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Internet in China and its Challenges for Europe: Dealing with Censorship, Competition and Collaboration

A report written by Marina Svensson, Lund University, for the Europe-China Research and Advice Network (ECRAN), August 2014.

Executive summary

- The growth of the Internet in China has been spectacular. 632 million Chinese citizens are today connected to the Internet, making China home to the largest Internet population in the world in absolute numbers. The Internet penetration rate has grown to 46.9 per cent, which however means that a majority of Chinese citizens still are excluded from the Internet.
- In recent years social media such as microblogging (*weibo*) and instant message services and apps like WeChat has become hugely popular among Chinese citizens.
- The Chinese government's Internet strategy aims to maintain control and enforce censorship while also promoting information and communication technologies (ICT) industries and taking advantage of these technologies to improve political governance.
- Many international social media platforms such as Facebook, Twitter and Youtube continue to be blocked in China, while other foreign companies face restrictions and censorship in China.
- Those who voice critical opinions continue to risk repression and arrest. By end of 2013 at least 32 Chinese citizens were in jail for exercising their freedom of speech.
- Since coming to power the Xi Jinping leadership has stepped up both its control and use of the Internet, claiming that the Internet is a crucial "ideological battlefield," and for instance cracked-down on social media through campaigns and new regulations.
- It is not likely that China's Internet strategy will change or that improvements with respect to freedom on-line will occur in the near future. China is also becoming a more active player in international organizations that might threaten the multi-stakeholder model of Internet governance advocated by the EU.
- The EU needs to strengthen its competence with respect to ICT developments in China, and develop a clearer strategy on issues related to on-line freedom, privacy, and surveillance in dialogues and projects on ICT with China.

The Chinese Internet: Growth and impact

Since China connected to the Internet in 1994, the growth and impact of the Internet on the Chinese state and society has been spectacular. Whereas in 1997 only 0.62 million people had access to the Internet, the latest statistics from the China Internet Network Information Center (CNNIC July 2014) show that 632 million Chinese people, i.e. 46.9 per cent of the population, today have access to the Internet. Mobile phone use has also grown dramatically, and 83.4 per cent of the Internet users now access the Internet

through their smartphones. The Internet is today a central aspect of many Chinese citizens' private, professional, and public lives, although one's shouldn't forget that more than half of the population still lack access to the Internet.

On the business side we have also seen a dramatic development with ICTs accounting for 6 per cent of China's GDP in 2011. A recent report from the McKinsey Global Institute (MGI), *China's digital transformation: The Internet's impact on productivity and growth* (July 2014), project "that new Internet applications could fuel some 7 to 22 per cent of China's incremental GDP growth through 2025, depending on the rate of adoption." China is the world's biggest exporter of ICT products, and several Chinese IT companies, such as Huawei and Lenovo, are very successful on the global market. IT companies such as Sina, Tencent, Baidu and Alibaba are giants on the domestic market, and China is also an important market for foreign brands such as Apple.

Internet developments since 2011: The growth and battle over social media

The most striking development in recent years is the growth of social media. The fact that global social media products such as Facebook and Twitter are blocked in China has opened up for the development of various domestic social media products. Sina weibo quickly became the most popular microblogging platform, and has since 2010 been an important, although contested, space for sharing information and news, engaging in public debates and charity work, networking, PR and marketing, contentious politics, and more mundane affairs such as gossip and celebrity news. It today has some 536 million users, although active daily users are significantly less at reportedly 66 million.

Government intervention and censorship has been a feature of weibo since the very start, and Sina is responsible for censoring certain sensitive topics and users, while in 2012 real-name registration was introduced. Many critical users have seen their accounts closed on numerous occasions. Censorship has resulted in a cat-and-mouse game where users invent puns, use images, and convert texts into JPEG images, in order to escape the eyes of the censors. Big Vs, i.e. users verified and encouraged by Sina with millions of followers, have come to dominate many of the hot topics and public debates on weibo. This diverse group include celebrities, businesspeople, journalists, scholars, and bloggers. Their influence has worried the Chinese government as it threatens it ability to guide public opinion. After more ad hoc attacks and censorship of certain topics and users, a more concerted crackdown on some Big Vs, ostensibly to fight rumours on-line and illegal activities, was launched in the summer of 2013 (see further below).

