

China's "Government Online" and Attempts to Gain Technical Legitimacy

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China's "Government Online Project", launched in 1999, illustrates the ambition of the Chinese Communist Party (CCP) to set up an e-government. However, the real motivation behind this project is much more than just the sole establishment of service-oriented government websites. The CCP also hopes to gain technical legitimacy in the process. By highlighting the development of this project, which has not been widely publicised, and by revealing the problems the CCP encountered with it, the author attempts to prove that the CCP's endorsement of a new digital world is an attempt to gain technical legitimacy. Through such an analysis, the author also shows that because the CCP plays an increasingly proactive role as well as a reactive one, a contradiction between the need to achieve technical legitimacy and Chinese utilitarianism exists.

I Introduction: moral legitimacy, technical legitimacy and Chinese utilitarianism

All present day regimes are confronted with the question of legitimacy. Nowadays the tendency among leading political elites to be increasingly concerned with gaining the support of their respective populaces is evident even in authoritarian countries such as China. This phenomenon is a result of the intensity of globalization, the evidence of which can be seen in increasingly integrated economies, more connected communications networks and growing cultural as well as political exchanges between countries with different political systems.

In the wave of global democratization, three kinds of political systems have prevailed. The first consists of an open and transparent political structure which promotes competition between various social groups and social theories. The second is characterized by a less open, more elite-oriented political system, which, although tolerant of some internal discussion in the process of policymaking, does not allow any competition between social groups and political ideas, due to the elite's fear of a loss of authority. The third system is based on a charismatic dictatorship which derives its legitimacy from the popular and propagated belief in the moral or religious quality of the leader. This third system is characterized by minimal democratic procedures in regards to policy-making. As an authoritarian regime, the Chinese Communist Party should be classified in the second of these categories.

In the past five years the CCP has made many efforts to create a seemingly legitimacy of the regime. The claim of the so-called "three representatives"¹ is one of the newest attempts to justify the regime's politics, although it contains many contradictions in and of itself. Currently the newly modified indicators of "modest prosperity" (*xiaokang shenghuo*), which emphasize merely material criterion are also evidence of the CCP's attempts to maintain its political hegemony.²

The so-called Chinese method of legitimization is distinguished by the high priority that it gives to economic development, or more precisely, its preference for technical legitimacy (in German: *sachliche Legitimität*) as opposed to moral legitimacy.

Technical legitimacy aims to promote economic growth in order to improve living standards or to maintain an acceptable living standard for the majority of citizens. In modern times, the material aspect of social prosperity is considered to be so important that even in a democratic country, the populace takes it for granted that the political elite should be judged not only on their political performance, i.e. in terms of their moral legitimacy, but also in terms of their technical legitimacy. A politically stable system cannot endure in the long run if it does not pay sufficient attention to its technical legitimacy. In a democratic system periodic elections act as a form of guarantee, keeping the two types of legitimacy in equilibrium.

Moral legitimacy attends to the normative aspects of political justification. Only when a party or a government recognizes and respects human rights to freedom, equality, and justice, both in word and deed, through the creation of an appropriate institutional and legal framework, is moral legitimacy upheld.

China's efforts to achieve technical legitimacy are closely linked with the CCP's persistent attempt to maintain its hold on power. Nonetheless, Deng Xiaoping's premise that "the development (of the economy) is the sole concern (of the Party)" is significant in that it displays a shift from an ideological orientation to a pragmatic approach towards government work. However, this unavoidably leads to two realisations. Firstly, it reveals the hypocrisy of "socialist" or "communist" propaganda which have no sincere commitment to the principles they profess to believe in and act in the name of. Secondly, it also reveals the disparity between administrative or ideological work, and tasks that require specialist expertise and factual knowledge.

In an authoritarian country where there is a glaring absence of an adjusting mechanism such as regular elections, the pursuit of technical legitimacy without regard to moral legitimacy is, under certain circumstances, still possible and can be realized and preserved in the short term and perhaps even longer. Still, attempts made by the political elite in transformation countries like China to gain technical legitimacy, have spill-over effects on moral legitimacy – a "by-product" which may not be expected or even desired by the political elite.

1 The "theory of three representatives" is put forward by Jiang Zemin. According to Jiang, the CCP should become the vanguard of most progressive culture as well as the most progressive productivity and represents the interest of a vast majority of the people.

2 Cf.: <http://www.stats.gov.cn/jryw/xxb11273.htm> (accessed on 16 December 2000).

In the last ten years there has been a broad consensus among China's leadership that economic development should occupy center stage. But the realization of this primarily efficiency-oriented goal of development has proven difficult. Authorities' decisions are often hampered by interest groups or by political actors themselves. Indeed, the party's stance on the issue is ambiguous. On the one hand, there is a great interest in the adoption of modern technology. However, political actors and interest groups simultaneously pursue existing opportunities based mostly on short-sighted calculations. In acquiring short-term benefits, long-term plans of the Party may be placed in jeopardy. This interest group or self-interest-oriented behavior which does not consider what is at stake for the state in the future, represents a form of "Chinese utilitarianism".

Chinese utilitarianism exists simultaneously with the pursuit of technical legitimacy. Both trends became pervasive with Deng Xiaoping's ascension to power in the late 70s. The realization that it was necessary to integrate China into the process of globalization proved compatible with attempts to gain technical legitimacy. The positive aspect of this realization is the relatively "open minded" attitude towards new technology such as the Internet and the irreversible ambition to reach the same level as developed countries in some high tech areas. "Whatever developed countries have, we must have too."³ The main purpose of introducing new technology is to spur economic development and to enlarge the "economic pie". A well-developed economy means, from the viewpoint of the Chinese leadership, that there will be more resources available for redistribution through which political hegemony can be consolidated or at least maintained.

In order to safeguard its political hegemony, the Chinese leadership believes that the development of modern technology, such as the Internet, must be controlled so that it can be employed in mutually exclusive ways without the fear of infiltration. From the perspective of the political elite, the Internet can not be renounced because an information technology industry must be developed, however, it must also be monitored. Thus, enterprises are given enough leeway to employ the Internet for the purposes of e-commerce or the development of new products, however, they are not allowed to freely disseminate politically relevant information – the citizens' political rights are still restricted. In short, the Internet as a communication vehicle should serve as a "Volksradio",⁴ whilst also allowing China to function as an integrated part of the world economy. The spirit of "Volksradio" is clearly formulated in the newly published regulations on the distribution of Internet news. The Internet Service Pro-

3 Evan A. Eigenbaum claims that this policy has been followed in China for 50 years without significant change (Cf. E.A. Giegenbaum: "China Gags the Web and Stifles Its Own High-Tech Ambitions", in: *Herold Tribune* 5-6 Feb. 2000). In my mind there is a momentous difference between Mao Zedong's era and the reform period since 1978, mostly in how this principle of economic and political autonomy was implemented. It goes without saying that there is much more flexibility in the reform period than in the pre-reform time.

