." As the gap of economic development between urban and rural China increased, the Chinese government strives to use the Internet as a tool to help families to improve their living condition and assist businesses to make profits in rural China.

In addition to its attention to rural China's Internet accessibility, the *Reports* show strong governmental support for small and medium sized enterprises to use the Internet effectively. For instance, the 26th *Report* particularly devoted an entire chapter to analyzing the "Network Application Behavior of Medium-sized and Small Enterprises." The report attributed the relatively high Internet proportion by medium-sized and small enterprises in China to the promotion of state policies that provided "a guarantee with respect to policy that these enterprises can share internet services conveniently." However, the report identified that the Internet usage in e-commerce/network marketing was still low, and suggested further financial and technical assistance from the government. Thus, it suggested the government's responsibility to provide training for these small and medium-sized enterprises and helped them to further take advantage of the rapid growth of e-commerce.

The huge amount of attention devoted to helping rural Internet users as well as small and medium-sized businesses reflects the government's use of Internet to

empower those who are less equipped in the overall economy. However, the Chinese government is extremely meticulous in monitoring the Internet-driven economy for the middle-class. As Kalathil and Boas point out, “the rise of a middle class associated with Internet-driven economic growth may pose challenges for authoritarian rule” (Kalathil and Boas, 8). While the government encouraged services like e-banking and e-commerce, the rapid development of social media has captured the attention of the Chinese government. The 27th *Report* highlights that social media grew significantly during the years 2010-2011, replacing the traditional media. Additionally, the 28th *Report* points out that in the first half of 2011, the number of Chinese Microblog users (Microblog, or “Weibo”, the Chinese version of Twitter) increased from 63.1 million to 195 million, with a growth rate of 208.9%. Interestingly, while recognizing that social media has become a habitual tool for many citizens to obtain news and communicate with others, the report does not praise the growth of the social media as it does with other Internet economic growth. On the contrary, the report suggests that the “enormous and scattered information has increased people’s time and cost to obtain valid information,” hinting the necessity of regulation on Microblog and other social media services.

The government’s meticulous attitude towards social media reveals the multiplicity of China’s Internet governance. On the surface, the government encourages Chinese citizens to take advantage of the Internet to improve their living standards and create business opportunities. However, while the *Reports* suggest an open Internet that

encourages economic development, the Berkman Center's study reminds us of China's complex Internet censorship and filtering system that suppresses the voice of dissent. According to the *Study*, the powerful Chinese Internet filtering and surveillance regime comprises multiple levels of legal regulation and technical control, ranging from various self-censoring practices to the state-sponsored Golden Shield Project (nicknamed the Great Firewall of China).

As early as December 1997, the Ministry of Public Security issued comprehensive regulations *Computer Information Network and Internet Security, Protection and Management Regulations* under the State Council Order No.147.⁴ Article 4 of the *Regulations* states: "No unit or individual may use the Internet to harm national security, disclose state secrets, harm the interests of the State, of society or of a group, the legal rights of citizens, or to take part in criminal activities." The vague definition of "national security" and "interests of the State" are often used as fundamental legal explanations by the authorities to arrest and punish individuals and companies that publish "sensitive information." According to the Berkman *Study*, the definition of "sensitive information" is broad and vague. The Chinese government claims that through the control of "sensitive information", censorship serves to protect the rights of the Chinese citizens. Using national interests and protection of citizens' rights as justifications, the Chinese government deploys its legal regulation as a powerful shield for the Internet filtering system.

⁴ "New PRC Internet Regulation." *Federation of American Scientists*, <http://www.fas.org/irp/world/china/netreg.htm> (accessed on November 22, 2011).

Equally important as the legal regulation, the technical control of Internet content shows the extremely low tolerance of the Chinese government with any political dissent that might threaten its regime. The Berkman *Study* found that the Internet filtering system maximizes its function even at the price of over-blocking. To test the level of over-blocking, the *Study* tested URLs that contained strings of letters similar to those found in pages on blocked topics. For example, in order to probe filtering of Falun Gong content (a religious cult outlawed in mainland China), the Berkman *Study* tested URLs containing similar string of letters. The result showed that several unrelated websites with URL similar to the term “Falun Gong” were blocked.⁵ Similarly, the website of Volunteers of America for Greater New York was accidentally blocked, as its URL resembled the name of the news website Voice of America, a news agency that spreads “sensitive content.”⁶ In summary, China is willing to over-block content and materials that are completely unrelated and inoffensive in order to maintain a strong control of sensitive content overall.

However, contrary to the popular belief in many Western societies, China’s censorship and filtering system does not function perfectly. According to the list of all the in-country testing results, some websites that contained sensitive content were still accessible according to the in-country testing, such as the URL of the news story “China’s Zhao in Coma” published by the CNN.⁷ This news article reported that the fear of the Chinese Communist Party that the liberal-leaning Zhao’s death would cause

⁵ Such as <http://www.falu.com/> (a manufacturer of machines to make cotton swabs), <http://www.flg.com/> (a cargo transportation company).

⁶ <http://www.voa-gny.org/>

⁷ <http://edition.cnn.com/2005/WORLD/asiapcf/01/15/china.zhao/index.html>

political unrest. As this article mentioned highly sensitive content related to the Tiananmen Square protest, it should have been censored according to the government's general censorship principle. It is unclear why certain URLs were left out, but these undetected URLs show that the filtering system is not perfect and readers can still access sensitive information from time to time.

The imperfect filtering mentioned above shows the technical difficulty to fully control Internet content and poses challenge for the government's control of the Internet. Satisfied by the economic and social benefits from the Internet, the majority of Chinese Internet users have not considered censorship as a major obstacle in their use of Internet so far. As the CNNIC's *Reports* suggest, entertainment and e-commerce still account for the major usage for Chinese Internet users, who are satisfied by the Internet development. Nonetheless, since the government promises better Internet accessibility in order to support Internet-driven economic development, citizens now have better access to the Internet and use it as a more effective tool. This has led to the recent rise of a powerful online community, which has started to use the Internet in social and political activism. As the Berkman *Study* suggests, the censorship and filtering system has to improve at a pace that is fast enough to keep up with the exponential growth of the Internet market. The balance between Internet development and censorship will continue to be the core of the government's Internet policies, and the Internet openness in the future will depend heavily on such balance.

By presenting the government's two strategies – the promotion of Internet-driven

economic development and the use of filtering system, this research challenges the superficial rhetoric that the Internet is only used as a tool of oppression by the Chinese government. Although it implements a highly sophisticated censorship and filtering system to block access to information that would potentially harm the regime, the Chinese government also supports the construction of Internet infrastructure and seeks to stimulate economic growth and improve people's standard of living. More importantly, this research sheds light on the debate on the intrinsic values of the Internet. In authoritarian regimes like China, the implementation of Internet could lead politics to different dimensions: economic development as well as suppression of dissent, the rise of online civil society as well as the centralization of government power. The Internet itself is neither intrinsically democratic nor authoritarian, neither liberalizing nor oppressive. The future of the Chinese cyberspace will be determined by the interaction among different actors – the government, the corporations and the online net citizens – in the larger political and economic context of a developing China.

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