WeChat, launched by Tencent in 2011, had its big break-through in 2013 when it gained in popularity amidst the stricter control of weibo. It today has some 400 million users, and offers a wide range of services such as text messaging, voice messaging, photo/video sharing, and location sharing. While most people use it to connect with friends and colleagues, it is also possible to set up public accounts. By mid-2014 some 5.8 million public accounts had been set-up by companies, media organizations, NGOs, interest groups, and individual bloggers. While companies use WeChat as a marketing tool, activists and intellectuals have used their accounts to spread news, analyse and discuss public issues, and network. Even though these public accounts are limited to one post per day, and there also are restrictions on numbers of members (varying among public

accounts), making them less public than weibo, the government has become increasingly concerned about this new platform. It has from the start closely monitored WeChat, requesting the company to delete sensitive posts, but in March 2014 the first indication of a pending more large-scale crack-down came when public accounts of famous bloggers were temporarily closed down.

China's Domestic Internet strategy: Pushing economic growth while maintaining control To highlight the centrality of the Internet for the CCP some observers describe China's current system as "networked authoritarianism" (Rebecca MacKinnon). China maintains state-ownership over infrastructure and promotes state-sponsored Internet companies while also allowing for market competition, at the same time as it limits individual freedoms through surveillance, control and censorship, and tries to "guide" public opinion on-line and take advantage of ICT in governance. In 2010 China published its first, and to date only, White Paper on the Internet that outlined its basic views and strategy. The Chinese government has a clear vision of the importance of ICTs for economic development and modernization as is obvious in its current 12th Five-Year-Plan. The Chinese government has also invested in e-government and digitization of legal and police work. It also realises that ideological work needs to take advantage of the commercial websites and social media platforms that Chinese citizens use. In recent years officials and government bodies have therefore been encouraged to set up weibo and WeChat accounts. In 2014 Sina reported 119 169 official weibo accounts, whereas to date 7000 government bodies have opened public WeChat accounts. Whether this increase transparency and accountability, or rather strengthen the government's capability to control social unrest and manage public opinion, is difficult to assess. Awareness of the use of social media in the 2009 riots in Xinjiang and during the Jasmine revolution in the Middle East and North Africa in 2011 has no doubt influenced the Chinese government's strategy to itself make use of social media.

The control and regulation of the Internet, and ICTs more generally, take place on several levels and involve different actors and institutions, including government bodies and party organs, service providers, content providers, webmasters and individual users. At the national level the most important institutions are the Ministry of Industry and Information Technology (MIIT), the State Internet Information Office, set up in 2011 under the State Council Information Office, the Internet Bureau and the Information and Public Opinion Bureau of the Publicity (Propaganda) Department, and the Ministry of Public Security. The control and censorship system makes use of both technical tools and more manual control systems, for instance the so-called Internet police. What is known as the Golden Shield includes both a national firewall (the so-called Great Firewall) and censorship of the domestic Internet. The Great Firewall monitors and blocks information flows across China's borders. This involves IP blocking, DNS tampering, filtering of sensitive words and topics, leading to the blocking of International websites such as that of New York Times and human rights organizations. These technological barriers are not constant but patchy, often inconsistent and changing, and constantly updated, and characterised by a cat-and-mouse game between censors and users employing different circumvention tools (see further below).

Content regulation and censorship of domestic websites and traffic is important for the regime as it affects more users. Censorship and surveillance is partly outsourced and the responsibility of service and content providers that engage in day-to-day censorship, filtering, and enforcing updated directives on sensitive words (documented for example by China Digital Times). Survival and commercial success thus depend on Internet companies' compliance with censorship directives and regulations. Chinese Internet companies such as Sina and Tencent therefore have to spend a lot of resources on censorship. The government has also tried to rein in users by adopting regulations requesting "real-name" registration, for weibo in 2012, and for instant messaging services in 2014.

Tightening control of the Internet under Xi Jinping

The new leadership, headed by President Xi Jinping and Premier Li Keqiang, has since coming to power clearly indicated that they see the Internet as a new "ideological battlefield." As a consequence they have strengthened control while also trying to steer public opinion on-line. But they are at the same time also committed to strengthen the Chinese ICT industry and push Chinese ICT companies abroad. The control and use of the Internet is also central in the leadership's attacks of political opponents within the system (like the cases of Bo Xilai and Zhou Yongkang show), its work to contain social unrest, and its attacks on different dissidents, public intellectuals, rights defenders, and human rights activists.