4 During the Nazi-Regime Hitler embraced radio technology and promised that every German household would have a radio. There is a certain similarity between radio and the Internet regarding the stance of Hitler's Regime and the CCP towards new technology, although the Internet has much more world-wide communication potential than a long or middle wave radio.

vider (ISP) is not permitted to release any politically relevant news since dissemination of information is monopolized by a few authorized institutions.

The problems the Chinese leadership faces lie in two domains. The first is the reluctance to realize the full potential of some modern technologies in terms of technical value and moral-political or cultural value – a potential, which is widely recognized in modern social theories. As already mentioned, to adopt a modern technology such as the Internet implies, to some extent, an alteration in ways of thinking or political culture (instead of maintaining a hierarchical, restricted form of communication, a more dispersed one is introduced). The second problem is in the difficulty of segregating business information from political information. The contour of this problem will turn out to be more clear when the new economy reaches a further development stage.

Within the context of legitimization, I will undertake an analysis of the motivation behind the "Government Online Project" (*zhengfu shangwang*) which was started at the beginning of 1999 and its relation to technical legitimacy. Moreover, I will show the concrete steps towards establishing a Chinese e-government and explain the obstacles to realize the CCP's ambition.

II Political motivation behind the "Government Online Project"

It is an undeniable fact that the CCP has allowed its citizens more freedom of speech (in the private sphere) in the past 20 years. However, the CCP simultaneously seeks to prevent people from discussing its moral legitimacy publicly. Still, recognition of the importance of technical legitimacy implies that irrational, purely ideology oriented politics is being reduced as much as possible.⁵ Apart from the CCP's superficial propaganda, China has drastically departed from the time of "socialist lateness rather than capitalist punctuality" – a slogan which was not only valid for transport enterprises in the 1960s, but also for the political administrations of the pre-reform period.

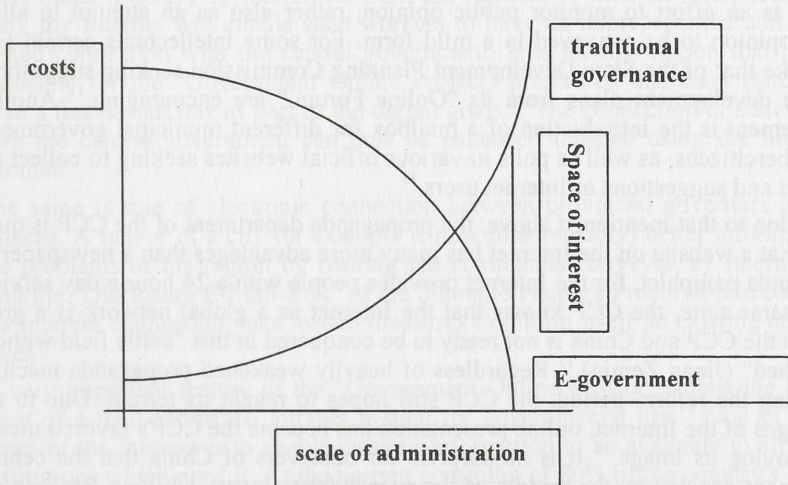
However, the fruits of reform are not always sweet. The ambiguity of reform policy and many market niches nourished graft and embezzlement. As the *People's Daily* notes, "Although corrupt elements are only a small handful in the Party, they have seriously tarnished the image of the Party among the masses, adversely affecting the relationship of the Party to the masses and undermining general political stability for reform and development."⁶ The Party recognizes that corruption threatens to undermine its legitimacy, and it seeks to combat that threat through transparency achieved through integration of information technology into society.

5 In his analysis of Milosevic's resignation Jiang Zemin pointed out recently that the main reason for Milosevic's step-down lies in the suffering caused by the economic downturn after the NATO bombardment of former Yugoslavia, which Milosevic could have ameliorated if he had taken the initiative to re-organize the economy. With this remark Jiang emphasized again how important it is for the CCP to develop the economy because it would benefit the populace as well as the party itself directly. (<http://www.bignews.org/20001111.txt>, accessed on 13 November 2000).

6 www.china.org.cn/English/News/Politics/0623/18.htm (accessed on 23 June 2000).

One of the concrete steps undertaken by the CCP was the administrative reform initiated in the mid-90s. The following goals have now allegedly been realized: 1) streamlining 40 ministries to 29.⁷ 2) the rejuvenation of state workers – more than 50% of state workers in the ministries are now younger than 40 years old;⁸ 3) a more rational calculation of expenditure, including the ongoing plan to abandon administrative cars for higher-up officials; 4) the intensification of anti-corruption campaigns by suing high-ranking corrupt state workers and obliging all administrative institutions to undergo the "three emphasis"-campaign.⁹

The efficiency of an e-government



Parallel to these measures, the central government has realized that the Internet can be employed as an instrument to assist or accelerate the process of rationalization and to implement some political measures in a more efficient way. The acknowledgement of the importance of e-government is not specifically Chinese. As the following figure shows an e-government will help any government to reduce the costs of governance and make the link with populace closer by reducing the bureaucratic procedures. By introducing a rationality- and transparency-oriented e-government the Chinese government has taken a significant step towards technical legitimacy, even if the government's fate can still not be predicted.¹⁰

7 According to the plan the government will halve the number of government officials. <http://www.sdpc.gov.cn/g/gindex.htm> (07.11.2000).

8 Cf. Xiao He: "Zhonggong guanchang gaige xinggangyao" (New Program of China's Reform of Administration), *Open Magazin*, September 2000, p. 14.

9 One of the targets of this campaign is to discipline government officials through political study.

10 In an interview with *TIME* in 1998, Jiang Zemin confided that he has a PC at his Zhongnanhai home and uses it to log onto foreign databases. Top officials insist he is committed to a wired China, fully

The second aspect of political motivation derives from the great concern about "social stability". As the surveys of CNNIC have shown, the majority of Internet users are well-educated and young urban professionals. In a transformation country like China the authorities know quite well that the most threatening segment of the population are young intellectuals. This segment must be treated "appropriately" according to their educational background. With the introduction of "Government Online," the Party hopes to lessen the tension between the populace and the authorities by allowing cybercitizens (in a limited form) to air their grievances. Especially since the beginning of 1999, the authorities have provided some possibilities for channeling opinions expressed by Chinese users in the Internet. The installation of a discussion forum on the homepage of the *People's Daily* can not be interpreted merely as an effort to monitor public opinion, rather also as an attempt to allow public opinion to be conveyed in a mild form. For some intellectuals certain gestures, like that of the State Development Planning Commission seeking suggestions on state development plans from its "Online Forum," are encouraging.¹¹ Another improvement is the introduction of a mailbox for different municipal governments with cybercitizens, as well as polls in various official websites seeking to collect the opinions and suggestions of Internet users.¹²

In addition to that mentioned above, the propaganda department of the CCP is quite aware that a website on the Internet has many more advantages than a newspaper or propaganda pamphlet, for the Internet provides people with a 24 hour a day service. At the same time, the CCP knows that the Internet as a global network is a great threat to the CCP and China is not ready to be conquered in this "battle field without blood shed" (Jiang Zemin).¹³ Regardless of heavily weakened propaganda machinery during the reform period, the CCP still hopes to regain its terrain. Due to the advantages of the Internet, online presentation has become the CCP's favored means of improving its image.¹⁴ It is no surprise for observers of China that the central government decided by the middle of the year 2000 to invest 1 billion RMB to set up 5 new internet-based propaganda organs which have their own mega-news portals. All other content providers were required to follow the style and orientation of

aware that the country's future depends on growth which relies, in turn, on technology. Cf. Joshua Cooper Ramo: "China Gets Wired", in: *Time*, 11 May 1998.

