

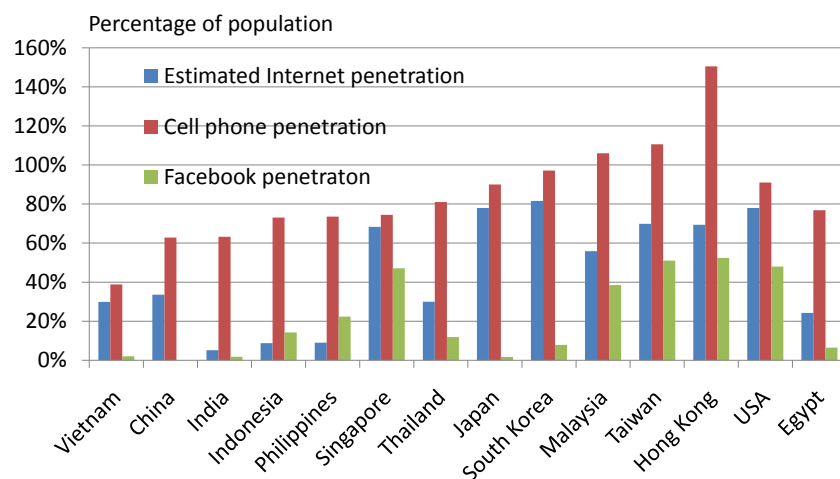
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Internet and Social Networking as Forces for Political Change



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REGIONAL OVERVIEW

The Internet as a force for political change

We all know that the Internet is a game-changer, but seeing it in action makes it easier to recognize how old models are being swept aside by forces unleashed by the web. Some of the implications for industries and governments, as well as how we get information to make critical decisions, could themselves be game-changes. The Internet has evolved with remarkable speed. Its rate of change is one of its most important features, since only a tiny minority of people have been able to keep ahead of its curve. These people are emerging global power brokers – able not only to generate wealth faster than almost anyone could imagine a few decades ago, but also to shape public opinion and initiate political change.

The Internet is bringing different technologies together, generating a classic example of how one plus one does not equal two, but a much larger number. An example: Computers are joining with telephones in ways that bring down prices, simplify usage, and increase portability. Technologies such as Apple Inc.'s iPads and iPhones are driving Internet demand in both developed and developing countries and making even uneducated people proficient users of web applications. Another example: the growing popularity of social-networking systems like YouTube, Twitter and Facebook. These software systems don't just make it easier for people everywhere to receive information on their computers and cell phones. They also let users broadcast information and communicate with friends or strangers – be they next door or a continent away.

Such statistics as Internet penetration rates and per-capita cell phone usage are converging. In some developing countries the growth of cell phone usage has been so fast that there are already more cell phones than fixed-line phones. In virtually all countries, as cell phone users upgrade to the latest technology, they upgrade to the Internet simultaneously since the new generation of phones depends on the Internet for functionality. This

growth will be accompanied by a dramatic fall in communications costs. Costs will fall because of increased competition among service providers. Secondly, even in countries where the industry or governments try to limit competition, they will have to contend with software applications like Skype that allow users to make free voice and video calls over the Internet.

One of the main new battlegrounds is not so much between which phone or Internet service provider to use, or which brand of cell phone is the best, but which software applications people will use most to exchange information, be it text, still photographs, audio or video. Then there is the question of content. To a large extent, the main source of content will be users of the system. They will provide first-hand information to their friends, family and personal networks – which can expand so fast that an old verb has been redefined to describe the phenomenon: a message, photo or video placed on the Internet is now said “to go viral” when it spreads especially rapidly.

This is where social media sites like Twitter, YouTube and Facebook come into play. They are tools that facilitate networking. As tools, their emergence has been one example of something going viral. Remember, Facebook was launched only seven years ago – in February 2004. In the brief time since then, the number of users has grown from zero to more than 600 million persons as of January 11. YouTube was founded one year later – in February 2005. In May 2010, it was reported that YouTube was serving more than two billion videos a day, which it described as “nearly double the prime-time audience of all three major US television networks combined.” In November 2006, YouTube, LLC was bought by Google Inc. for US\$1.65 billion and now operates as a subsidiary of Google (only 15 years old).

These networking sites are only platforms or tools. To have any real value they require content, which is perhaps where the biggest battle is taking place and where the biggest, most established players are in danger of losing badly. Who are the biggest players? We would put them in two categories. One is the formal media: television, radio, newspapers, and wire services. These organizations

in the past relied on correspondents and journalists to provide the content and editors to filter it. The other is governments. In some countries, the government owns or controls the formal media, but even in countries that respect press freedom, governments go to a great deal of trouble to make sure the official line is heard and, to the extent possible, “sold” to the public. In systems where freedom of the press is enshrined in the law, the formal media – or Fourth Estate – can serve as a check and balance on the government, offering other points of view and challenging facts issued by the government, but the news media still rely on the government for a great deal of content.

