Google's Faustian Bargain Unravels

Google's cessation of censorship in China is an attempt to return to its "Do No Evil" days. Redirecting users to its Hong Kong service and announcing the termination of its Faustian bargain with the Chinese regime has very little to do with the search business. This is more an attempt to reclaim the company's moral high ground and make strong allies for fights looming in the distance.

Remember Google voluntarily agreed to censor content in China. When it launched google.cn in 2006, the company agreed to self-censor with three important caveats: one, that it would disclose to users whenever search results were altered; two, that no services involving personal data would be offered in China; and three, that the unfiltered google.com service would not be terminated.

Google saw no incongruity with its values when it followed in the footsteps of Doctor Faustus and decided that limiting Chinese users to sanitized results was a small price to pay for a slice of that country's massive market. This was not without intense criticism and reduced its much vaunted lustre.

Yet the company seemed willing to pay the price. As explained in Congressional testimony at that time, the move was justified because Google's presence would offer "meaningful -- though imperfect -- contribution to the overall expansion of access to information in China." The company conceded underlying business motives. Moreover, there is no doubt that without agreeing to self-censorship, the company would have been pushed into being a marginal player in the world's largest internet market. Four years later, dominating China's search business has proved to be impossible -- Baidu is untouchable -- a humbling reality for a company that has made a habit of crushing rivals.

Contemporaneously, Google's once virtuous image has taken a beating and it is rapidly going the Microsoft way. Lawsuits, jail terms for senior executives in Italy -- for breaching privacy laws -- anticipated antitrust action in the European Union, all herald the potential for difficult times ahead.
Amidst all this, China's ill-advised cyber attacks on Google and a host of targets in the United States are a God-send. Email accounts of human rights activists have allegedly been accessed and there is pervasive suspicion about China's motives.

Anxiety over the vulnerability of communication networks is escalating with the possibility that a government with the resources that China possesses could intrude in the pursuit of non-benign strategic objectives. Until now we only had to deal with rogue companies. Imagine the danger if rogue governments start getting into the act! The mere existence of such a risk would chill free speech. So this is more important than just Google and China.

For Google, the pull out is part of its strategy of being seen to be on the side of Uncle Sam and the good guys than it is about the search business. It has helped that Secretary Clinton and President Obama see internet freedom as a core part of their foreign policy agendas. Members of Congress have also publicly espoused legislation to penalize companies compromising on privacy protections and free speech in authoritarian countries. Ultimately, Google's action might help put the human rights agenda into the centre of US-China relations.

Increasing bellicosity on the part of China -- exemplified by the public criticism of President Obama's meeting with the Dalai Lama recently -- will also pressure a historically reluctant US government to confront the human rights questions that it has dodged for so long.

Google's bold move will also put the spotlight on other companies. If many others follow suit, China's international reputation will take a severe beating and hobble its efforts at becoming a rival power with global influence.

This is why China's bellicosity towards Google makes little sense. After all, if it only wanted to scare a few human rights activists, there were plenty of subtle but more coercive alternatives to accessing emails. Why engage in this public confrontation with a company as noisy as Google?

Perhaps this is all the result of a gross miscalculation on the part of China. In trying to use its parvenu power and push Google around, some government apparatchik has overplayed his hand. Instead of achieving the result it desired, now the country has attracted adverse attention and provided more ammunition to its many enemies.

At the end of the day, Google's pull-out will leave China's 384 million plus users largely at the mercy of the government and compromise free speech even more. If many other governments take hope from the Chinese experience and impose stronger censorship laws, there is potential for fragmentation of the internet community. Regional isolation will only make governments stronger and change the unique character of the medium. It will seriously undermine the subtle but powerful checks on state intervention that are at the heart of the internet and make more regulation feasible. This is already happening. Silvio Berlusconi's government has already used privacy legislation to convict Google employees for a cell-phone video posted by third-parties showing an autistic kid being bullied. You can be sure that Iran and its friends are watching. The desire to curtail the
internet freedom is not the exclusive to tyrannical regimes: even democracies like India exhibit these tendencies and Google has been complicit in many such instances. These attempts must be resisted.

Google's earliest fans will welcome a return to its "Do No Evil" mantra. Hopefully, the company will follow this policy in other areas as well.