- 11 Beginning from September 2000, the SDPC has received more than 4000 e-mails and letters from citizens all around the country within two months. Cf.: <http://www.cctv.com/news/xwlb/20001216/334.html> (accessed on 17 December 2000).
- 12 Regarding the advantages and disadvantages of Internet poll referring Zhang Chuanyang: "Wang-luodiaocha – yi zhong xiaolü gengao de diaocha fangshi" (Internet Poll – a More Efficient Method of Survey), in: *Guangming Ribao*, 27 Jan. 1999, p. 13.
- 13 The paradoxical love-hate feelings towards the Internet on the part of the CCP are clear in many speeches made by Chinese leaders. Late in 1999 Jiang Zemin asserted, for example, that the Internet is an instrument the Western countries use to launch a "peaceful evolution" (subversion) of the "socialist countries". Cf. *Open Magazine*, January 2000, p. 14.
- 14 In August of 1999, Ding Guan'geng – chief of China's most conservative institution – led a delegation, consisting of persons of leading position in the Chinese media, in making an overall exploration of the Internet in UK and France. Cf. www.gov.cn/whatsnew/9908002.htm (accessed on 4 September 1999).

the officially blessed news portals¹⁵ and were not authorized to release any politically relevant information.

In light of some political theories, the legitimacy crises could be partly caused by a lack of communication or insufficient communication between the political elite and the masses, especially between the leadership and its subordinates. Thus widening the "vertical" communication between state officials as well as between the authorities and citizens – though theoretically, is the third political agenda of the CCP in its initiating the "Government Online Project". While traditional communication between different authorities in China is based mainly on internal documents distributed either by higher organs ("red head documents" – *hongtou wenjian*) or reports made (mostly) by journalists from the "bottom" ("internal references" – *neican*), the Internet will enable state workers to have an unprecedented and uninterrupted connection with the central government. It is for this reason that those responsible for the "Government Online Project" prescribed that each state worker have a free e-mail box as part of the digital goals.¹⁶ The connection of state workers with the central government can thus be enhanced through using the Internet or intranet.

The same is true of electronic connection between provincial governors and their citizens. A mayor of a city for example is now (theoretically) better informed about the problems of his region by reading the complaints conveyed by internet users. And the "Disclosure E-Mail-Box" of the Supreme People's Procuratorate could also, via Internet connection, take instant measures to inform itself on existing corruption cases.¹⁷

A very important feature of the "Government Online Project" entails the development of a well connected intranet system for governmental use.¹⁸ One of the purposes of the intranet is to enable existing information to be available to all relevant institutions which need it. As the current controller of 80% of the country's information resources, the government still wishes to play the role of collector and sharer of information for the purpose of governance.

The development of an intranet is undoubtedly a precondition for introducing a paperless administration. Therefore, the intention of connecting all institutions via

15 The overwhelmingly supported mega-news portals are *Renmin Ribao* (People's Daily), *xinhuashe* (Xinhua News Agency), *guoji guangbu diantai* (International Broadcast Station), *Zhongguo Ribao* (China Daily) and *zhongguo guojihulianwang xinwenzhongxin* (CNNIC). Cf. www.mingpao.com/newspaper/200002101/t_cfa1h.htm (accessed on October 22th 2000). By May 2001, the number of mega-news portals had increased to 12. Cf. www.bignews.org.20010530.txt (accessed on 3 June 2001).

16 According to *Internet Weekly* this idea originated from the e-government of Singapore. Cf. *Internet Weekly*, 20.09.1999, p. 45.

17 It is planned to network all organs of People's Procuratorate of central and provincial level by the end of 2002. Cf. <http://www.cctv.com/news/science/20000920/347.html> (accessed on 21 September 2000).

18 Given that China has lacked sufficiently well-qualified software, China's administrative intranet is constructed as a physically separated network as opposed to the Internet. There are also strict instructions for PCs available for government use.

intranet shows that the central government is trying to regain its influence over the work of provincial governments which was severely undermined during the 1990s.

III Economic calculation of an e-government

It goes without saying that the present Chinese leadership is more concerned with economic calculations than with political ones when taking decisive steps in the process of policy-making, since the economy is still the backbone of the Party's search for legitimacy. Only a sound economy can finally rescue the CCP from its fall (for the time being) and prolong its existence. At the same time, China's response to the globalization was to bolster the country's fledgling and inexperienced start-up Internet companies. The tenor of the CCP's session on economic work in 1998 indicates that China will actively as well as cautiously take part in the process of globalization and thereby create a better international surroundings for the further development of China's national economy.¹⁹ The CCP considers IT a key connection with the modern global economy.

It was not accidental that the "Government Online Project" was initiated originally by the State Economic and Trade Commission and China Telecom. The very intention of the project lies not just in developing an e-government itself, but rather in pushing e-commerce to the forefront and furthermore encouraging entrepreneurs and inhabitants to go online. The projects of "Enterprises Online" (www.sinoeol.com) and "Households Online" (www.sinohome.com), functioning under the rubric of the "Government Online" project, are logical steps made strategically by the central government, although both are still in their beginning stages.²⁰ The goal of "Enterprises Online" is to have 1 million small enterprises, 10,000 medium sized ones and 100 big concerns connected with the Internet by the end of April 2001, so that the companies can "promote management, set-up modern enterprise systems and become more competitive in the market."²¹

In comparison to other developed countries, China has chosen a development path with more state intervention in or state regulation over the formation of national IT. This occurred partly because of the reluctance to adopt new technology on the part of state workers and entrepreneurs who are either ill-informed or ill-qualified, partly due to insufficient funding or the waste of resources given frequent repetition of identical projects. As we know, China's one party system and thus the close connections between government and enterprises, formed the so-called "socialist market economy", the legacy of which is that where the CCP still claims to play a decisive roll both in the economic and political sphere.

