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## 10-5f Google in China

Google has had a tough time in China. When Google decided to enter the world's most populous country, it faced an ethical dilemma. On the one hand, Google did not want to miss the opportunity to tap into a market consisting of more than one billion potential consumers. On the other hand, Google could not enter China without censorship. If it created a Chinese version of Google and hosted it outside of China, it would be subject to China's "Great Firewall," which the government uses to censor foreign sites. Google tried this method first, but its Chinese search engine was intermittently blocked and was otherwise slow and inconsistent for users, causing Google to steadily lose market share to domestic Chinese competitors such as Baidu. Google's other option, to host a search engine from within China, would require agreeing to self-censor its search results in accordance with Chinese law. Such an agreement went against the essence of what Google stood for—providing free and open access to information. Could Google agree to censor itself and still hold true to its "Don't Be Evil" mantra?

Despite criticism, Google applied the principles of utilitarianism to the situation and concluded that the benefits of setting up a search engine inside China outweighed the costs. It refused to offer localized email or blogging, finding the Chinese censorship and reporting requirements for these services to be too egregious. However, for search Google decided the greater good would be to provide Chinese citizens with "the greatest amount of information" possible, even if some of that information was censored. In 2006 Google opened its localized, self-censored Chinese search engine. Whenever a search term led to censored results, Google added a message to the results page notifying the user that some entries were missing. It also left up its original, uncensored Chinese search engine hosted outside of China, so users could try to use it if they wanted.

Despite these precautions, Google's plan ran into problems almost from the onset. Google gained significant market share and became a serious competitor to Baidu, but the company's relationship with the Chinese government was continually tense, with Google accusing the government of interfering with the search engine beyond expectations. Google also faced intense backlash in the United States, including its leadership being called to testify at Congressional hearings about how it could justify self-censoring in China considering the principles it claimed to stand for everywhere else in the world. The breaking point was in 2010 when Google announced it had been targeted by a sophisticated cyberattack that appeared to originate from China and, among other things, had attempted to access the Gmail accounts of known Chinese human rights activists. Google stated that the implications of the cyberattack required it to reevaluate its approach toward the Chinese market, and it could no longer justify self-censorship. It shut down its China-hosted site and forwarded visitors to its external, uncensored but often-blocked Chinese search engine. As a result, Google saw its market share in China plunge and Baidu retaking its dominant position. The Chinese government was also not happy with Google's handling of the situation and immediately began blocking and/or censoring large portions of Google's services.

Although Google's approach to China has seen little substantial change since its withdrawal in 2010, it is not giving up on the largest market in the world. There are recent indications that the company might try to penetrate the market through another one of its signature products—Android. Android is the most popular mobile operating system in China, but it has been popularized and sold by third-party phone companies and device sellers with little direct involvement from Google. Google is rumored to be looking into creating a localized official app store to compete with the various unauthorized stores that have sprung up in Google's absence (Google's normal Play Store is blocked in China). The company will have to remember the lessons it learned in its first failed attempt and the sensitive ethical issues involved with censorship as it makes its next move into the Chinese market.

Chapter 10: Google: The Drive to Balance Privacy with Profit: 10-5f Google in China

Book Title: Business Ethics: Ethical Decision Making and Cases

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