

## The benefits of putting up a fight

Written by Paul Lin 林

Monday, 25 January 2010 08:35

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After Internet giant Google stood up to China and announced that it might pull out of the Chinese market in response to censorship and hacking activities there, it will be very interesting to see how things develop.

Transnational corporations with investments in China must strike a balance between ideology and profit — a balancing act that applies especially to Google, as its services touch on the free flow of information, a freedom that is highly sensitive to the Chinese Communist Party (CCP).

The CCP can tip the balance at any time — even after agreements have been reached with foreign corporations.

The rift between Google and Beijing is characterized by short-term losses and long-term gains. The CCP will not back down on restricting information and Google may therefore have to withdraw from the market.

In the long term, however, this move would be beneficial both to Google's commercial interests and to reform in China. In negotiating with the Chinese government, then, Google may make some compromises, but if it compromises too much, it will not achieve what it hopes to.

The dispute is significant for a number of reasons.

First, on the day Google announced that it would stop censoring its services in China, and before the CCP had time to issue any orders on the matter, the overall reaction across Chinese society was positive. Even the response from the Global Times, a subsidiary of the People's Daily that represents the opinions of military hawks in China, was rather mild. The publication issued a series of statements only after "senior officials" gave orders to do so.

These comments were less boisterous and arrogant than statements issued directly by the CCP, however.

China's Ministry of Commerce said that regardless of what decision Google makes, trade relations between the US and China would remain unaffected. Perhaps this reflects the CCP's feelings of guilt over the Google affair.

Second, once Google stopped censoring its Chinese search engine, Web users in China no longer had to jump over firewalls to access "sensitive" information that the CCP has kept a lid on for decades — the Tiananmen Square Massacre and the persecution of Falun Gong, for example.

The world beyond the firewalls is of great interest to Chinese netizens. After glimpsing this world, they will direct their anger at the CCP, which blocks access to it. They will also wonder

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what else the CCP has kept hidden.

Third, China has 360 million Internet users, or one-quarter of the country's total population. If even one-tenth of them were enraged and humiliated by the CCP's stopping them from accessing this information, that represents a force that could threaten the CCP regime. This is precisely why the CCP controls the Internet so strictly.

The contempt of Chinese netizens for corrupt officials and the strong support they have shown for Yang Jia (杨嘉), a man who killed police officers in revenge for maltreatment, and Deng Yujiao (邓玉娇), a woman who stabbed a government official to death after she was unable to fight off his sexual advances at her workplace, worries and frightens the CCP.

Fourth, Google is not alone in its experience. Hackers supported by Chinese officials have attacked government Web sites around the world and stolen confidential information, resulting in widespread anger directed at China.

While China's Ministry of Foreign Affairs denies that this is the case, we must ask why the Chinese government cannot arrest the hackers but can arrest online dissidents. The reason is simple — the CCP supports these hackers with vast amounts of funding.

Fifth, if China's Internet users had the freedom to choose, they would opt for Google over the "official" Chinese search engine Baidu (百度) because Google can give them access to more information. This is the source of Google's leverage. Despite the company's current difficulties, it has established itself as a brand that is trustworthy and capable of providing more information than any other search engine. It is only a matter of time before Google is rewarded for its hard work.

Finally, foreign investors in China must give up the idea of quick profit and take a more long-term view. Conspiring with corrupt officials may offer immediate gains, but it does not provide a sense of security. First of all, this involves cooking the books, as this is the only way to list the funds spent on bribes.

Once that happens, the CCP will have them by the throat, leaving them at its mercy. This is why foreign businesspeople in China, including Taiwanese, are terrified any time auditing is mentioned. The only way to turn the Chinese economy into a true market economy is to assist reform and bolster the judicial system. The word "socialism" would no longer need to be mentioned and foreign investments could be guaranteed.

In this battle, Google will be pushed into a corner and have to fight its way out. I hope it will proceed with caution.

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TRANSLATED BY DREW CAMERON

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Source: [Taipei Times - Editorials 2010/01/25](#)