19 Cf. Zhang Xioufa: "Dianzi shanwu – zhongguo de xiwang he tiaozhang" (E-commerce – Hopes and Challenges for China), in: *Renmin Ribao*, 28 Feb. 2000.

20 Cf. Gu Dong'an / Huang Qinhui: "Zhengfu shangwang, gemin shangwei chenggong?" ("Government Online" – An Unfulfilled Revolution?) in: *Diannao Ribao* (Computer Daily), Beijing, August 14th 1999.

21 www.peoplesdaily.cn/english (accessed on 23.6.00); <http://www.virtualchina.com/news/jun00/060200-domain-names-jg-dcm.html> (accessed on 12 February 2000).

This is not the place to discuss whether or not the leading role of the state is really indispensable. The fact remains that the Chinese computer market did increase in 1999 by 16,2% in comparison to 1998 due to the launch of the nationwide "Government Online Project".²² In 1998 the Internet was still an alien word to many Chinese people. But shortly after the launch of the "Government Online Project", Internet has attracted great attention from the Chinese, especially from the younger generation. 2300 websites with domain names "gov",²³ and more than 1000 ICP (Internet Content Provider)²⁴ emerged in the year 1999. Of course the very euphoria over the Internet also led to enthusiasm for IT in China, similar to how it happened in the USA.

Apart from those mentioned above, the problems of the national economy especially unemployment forced the Chinese leadership to embrace the new technological trend. Although in 1998 China had a relatively acceptable GDP (7,8%), there were no signs of a solution to the problem of unemployment – in 1998 only 3,57 millions people were able to find employment. It marked the lowest rate of employment since the foundation of the PR of China.²⁵ In response to the explosive increase of population²⁶ and the reorganization of the industrial and agricultural sectors, China obviously needs new impulses in order to fuel the economy and create jobs. The unemployment problems will only intensify with China's accession to the World Trade Organization, because this will necessarily translate into the closure of inefficient state-owned companies, creating yet more possibilities for social unrest. It is thus natural that the Party has chosen to actively support telecommunications, electronics and information technology as drivers towards economic growth and job creation.

Since 1993 the attempt to make the Internet a powerful engine for economic growth has become part of a national strategy. This attempt by China is based mainly on perceptions of the development of the USA. The first of the large-scale government efforts to construct the necessary infrastructure for economic growth came in the form of 13 ambitious Golden Projects, including the Golden Bridge (starting in 1996), Golden Card and the Golden Gate.²⁷ In December 1993, the State Council formed a high-level leading committee, known as the Joint Committee of National Economic Informatisation. Three officially mandated goals clarify the direction and future progression of the Golden projects:

1. To build a national information highway as a path to modernization and economic development.
2. To drive development of information technology in China.

22 Fu Zhiping: "Government Online – don't lose the best chance", in: *China Internet Weekly*, 29 May 2000, p. 28.

23 Vgl. *Jingji Ribao* (Economic Daily), 12 January 2000.

24 Vgl. www.mingpao.com/newspaper/20000203/t_cfa1h.htm (accessed on 2 March 2000).

25 Jiang Qiping: "Knowledge Employment", in: *China Internet Weekly*, 31 Juli 2000, p. 8.

26 The recent census shows that the authorities could not put a stop to the secret birth of babies with the restriction which allowed only one child per family.

27 www.virtualchina.com/infotech/analysis/e-business-101899-3.html

3. To unify the country by tying the center to the provinces and by allowing the government to act across ministerial and industrial demarcation lines.

With the first two goals, it is clear that the government has selected the Internet and IT as the technological pole vault, with which to spring over certain stages of development. According to a survey, China is one of eight countries in the world which undertook the biggest investments in IT and telecommunications industries.²⁸ The ambitious target to enlarge the country's wide band network will also be put into the 10th Five Year Plan. In November 2000 a "China Internet Transmission Center" (*guojia hulian wangluo jiaohuan zhongxin*) was founded in Guangzhou and a further two (in Beijing and Shanghai) are now in construction. The transmission centers will increase Internet data transmission speeds from between 2 and 8 Mbps to 155 Mbps within the existing six main networks.²⁹ Besides these transmission centers the government also built a ninth main network including the newly constructed China Wireless Network this year in order to meet the growing needs of China's wireless Internet users.³⁰ China Telecom is currently engaged in readjusting its bandwidth. Once completed, the international broadband for China Telecom will be raised from dozens of Mbps to 1.3 GB by then. The bandwidth for the domestic backbone network will increase to more than 1 GB.³¹ The measures taken by the company will greatly relieve the highly-congested network and contribute in increasing the speed of the Internet connections. Early in August 2000, China Telecom massively expanded its bandwidth in Beijing, Shanghai, Guangzhou and Shenyang.

China's cautious preparation for the accession to WTO is quite significant in forming the Internet policy. After its expected admission to the World Trade Organization China will have to adhere to commitments agreed to during the negotiations. It is quite clear that China's accession will expose its weak telecommunication and IT branches to international competition with unpredictable consequences. The Party recognizes the severity of this problem, as shown in a speech made by Zhu Lilan, former minister of Science and Technology. According to her, China will face great challenges in IT and the telecommunication industry. But at the same time she emphasizes that it will also be a good chance for China to create new technology.³²

Fearing the unpredicted negative consequences of admission to the WTO, China requested the delay of final-stage talks which set global trading rules over its bid to join the WTO.³³ At the same time, China wants to use the Internet as an impetus for

28 www.cctv.com/new/finacial/20001126/160.html (accessed on 26 November 2000).

29 One of the functions of the transmission centers is to monitor the information flow between China and other countries. Cf. <http://202.96.31.113/tsfw/tsfw.php> (accessed on 2 December 2000).

30 According to the report of CNNIC (Jan. 2001) the bandwidth (Mbps) of the existing networks is as follows: CSTNET: 55,000; CHINANET: 1,953,000; CERNET: 117,000; CHINAGBN: 148,000; UNINET: 55,000; CNCNET: 377,000; CIECNET: 4,000; CMNET: 90,000; CGWNET (in construction).

31 http://www.chinaweb.com/english/cw_html/itnews/company_news/BJ12672.html (accessed on 23 September 2000).

32 www.mingpaonews.com/20000317/t_eff1h.htm (accessed on 17 March 2000).

33 www.scmp.com (accessed on 18 November 2000).

development of IT and communication industries in order to help national companies compete with incoming foreign competitors.

As a matter of fact, the government seems to be more interested in promoting e-commerce than creating an e-government. The launch of the project "Government Online" is rather the principal means for Chinese authorities to encourage administrative organs and enterprises to participate in digital commerce. This is seen in that there is the more frequent appearance of high-ranking cadres at nationwide or international conferences on e-commerce than at those on the "Government Online Project" itself. International conferences on China's e-commerce, where high ranking cadres of the government were present, have already been convened at least four times in Beijing in 2000, while the conference on the assessment of the "Government Online Project" in January of the same year was held in a relatively modest way.