Both these established players are trying to turn the Internet to their advantage. They have set up flashy websites of their own and, in a few cases, provide content through new social networking sites like YouTube. Countries like China and Vietnam view the Internet as something that needs to be controlled and censored, which they do by restricting access to websites deemed to be controversial, pressuring content providers and Internet service providers, and even arresting Internet users whose content is judged to be against the national interest.

We say the biggest players are in danger of losing badly because traditional media companies, almost without exception, are suffering from falling advertising revenue and declining readership/listeners/viewers. Their old models are not generating the profits they once did, forcing both newspapers and broadcasters to economize by reducing the number of their correspondents and changing the way they cover the news. For all their experience, they have not been able to adapt to the Internet in ways that offer compensating sources of profit. News content on the Internet is not being driven by journalists going through editorial offices to end-users but by the same journalists going directly to end-users or, increasingly, by experts who were once interviewed by journalists going directly to end-users.

At the same time, controversial organizations with entirely new “investigative” models like WikiLeaks and Anonymous are being set up to provide outlets for sources of information that otherwise would never see the light of day. The

organizations are a major concern even for democratic governments like the US, which have “press freedom” built into their constitutions. There have always been disgruntled civil servants and other people who had confidential information. They might well have wanted to make this information public but normally found it difficult finding effective channels to do so. The Internet, combined with the distribution capabilities of social networking sites, has greatly reduced such restrictions. It is now easier to find outlets to distribute sensitive information to the public and to maintain anonymity in doing so.

The credibility of such information is suspect. But is it any less credible than the information put out by many governments and corporations? When there are photographs and videos distributed to support the allegations, scandals like the Abu Ghraib prisoner abuse can withstand the strongest government denials.

As big an impact as the “WikiLeak”-type sites are having, the profound change in the way information is given and received is the rise in power of average people. They are cutting out the middle-man altogether. With nothing more than the latest cell phone or laptop connected to the Internet, average people can communicate with others. They can convey real-time information, answer questions directly and turn what was once a conference call into a broadcast that can be read, seen or heard by millions. The media are no longer the preserve of a few large organizations capable of determining what was and wasn’t news-worthy. There is now a flood of information, unregulated and uncontrolled, and new software gives end-users instead of editors the ability to filter through this information to decide what they want to view and hear. More than ever, the market, not some editor, is determining what news it finds interesting. This may not mean an improvement in the quality of information but it definitely means a flattening of the organizational structure in which news and information flows.

Asian Intelligence has been produced since 1976, and we have personal experience covering many coups. A number of factors contribute to the conditions for such chaos to break out. The target government has often been in power too long and

gained power through extra-constitutional means itself, leaving its legitimacy in doubt. The government in power is usually intolerant of formal opposition parties. Corruption is frequently a problem, along with the benefits of economic growth going to an elite few while a growing proportion of the population suffers stagnant or declining living standards. Unemployment is frequently high, particularly among youths, and the government frequently tries to hide all these problems behind a tightly controlled press and broadcast media. In the coups we have covered, one of the first objectives of every group trying to oust the government in power is to gain control of broadcasting facilities. And the government in power has tried to use these same facilities to convince the public it was still in power.

The latest Egyptian demonstrations showed how much the Internet has changed the equation. No one trusted the state news agency. Instead, news that people trusted was carried over social networking sites like YouTube and Facebook. These same sites were used by demonstrators to coordinate marches and other protests even though the movement lacked visible leaders.

Perhaps most telling, one of the key figures to emerge from the protests was an Egyptian named Wael Ghonim. People like Facebook founder Mark Zuckerberg and Google founders Sergey Brin and Larry Page are examples of how individuals can capture personal wealth and economic power from the Internet in unprecedented ways. Mr. Ghonim could be an example of the kind of person who can rise from obscurity to become an influential figure not only in bringing down a government but also in shaping the next government. Mr. Ghonim is far from "Mr. Average." His qualifications are unique. He has intimate knowledge of the Internet and how it can be used. He is head of marketing in the Middle East and North Africa for Google. Secondly, he might not be wealthy or well connected in the traditional sense, but he had the capability and desire to use Internet tools to communicate news that interested Egyptians and other Arabs. He was one of four administrators running the first of the major Facebook pages that organized and directed the protest movement. He could also (and did) create and manage websites for politicians like opposition leader Mohamed ElBaradei who otherwise would be clueless about how to use

the new technology. Mr. Ghonim could have worked for Mr. Mubarak, but he didn't. He does not seem to have been motivated by money but by political feeling, which is why he volunteered as a tech consultant for other opposition groups. It is also why the Mubarak government thought he was so much a threat that they arrested him. Mr. Ghonim has since been released and is now the poster boy for the type of Internet-savvy political activist who is likely to play a much more prominent role in the future.