The regime tries to stifle and guide public debates on-line in various ways, for example through campaigns, policy directives, and new regulations and laws. The attack on Big Vs in the summer of 2013 was a culmination of studies of the impact of Big Vs and opinion leaders on public debates on-line. The government in September 2013 also issued a new judicial interpretation according to which "rumours" read by 5,000 users or forwarded 500 times could result in criminal charges. A number of people were arrested and the attacks sent a chill among many users. Many became very cautious in their writings and also less active, many even stopping to write altogether, and migrated to the more private, and at the time seemingly more secure, WeChat. In the spring of 2014 indications came that instant message services and WeChat also were in for attacks and stricter regulations. In May a month-long campaign targeting instant message platforms such as WeChat was launched to monitor them for "inappropriate" content such as rumours. And on 7 August, new regulations were announced that among other things require real-name registration and forbid public accounts, apart from official media accounts, to post political news and analyses without prior approval. These developments show how the government is constantly adjusting its control of new ICTs, and indicate a further tightening of censorship and control of social media and the Internet. Showing the importance put on issues related to control of the Internet and cyber security, a new body, the Central Leading Group for Cybersecurity and Informatization, was set up in February 2014 with Xi Jinping as the head.

China's global Internet strategy: Maintaining national sovereignty

China has become a more active player in international organizations regulating Internet governance, such as the Internet Corporation for Assigned Names and Numbers

(ICANN) and the Internet Governance Forum (IGF). China is critical of the current multi-stakeholder approach to Internet governance, which also involves civil society and businesses, and advocates national sovereignty and a strengthening of intergovernmental bodies. In the aftermath of Edward Snowden's revelations about massive state surveillance by the US National Security Agency (NSA), issues of hacking and surveillance have become a contentious topic in inter-governmental relations. While China has been accused of hacking into for example US companies, it denounced American surveillance in a report published in May 2014.

The role of the Internet for civil society and public debates

Chinese NGOs are making use of ICTs in their work to address pressing social issues. There have in the past three years been some successful and innovative uses of social media among activists and NGOs. Weibo was for example used to raise awareness of air pollution that forced the government to reveal more accurate figures. New charities have also emerged thanks to weibo such as the organization Free Lunches that provide lunches for rural school children. Many activists, lawyers, journalists and scholars engaged in advocacy on certain issues such as reform/abolition of the re-education through labour system have also found weibo a useful platform. There have also been many shows of support for harassed and/or detained activists and rights defenders on weibo. In early 2013, journalists and supporters used social media to protest censorship of Southern Weekend. Few people however ventured to protest off-line and several of those who did were later detained. The government is monitoring and cracking down on any speech and actions that are seen as threatening to the regime, and it is therefore unlikely that social media will be an agent of real political change.

Fighting censorship: Irony and circumvention tools

Chinese citizens are using many different ways and tools to fight censorship. The most common and low-tech is to use irony, puns, word plays, images and art to mock or evade censorship. There are also a number of technical tools that can be used. But it seems that only the most technology savvy dissidents or people with very good digital skills attempt to "jump over the Great Fire Wall" using circumvention tools such as virtual private networks (VPN), proxy servers, such as GoAgent provided by Google, and Tor. Many VPNs are furthermore often slow and periodically disrupted, showing that the government is constantly updating and refining its technological skills, forcing users to change VPNs and providers to make periodical upgrades. It is only if the costs for enforcing the Great Fire Wall become prohibitively high and disrupt business and trade that China will find it problematic to continue disrupting VPNs and blocking sites. The government's strategy is very selective and target tools that don't harm business too much, leading to what some observers have called "collateral freedom" (OpenITP). These observations have led some experts, human rights groups and Internet organizations to call for greater awareness on security issues, push the use of universal encryption techniques and making HTTPS a CSR issue, teach activists and journalists in authoritarian countries digital skills and how to use circumvention tools, as well as support efforts to set up mirror sites for blocked sites etc.