Analogous to the government's favoritism towards the conferences on e-commerce, officially sponsored efforts, such as www.chinamarket.com (backed by the Ministry of Foreign Trade and Economic Cooperation, <http://www.moftec.gov.cn>), www.meetchina.com as well as the e-commerce platform www.chinaeb.com.cn (supported by Beijing Telecom, Industrial and Commercial Bank and Bank of Construction), serve to help Chinese companies market and sell their goods and services to foreign customers.

In order to meet the growth target of the economy, China's strategy is to make electronic communication part of everyday life. "The country has 350 million children to educate – what better vehicle than interactive television? The Finance Ministry needs to establish bank and savings accounts for China's 284 million workers – what more effective solution than smart cards? Agricultural planners dream of more productive Chinese farms – What better way to send weather and agro-science information to 323 million farmers than over the Web?"³⁴

In the mid-90s the Chinese leadership realized that its governability had been, to a large extent, weakened by corruption, irrational calculation of government expenditure, unqualified personal and so on. As the following table shows, China has an extremely large administrative expenditure and the efficiency of government work is not as satisfactory as the CCP officially claimed.

The Chinese government spends about 20% of China's GDP (about 700 billion RMB) each year to purchase goods for administrative purposes.³⁵ It is quite obvious that due to the lack of control mechanisms and nepotism, the waste of public resources is enormous. By enabling the administrative authorities to procure access to the Internet, the Party hopes to ensure a higher degree of transparency into their purchase activities as well as to forge the Business to Government (B to G) of e-commerce.³⁶

34 Joshua Cooper Ramo (1998).

35 *China Internet Weekly*, 6.12.2000, p.28.

36 www.peopledaily.com.cn/english/200001/12/print20000112C101.html (accessed on 12 January 2000).

Administrative expenditure in China (1980-1996)

| country | Reference year | percentage of the state workers among the whole population | Country | reference year | Percentage of state budget for administrative expenditure ³⁷ |
|---------|----------------|--|---------|----------------|---|
| China | 1980 | 0.496 | China | 1980 | 5,43 |
| | 1985 | 0.68 | | 1985 | 6,51 |
| | 1995 | 0.848 | | 1990 | 9,83 |
| | 1996 | 0.878 | | 1996 | 13,11 |
| India | 1989 | 0.46 | India | 1994 | 6,58 |
| Japan | 1991 | 0.69 | Japan | 1993 | 3,62 |
| USA | 1993 | 1.13 | USA | 1994 | 9,42 |
| Germany | 1995 | 8.08 | Germany | 1991 | 8,83 |
| France | 1994 | 8.73 | France | 1992 | 6,67 |

Source: Jiang Qiping: "Serve the People whole hearted and electronic", in: *China Internet Weekly*, 11 Sept. 2000, p. 36.

Shenzhen introduced an experimental public procurement system in 1995. Since 1999 the government has begun to set up a legal framework for transparent purchases. At the beginning of 1999, the central government launched a first time purchase of IT products via internet. Due to the e-government, the digitalized public procurement system could be largely institutionalized.³⁸

IV Strategic concerns about further development whilst launching the "Government Online Project"

Relative to many other industrial sectors the IT sector, including the Internet, has more strategic weight. Dealing with problems involving the Internet is thus unavoidably a factor of China's security policy. From the very beginning of the "Government Online Project", the central government took the development of software as well as of hardware as one of its national development tasks. As Zhou Guangzhao from the MII (Ministry of Information Industry) pointed out in early May 2000, China still falls behind the developed countries in producing some key parts of a computer.³⁹ The commitment to catching up with world standards for the sake of state defense in terms of preparing for a possible information war and defense of China's own digital network, is clearly formulated in many speeches made by the officials of MII.⁴⁰

37 There are internal regulations about the administrative expenditure which prescribe that the administrative expenditure should not outweigh 5% of the average income per capita. The real amount in China however has been higher than 8%-10% of the GDP. Cf. www.bignews.org/20000919.txt (accessed on 19 September 2000).

38 Cf. www.gov.cn/news/Details.asp?sort_id=4466 (accessed on 7 April 2001).

39 <http://dailynews.muzi.com/cgi/lateline/news.cgi?p=70374&l=fanti> (accessed on 27 May 2000).

40 Cf. "Chinese I-Software versus American Net", in: *Diannaobao* (Computer Newspaper), 2 Oct. 2000.

Not until 1997 did China conceptualize the idea that it should form its own IT industry as soon as possible and develop e-commerce which would be free from "Americanisation". The fear of being lost in the shadow of the USA means that efforts to free China from this shadow are one of the key strategic motivations for Chinese decision-makers.⁴¹

In addition to this fear of being overshadowed by the USA, experience has shown that Chinese computer systems are quite vulnerable. Shortly after China's official website for the Association of Human Rights moved onto the Internet, it was heavily attacked by hackers. There were also other cases in 1998 and 1999 when large numbers of government computers were paralyzed by the CIH virus.⁴²

By observing the Gulf War as well as the Kosovo War, the Chinese authorities realized the importance of promoting the software and hardware industries. The development of "Red Flag Linux" and the adoption of Chinese routers into the "863-Plan" (1986) of the Ministry of Science and Technology are concrete steps towards promoting these vital industries supported by the government.⁴³ Also in the military a special troop for information warfare has been planned and different military strategies based on high technology have been developed. It should be noticed that China has not given up its claim to take over Taiwan by force in case that Taiwan declares to be independent or the CCP decides to maneuver its own problems into a Taiwan-Mainland conflict. The preparation of a so-called "info war" is definitively part of China's emergency plans for invasion of Taiwan as well as protection from a possible intervention from the USA.

With great concerns of the lack of control over network technologies, computer operating systems and microchip technologies, the Chinese authorities paid very much attention to security problems. The authorities hoped that solutions to those problems could be found through the launch of the "Government Online Project". The website www.china-infosec.org.cn is one of the results of this measure on part of the Ministry of Public Security, which plays an important roll in monitoring the Internet activities in and outside China.

V Concrete steps towards establishing a Chinese e-government

In comparison to other e-governments established in the past 5 years, the Chinese "Government Online Project" was realized in a very specific way. The following analysis aims to describe this specificity in terms of the goals of project and its implementation as well as offers my assessment of it.

In the development of the Chinese e-government the following phases were conceived at the end of 1998:

41 *Liangwang Zhoukang* (Outlook Weekly), 14.6.1999, p.18.

42 Cf. *China Internet Weekly*, 20 Sept.1999, p. 45.

43 Cf. <http://dailynews.muzi.com/cgi/lateline/news.cgi?p=68201&l=fanti> (accessed on 9 May 2000); *China Internet Weekly*, 02.8.1999, p. 6; 6.12.2000, p.35.

