

# Should businesses just say no?

Tim Wilson

Ever since Al Gore invented the internet, it has joined a free media as a pillar of a free society. The opportunity it provides to promote freedom is staggering: today a single human being, with virtually no capital can establish a website or blog that has the potential to command a readership equal to that of newspapers. More importantly, it is a tool to promote freedom and limit the excesses of government.

Not surprisingly, the demand for access to the internet is growing. According to the World Bank's *World Development Indicators*, in the period 1999–2003, internet access has increased in China by 800 per cent to 63 in every 1,000 people. Vietnam is slightly behind at 43 in every 1,000 people with an increase of 4,200 per cent.

With a rising demand for the Internet and given its capacity to restrict government excess, governments in China and Vietnam are moving to restrict access. In June 2004, the *Far Eastern Economic Review* reported the efforts of the Vietnamese Ministry of Culture and Information to clamp down on internet use. Internet Café providers are 'urged' to monitor the use by patrons and can be fined if the internet is used to send or download banned material.

Local businesses in these nations are accustomed to central direction and accept these directives, despite their pernicious effects. This does not hold for multinationals based in market economies. Yet too many of these multinationals are kow-towing to the requests of government to restrict free enterprise.

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Recent media reports have shown that businesses, particularly those co-operating with the Chinese Government, have been working together in the maintenance of political oppression. In June this year, *internetnews.com* reported that Microsoft agreed to ban the words 'freedom' and 'democracy' on its Chinese internet portal system, MSN China, following requests from China's censors. Other terms that are deemed political hot potatoes by Beijing include 'Taiwan Independence', 'human rights' and 'Dalai Lama'. Microsoft defended its actions by claiming that it has a responsibility to 'abide by the laws, regulations and norms of each country in which it operates'. MSN China is partly owned by the Chinese government-funded agency, Shanghai Alliance Investment.

MSN China are not alone. A similar report in the *Far Eastern Economic Review* shows that Yahoo Holdings, registered in Hong Kong, recently provided the Chinese police with cached traffic site data on sites that journalists are not allowed to cover. The data was provided in a case against a Chinese citizen, Shi Tao, as the author of a posting on a Website, who has subsequently been sentenced to 10 years' imprisonment. Yahoo Holdings provided a similar defence to MSN China—it was obeying the 'customs' of the country it was operating in. This is despite the fact that Yahoo Holdings was registered in Hong Kong and therefore not required to provide the data.

With the growth of the internet in China and with a culture based on reward arising from relationships, rather than from merit or market forces, it takes an enormous leap of faith to believe that Yahoo is not trying to cosy up to the Chinese Government for

business reasons. Business has a responsibility to increase its profits but, by acquiescing to governments in this way, they are diminishing their capacity to oppose a system that rejects free markets and democracy.

Business has a responsibility to respect the laws of the country they operate in; but businesses also have a choice about the countries in which they operate.

Private enterprise is a bastion of a free society and a deterrent to the excessive use of government authority. Business has many interests, most importantly to be profitable, but business interest is almost never served by the promotion of the power of government. To protect its long-term profitability it is not in the interests of business to be corrupted by government and assist in the increase of governmental authority. Notwithstanding their principal responsibility to increase profits, business should legitimately recognise that some relationships are not worth entering into. Exchanges that promote the very oppressive forces that undermine the market system upon which business depends should be among them. While profits should remain the focus of business, that does not mean that they should knowingly sell the rope that will be used to hang them.

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