Trends and possible scenarios

It is not likely that we will see any major changes in China's Internet strategy in the near future. Domestically we will continue to see the Chinese government adjusting its censorship system and regulations to new ICTs, and fine-tune and develop existing surveillance tools, while also appropriating ICTs for propaganda purposes and governance. China is determined to try to balance internal control of the Internet with the need to promote the ICT sector and ensure necessary trade links with the outside world. The issue is whether this tenacious balance between creativity/economic development and censorship is possible to sustain in the long run. Globally, China is building up expertise and developing a clearer Internet strategy. China has support from other authoritarian regimes with an interest to control the Internet and curtail freedom of speech, and is also exporting its surveillance technologies. Recent reports about hacking originating from China and the Snowden revelations of American surveillance have turned the Internet into a sensitive and critical foreign policy issue in Sino-American relations that also have implications for Sino-European relations.

EU relations and collaborations with China in the ICT field

The EU and its member states have acknowledged the importance of ICT for growth, governance and citizens' wellbeing, as for example laid down in the Digital Agenda for Europe. The European Commission is also aware of the human rights dimensions of ICTs, and in 2011 sponsored a general ICT sector guide on implementing the UN guiding principles on business and human rights. In February 2013, the EU adopted a new cyber security strategy, and it later voiced concern about American mass surveillance. The EU is also supportive of the UN special rapporteur's work on Internet freedom, and it recently (May 2014) adopted the EU Human Rights Guidelines on Freedom of Expression Online and Offline that include an extensive list of recommendations in the field.

Freedom of speech is an issue that has been raised with China on numerous occasions, and it also figures prominently in EU human rights dialogues with China. EU has in recent years also become engaged in some dialogues, programmes, and research projects on ICTs with China. It has for example set-up the EU-China Information Society Dialogue, a Cyber Task-Force platform, expert groups on the Internet of the Future and the Internet of Things, as well as is funding 35 research projects with Chinese partners within the FP7-ICT. However, there is a need for more knowledge on the nature of the Chinese Internet strategy within the EU, and more concerted actions to raise human rights issues, dangers of surveillance and privacy infringements, in EU-China relations and collaborations on ICTs.

Conclusion

The fact that China today has the largest number of Internet users in the world, and is an important manufacturer and consumer of ICT goods, has wide-ranging consequences for the rest of the world, including Europe. The Chinese censorship system is exported to other authoritarian regimes, whereas foreign ICT companies have to follow censorship regulations when entering the Chinese market.

Building a safe, secure and free Internet that is inclusive and promotes individual and societal wellbeing is a crucial aspect of the European digital agenda. But that cannot be accomplished in isolation and is very much influenced by developments in other countries, including China. Europe's general ICT strategy and relations with China in the field of ICTs need to ensure that all stake-holders, European policy-makers, researchers, the business community, civil society and concerned citizens, strengthen their awareness of the issues at stake and developments in China. European policies and guidelines related to freedom of speech, privacy, data protection and security on-line, need to inform all dialogues, collaborations, trade agreements, and research projects with China. It is important that the EU sets a good example in protecting on-line freedoms, fighting censorship, and upholding principles of accountability, transparency and minimizing surveillance.

Recommendations

European policy makers and politicians in EU member states, different European institutions, national governments and other actors should:

- address issues of human rights on-line, privacy, data protection and surveillance, in all dialogues and collaborations with China, including human rights dialogues, specific ICT collaborations, trade agreements, and research collaborations
- affirm and support the multi-stakeholder model when engaging with China in international organizations and try to involve civil society actors and academics in consultations and dialogues with China on ICT
- build on and integrate recommendations from the EU general guidelines on ICT sector and CSR and the new guidelines on on-line freedom of expression in all dialogues and collaborations with China, including human rights dialogues, specific ICT collaborations, trade agreements, and research collaborations
- ensure strict enforcement of CSR for European ICT companies in China, including ensuring that no technology/products that infringe on individuals privacy and human rights are exported to China
- ensure that Chinese ICT companies on the European market develop CSR policies
- set-up specific dialogues/programs to address Internet freedom, the right of privacy, data protection and European practices and laws in these fields for Chinese legal experts, law enforcement officers and the judiciary, lawyers, scholars and civil society actors
- support aid/development programmes focusing on empowering Chinese civil society organizations' digital skills
- address issues of digital inclusion in China, including raise awareness on issues of gender and equality in access to ICTs, and support projects that enable weak and marginalised groups to strengthen their capacity to use ICTs
- support research on the Chinese Internet in European academic institutions and collaboration with Chinese scholars on legal issues, human rights, privacy and security with relation to ICTs
- support research and the development of technical solutions, including circumvention and encryption tools, that make censorship and surveillance more difficult