- 1) By the end of 1998, 30% of ministries and provincial governments should be moved onto the Internet.
- 2) By the end 1999, 60% of departments of central and provincial levels should be brought online. To advance the project, 1999 was declared to be the year of "Government Online".
- 3) By the end of 2000, 80% of state organs should be online. Some of the websites should be free from subsidies and be able to refinance themselves.⁴⁴
- 4) In several years following 2000, all state organs including embassies and consulates abroad should be networked.

Just like many other countries, the officially formulated goal of "Government Online Project" is to build up a highly effective e-government as well as to make existing information accessible to all citizens and to facilitate bureaucratic procedures.⁴⁵ To achieve this target a service center for the "Government Online Project" was formed in 1998. With the establishment of the service center a website (www.gov.cn) was also constructed. Thus two kind of responsibilities were bestowed on the service center. On the one hand, it had to design a website which was citizen oriented, and on the other hand, it had to assist all state organs to realize the plan by providing them with concrete suggestions as to how the URL www.gov.cn thus conceptualized to fulfill and combine these two responsibilities.

As the *White Paper of Government Online Project* states, the www.gov.cn entails six components which should outline the main concept of the project:

- 1) "The guidelines of 'Government Online' (*zhengfu wangzhang daohang*)" provide installation service and consulting to local governments.
- 2) "The propaganda center of 'Government Online' (*zhengfu wangzhang xuan-chuan zhongxing*)" aims to present events concerning the project organized by central or provincial governments.
- 3) "Bulletins of government needs (*zhengfu gongquo rexun*)" concentrate on the publication of job and other government advertisements.
- 4) "The service centre (*fuwu zhongxing*)" provides services for installation of virtual platforms, security measures and other consulting and personal training related to the "Government Online Project".
- 5) "The information centre (*ziliao zhongxin*)" presents laws and regulations available to citizens and other data banks.
- 6) "Hundred cities network" (*baicheng zaixian*) demonstrates regularly provincial hosts of Government Online and delivers information from the provincial governments.

For the sake of demonstrating which stage the Chinese e-government has reached within this project and if it has been successful, I undertook two surveys. One is a content analysis of the e-government's websites in a comparative manner, the other is an observation of the access rate to find out how often the websites of the Chinese e-government have been visited.

44 Project of Government Online: *Assembly for Promoting Government Online of 100 Cities*, Beijing 2000, p. 5.

45 Cf. *White Paper of Government Online Project*, Beijing 2000, p. 7.

By examining the content of the first page of the respective government sites of the PRC, the USA, Singapore and Taiwan we can identify what special characteristics China's e-government has. Methodologically, this analysis focuses on the links of the first page which reflect the agenda and motivation of the website-maker, i.e. the Chinese government. The following categories have been set up to define the various links:

- 1) Service oriented links provide links to other (inferior) government organs, information data in terms of public goods, as well as links to service provided by the central government.
- 2) Communication oriented links usually consist of feedback e-mail boxes and polls to which every cyber citizen can usually gain the access.
- 3) Business oriented links provide business and economic information such as data from the stock market as well as commercial advertisements.
- 4) Agenda-setting links indicate that the government is interested in taking the role of guiding and influencing the populace. These links provide certain kinds of information including information which will help to improve government's image.
- 5) Administration oriented links focus on information about the state organs and government work (including public procurement system).

As the table shows, China's gov-website puts great emphasis on its agenda-setting role in comparison to other e-governments. Although the news report mostly on the events of IT promotion, it is obvious that the central government or more exactly, the CCP takes it for granted that the release of news is a matter that the government should control of.

A comparative content analysis of the Chinese government website

| Country | Total amount of links | service | communication | business | agenda-setting | administration | others |
|-------------------------|-----------------------|---------------|---------------|--------------|----------------|----------------|--------|
| China www.gov.cn | 79 | 42 (53%)* | 3 (3,7%)* | 9 (11%) | 20 (25%) | 4 (5%) | 1 |
| USA www.FirstGov.gov | 37 | 25 (67,6%) | 3 (8%) | 4 (10,8%) | 1 (2,7%) | 1 (2,7%) | 4 |
| Taiwan www.gov.tw | 32 | 18 (56%) | 3 (9,3%) | 2 (6,2%) | 2 (6,2%) | 1 (3,1%) | 4 |
| Singapore www.gov.sg | 130 | 71 (55%) | 2 (1,5%) | 12 (8,4%) | 10 (7,7%) | 4 (3%) | 31 |

* Most links in the Chinese websites fit into this category only formally because their content is not always identical with its description. The same is true with the links to do with communication.

Among all the explored e-governments' websites, China's government site is the only one which is financially (at least partly) supported by advertisements from foreign and Chinese companies, such as Microsoft, Cisco IBM and Legend. The relatively large percentage of business-oriented links reconfirms the CCP's view that the economy is the top priority on the one hand. On the other hand it indicates that

founding of websites cannot be guaranteed by the government itself as there is a lack of institutional and legal framework for an e-government. For state organs of lower level, where the budgets are small, the founding of e-government could be a headache in the future.

Moving onto the aspect of service orientation which should be the main feature of e-government, Cui Chaoming, who conducted a survey about China's e-government websites in mid-1999, points out that China's "e-government" is still far off >from its goal of providing citizens with sufficient public goods.⁴⁶ The results of my examination show that the links on the website "www.gov.cn" deliver very little direct information. As China's *White Paper of Government Online Project* suggests, the state organs of central government, as well as those at the provincial level, should present data banks and statistics concerning all branches as public goods to all residents.⁴⁷ But this remains wishful thinking for the majority of government websites. According to surveys, the amount of information which goes into and flows out of China are only 0.1% and 0.05% of the total volume of global online information.⁴⁸ Up till now, the Chinese government still possessed a monopoly of information. As reported, about 80% of social data and ca. 3000 data banks are dead "locked" in official organs.⁴⁹

Looking at websites of ministerial organs, there is an unequal development in installed websites. The Ministry of Foreign Trade's presence on the Internet is considered very successful because of smooth cooperation between the various departments within the ministry and between the ministry and commercial institutions. According to an official report, the access quote has reached an average of 720,000 per day. Among these, 500,000 come from abroad.⁵⁰

The following table shows the average access rate of two ministerial institutions – the State Development Planning Commission (SDPC) and the Statistics Information Network (SIN – a website of State Statistics Bureau), from November 8th to December 8th 2000.

The number of visitors to the Chinese government website (comparative)

| Institution | SDPC | SIN | GIO (Taiwan) |
|-----------------------------------|----------------|------|---------------|
| Nationwide registered hit per day | 966 | 1334 | 762 |
| Internet users nation wide | ca. 20 million | | ca. 8 million |

The amount of visitors to the two mainland official websites indicate that the Chinese e-government is at least not attractive enough to draw great attention of cyber-

46 Cui Shaoming: "Dalu guangfang wangye liaoshengyuwu" (China's official websites are so good as nothing, in: *Open Magazine*, September 1999, p.62.

47 *White Paper of Government Online Project* 2000, p. 20.

48 Cf. www.mingpao.com/newspaper/20000210/t_cfalh.htm (accessed on 10 February 2000).

49 Cf. *Renmin Ribao*, 23 January 1999.

50 www.mingpao.com/newspaper/20000218/t_cfd1hhtm (accessed on 18 February 2000).

citizens in comparison with that from the other side of the Taiwan Strait (GIO – Government Information Office of Taiwan).

Considering the asymmetry of development in IT sectors and the telecommunications infrastructure in China, there are obviously great regional differences with respect to the realization of the goals which the White Paper avowed. The uneven development could also be caused partly by the unqualified content of websites and partly by disinterest in governmental work on the part of the populace. As a result, many municipal e-governments are not visited often. By assessing the different access quotes of four cities (from November 6th to December 6th 2000) – Chifeng, Qingdao⁵¹ and Shenzhen – we can perceive this asymmetry of development.

Amount of visitors to some local gov-websites

| | Qingdao | Shenzhen | Chifeng | Taipei |
|------------------------|----------|-----------|-----------|----------|
| Population | 2,2 Mio. | 3,79 Mio. | 0,44 Mio. | 5,5 Mio. |
| Registered hit per day | 1558 | 540 | 93 | 5848 |

Obviously, the contrast between cybercitizens from Taipei and those from mainland China with respect to their attitudes toward their own municipal e-government is quite immense. Within China, the varied representation of the different cities in the cyber populace is quite notable. While the website of Qingdao municipality is quite frequently visited, the cybercitizens in Shenzhen do not show great interest in the website of their home town.⁵² The reason for this lies not only in construction and content of websites, but also in the various level interest cybercitizens have in the Internet and the different degrees of infrastructure available to access the Internet.

So far as the intranet is concerned, there is no official statement about its development. As mentioned above, one of the functions of intranet is to have the state workers well informed about the politics and policies concerning their work. Due to unprofessional bureaucracy and ambiguous understanding of public goods among state workers, the demarcation of confidential and public documents is not clear and the gray area between the two is very large. Thus, much information which ought to be published on websites still remains unavailable. Only the municipality of Shenzhen has displayed some attempt to abrogate all "red-documents" and bring all non confidential data, that is, laws and regulations online. Up until now there has been no official assessment of this experiment.

Two more points deserve special mentioning. One is the National Population Information Network as part of the "Government Online Project", which aims to provide police units nationwide with personal data on all citizens above the age of 16. Two concrete phases were set up to develop this network. 1) By the end of 1999 133 cities in China were connected. 2) Within three years starting from 1999, a national

51 *Zhongguo qingnianbao* (Chinese Youths), 10 Aug. 1999. Qingdao was one of "top five" and "top ten" e-government websites in 1999 and 2000.

52 Meanwhile an important factor should be taken into consideration: Apart from the Chinese language, the website of Qingdao can also be read in several other languages. That is to say, that visitors of those websites could also be non-Chinese cybercitizens.

population information network should be completed. The following table shows the number of recaptured prisoners due to the establishment of an internal police network (from July 1 to August 10 1999).⁵³

Intranet used by the Chinese police to recapture escaped prisoners (from 1st July to August 1999)

| Region | Total number of recaptured prisoners | Number of recaptured prisoners via intranet | Percentage of prisoners recaptured via intranet |
|-----------|--------------------------------------|---|---|
| Beijing | 50143 | 30093 | 60% |
| Shanghai | 587 | 321 | 54.7% |
| Shanxi | 1350 | 833 | 61.7% |
| Chongqing | 408 | 291 | 71.3% |
| Jiangxi | 1317 | 509 | 38.6% |
| Shandong | 1581 | 383 | 24.2% |
| Anhui | 2607 | 1086 | 41.7% |
| Hunan | 1217 | 404 | 33.2% |

Source: *Guangzhou Ribao*, 6th September 1999.

Another successful story of intranet is the new taxation system in China. Up until now, 60% of the county's tax authorities are computerized. 75% of tax has been collected via intranet. By the end of 2000 part of the "Golden Gate Project" should have been completed. This means that the tax authorities and customs will operate together to make taxation work more effective.⁵⁴

Another remark should be made on the websites of state organs at all levels (ca. 2400 at the middle of 2000). As we know, the CCP is de facto present in all state organs. However, in the Chinese Internet, an unusual phenomenon can be observed, namely, that the leading Party (CCP) has never appeared at the forefront of any websites. Instead, China's Internet is the sole place in the public sphere where the CCP plays down its functions "modestly". Even Jiang Zemin's Homepage⁵⁵ www.china.org.cn/cicc/jzm disappeared after its two year life span.

VI Chinese e-government problems

As the analysis has shown, there are many obstacles to realizing the CCP's ambition of e-government. First of all, there is a fundamental contradiction between the leadership's intention regarding promotion of an e-government and the institutionalized way of thinking and behavior of the politically hegemonic party. As we know, the idea of e-government is based on the belief that government work should be transparent and authorities are obliged to deliver services to its citizens. The Internet

53 Of the 200,000 online registered escaped prisoners, 59210 were recaptured.

54 www.cctv.com/news/financial/20001217/101.html (accessed on 17 Dec. 2000).

55 Cf. www.mingpao.com/newspaper/archives/990302/ccalhl.htm (accessed on 3 February 1999); *Open Magazine*, April 1999, p. 11.

culture thus represents modern political culture in which transparency, a fair share of information, and political equality are required.

The institutional structure of the CCP, however, is characterized by its strict hierarchic system in which superiors are used to monopolizing all useful information.⁵⁶ In fact, the mentality of the CCP is not in accord with the principles of modern political culture and technology, especially in remote, less developed regions. To increase accessibility to information via the Internet implies giving up at least part of the monopoly on information. Many officials and party functionaries with leading positions are apparently not ready to concede this power. Thus, the CCP plays an increasingly proactive role of initiator as it introduces new form of government work as well as a reactive one as it is reluctant to grant the populace a full access to information. To a certain extent, this contradiction is also reflected in the discord between young and old generations of the CCP, for many younger officials and party functionaries appear to be more sophisticated in dealing with modern technology, while the older generation has maintained a more conservative stance. As a result, the development of e-government in China is very limited.

At the same time, the discrepancy between the virtual world and real world with respect to the purchase of administrative goods, is still immense due to lagging political reform. Indeed, the political effects of the cyber procurement system depend on the interplay with off-line political dynamics. Regardless of new regulations over the purchase of administrative goods, the off-line space for nepotism remains large enough to counter and problematize the rationalization efforts via the Internet.

The problems mentioned above reveal the existence of attempts to gain technical legitimacy and in opposition utilitarian behavior. To some extent both of them require rational thought process. However, in many cases, Chinese utilitarianism undermines what rational efforts try to achieve.

Another obstacle to the development of cyber government is rooted in a lack of sufficient funding. Regardless of the subsidies China Telecom grants for the first period of online use, there are simply not enough financial resources which can be used to create or maintain the homepages of various state organs. Obviously, the first stage of the "Government Online Project" was pushed through by a command mechanism. As result of it, many institutions tackled the command from above in a merely superficial way and were forced to deal with their websites in a "modest" way because of insufficient financial resources.⁵⁷

As Fu Zhiping points out, there are several other factors which hinder the successful fulfillment of the "Government Online Project" such as a lack of IT specialists within governmental institutions and insufficient software to secure the websites from hacking and other criminal activity.⁵⁸

56 Cf. Pye (1988), pp. 30-35.

57 *White Paper of Government Online Project*, 2000, pp. 46-47.

58 Fu Zhiping, "Government Online – do not lose the best chance", in: *China Internet Weekly*, 29 May 2000, p. 28. To overcome this problem the Chinese government recently set up a special department which is called "Bureau of internal communication for Party and government institutions". But the question how to define the competency and task of this department is not quite clear.

VII Concluding remarks

Based on the assessment of the "Government Online Project", the following points appear to be important.

- 1) China is still a long way away from a service- and communication-oriented e-government. There is obviously great disparity between word and deed, between what the CCP intended to do and what actually happened. Consequently contradictions between technical and moral legitimacy, and between technical legitimacy and Chinese utilitarianism will become more and more acute.

China has 22,5 million Internet users by the end of last year. Despite exponential growth rates, one must keep in mind that Internet penetration is at present less than 2% in China in comparison to the US with rates surpassing 45% and nearby Singapore at almost 50%. This indicates that the e-government cannot have large scale communication with people, even if it were very successfully realized. An e-government will become relevant to the populace only when there are significant numbers of Internet users in that country.

Nonetheless, China could have a modest e-government, if the central government were wise enough to encounter its problems in a rational way. Among the developing countries China has relatively good facilities. The development of a telecommunications infrastructure in the past five years will make it much easier for Chinese citizens in urban areas to obtain access to the Internet. The fact that the extent of telephone network makes up 20.1% Chinese households (in cities 39%, in rural areas about 79.8 administrative villages are networked) and that by the end of 2000 0.229 billion households were connected either via mobile or normal telephones,⁵⁹ implies that China is not far away from its goal of enlarging the number of internet users.

- 2) An e-government promotes transparency, but it is not necessarily identical with democracy.⁶⁰ The differentiation between technical and moral legitimacy is often neglected by many social scientists. A country can, for a certain period, have transparency and technical legitimacy without necessarily having to gain moral legitimacy or become democratic.

Given the ever more complicated relations between organs of the ministerial level and between the central and provincial government, the Internet will help the Party to reduce tensions and will make surveillance over inferior organs possible. Also, the emergence of a digital world in China will in the short run enhance the political hegemony of the CCP which steered the information revolution in China.

For many countries undergoing transformation, however, the Internet functions as more than a neutral instrument. As we know, an e-government will help a government to become more accountable and behave more rationally. In fact,

59 <http://tech.sina.com.cn/it/t/71200.shtml> (accessed on 12 June 2001).

60 Cf. "China may lead Asia in paving path towards transparency in governance" SCMP, 11 May 2001.

the accountability is not merely the precondition of the modern capitalist countries, as Max Weber stated, it has become the precondition of modern democracy. Consequently, the international world should not only push China to legitimize itself from a normative, moral perspective, but also encourage and support China's efforts in creating technical legitimacy by establishing a service- and communication-oriented e-government, even if it is still in the infant stage. Any efforts to gain technical legitimacy will benefit the democratization process in the long run. A special discussion forum during a session of People's Congress is a far cry from institutionalized democracy, but once it has opened, it will be difficult for the Party to reverse it.

- 3) It is evident that the "Government Online Project" and its following projects (Enterprises Online and Households Online) have advanced Chinese IT immensely. It can be argued that parallel to the development of a global Internet, a Chinese language internet network is emerging.

The Chinese language network links the different Chinese speaking regions and ethnic groups and thereby ensures that they will influence each other. The main driver of the new Chinese virtual world is not governmental institutions, but the very new economy itself. The rapid increase of domain names of "com" in China as well as in other countries has already proved this to be the case. "Better-informed businessmen may be more competitive in the new global economy, but they are also, inevitably, better informed about life in the outside world – and the rights and freedoms that China does not yet permit."⁶¹

Percentage of the Chinese users in the Internet

| Region | Internet access (Mio.) | Percentage world online population |
|--|---------------------------|---------------------------------------|
| English speaking countries | 189,6 | 49,60% |
| Non-english speaking countries | 192,4 | 50,40% |
| Total Asian languages | 78,6 | 20,60% |
| Total European languages (excl. Engl.) | 113,8 | 29,8% |
| Total World | 369,4 | |
| Chinese | 28,7 | 7,50% |
| Japanese | 27,3 | 7,10% |
| French | 15,2 | 4,00% |
| German | 23,4 | 5,9% |
| Russian | 9,3 | 2,40% |
| Korean | 15,7 | 4,10% |

Source: www.gltreach.com/globstats/index.php3 (accessed on 9 December 2000).

The increase of domain names "gov", "com" and "org" from 1997 to 2000

| | 1998 (Dec) | 1999 (July) | 2000(Dec) |
|-----|------------|-------------|-----------|
| gov | 982 | 1663 | 4615 |
| org | 409 | 649 | 2596 |
| com | 13913 | 22220 | 96221 |

Source: CNNIC Report 1998- Jan. 2001.

As the German proverb says, commerce brings about changes (Wandel durch Handel), China's ongoing "fermentation evolution" via the Internet is definitely at work, although the online success depends very much on the political reforms which should be conducted off-line. The ongoing digitized economy, achieved mainly by the proactive role the Chinese e-government took in forming the structure of e-commerce, will in turn push forward the digital government in China onto a new stage and eventually change the Chinese way of thinking and patterns of governmental work.

In observing the recent Internet controls imposed by the Chinese government - one might become discouraged as to the future of moral legitimacy in China. However, a political breakthrough takes time. As it stands in China today, the introduction of an e-government has opened Pandora's box and China's Internet has begun to work towards an unprecedented political breakthrough which the CCP itself did not expect.

(China's) e-government is a revolution. But it is not a revolution which can be carried out easily. (...) The 'Government Online Project' is a thoroughly altered model of the way in which the government has operated and functioned for many decades.⁶²

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62 Gu Dong'an/ Huang Qinhui: "Zhengfu shangwang, gemin shangwei chenggong?" ("Government Online" – An Unfulfilled Revolution?) in *Diannao Ribao* (Computer Daily) Beijing, 14th August 1999.

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