Governments like those of China will consider people like Mr. Ghonim to be so dangerous that they will be prosecuted whenever they are spotted (unless they are employing their talents on the government's behalf). Even governments like the US do not feel entirely comfortable with the tactics and apparent unaccountability of Internet activists. Note how much more differently top government officials treat people like WikiLeaks' founder Julian Assange than they did reporters Bob Woodward and Carl Bernstein, let alone Washington Post publisher Katharine Graham, back in 1972 during the height of Watergate. Perhaps governments will rationalize that social-networking websites are not, at the end of the day, media and should be subject to a different set of rules and restrictions that de-emphasize "freedom" and emphasize "accountability." A problem with such an attempt is that the government, at the end of the day, might not have the power to impose such new restrictions. The people might decide for themselves, just as Egyptians found ways around the government's clampdown on cell phones and the Internet.

If so, which governments in Asia are most vulnerable? China and Vietnam probably top the list, but they are also the ones that will go to the most drastic ends to neutralize perceived threats. An example of those controls is the limited penetration that foreign social-networking websites like Facebook have made in China and Vietnam. Mind you, it does not take much penetration to organize demonstrations and opposition to the government. If one defines the situation in Egypt to be above the minimum level required to be effective, Facebook's per-capita penetration there is only about 6.5%. However, according to statistics published by the website Socialbakers.com, Facebook's penetration rate in Vietnam is barely 2% and it is less than 0.1%

in China. That said, both countries have a lot of indigenous blogging and social-networking websites that could be nurturing the emergence of their own Wael Ghonims.

The only other countries covered by this report that have Facebook penetrations lower than Egypt are democracies that are mature enough to embrace the change in technology without having to fear ways it might challenge the system. Those countries are Korea, Japan and India. (Facebook actually has a slightly higher penetration rate in Korea than in Egypt, but not by much.) On the other hand, if you look at the countries covered by this report that have a reputation for governments that take a fairly strict approach to controlling local media, social networking websites are already so well developed that they can provide alternative news and views. For example, Facebook's penetration in Thailand is 11.8%; in Malaysia it is 38.5%; and in Singapore it is 47.1%.

The Spread of the Internet

(Percentage of total population)

	Internet penetration	Cell phone penetration	Facebook penetration
China	33.6%	62.8%	0.1%
Egypt	24.3%	76.8%	6.5%
Hong Kong	69.4%	150.5%	52.4%
India	5.1%	63.2%	1.8%
Indonesia	8.7%	73.1%	14.2%
Japan	78.0%	90.0%	1.7%
Malaysia	55.9%	106.0%	38.5%
Philippines	9.0%	73.6%	22.3%
Singapore	68.3%	74.5%	47.1%
South Korea	81.6%	97.2%	7.8%
Taiwan	69.9%	110.6%	51.1%
Thailand	25.8%	81.0%	11.8%
USA	78.0%	91.0%	48.0%
Vietnam	26.6%	38.8%	2.1%

CHINA

Comments

From the perspective of China's government, the Internet is something that needs to be controlled. They like its commercial applications and its potential to be used for government propaganda purposes. They also see nothing wrong with using it as a tool to hack into foreign computer systems for purposes of obtaining technological secrets and promoting China's national security interests. However, they also consider the Internet to be a potential threat to the government and the Communist Party, and their tactics to minimize this threat include keeping out of China foreign services like Facebook and Twitter, using filtering software to block access to certain sites and types of information (like the latest Egyptian uprising), using Internet policemen to identify and block messages of political dissent and to identify early on the people responsible for posting such information. Beijing has no intention of ever allowing a Wael Ghonim-type Internet-savvy, political activist from emerging in the Mainland. Such people are to be identified early and stopped.

The question has to be asked about whether or not this policy of control of the Internet is really sustainable. So far China has defied those early Internet pioneers who declared the system could not be censored or controlled. China has done just that with remarkable effectiveness. However, China so far has really never been seriously challenged. Someday it will be. What form will such a challenge take?

Consider first the size of the Internet in China and the way the web technology is converging with cell phone technology. The Mainland already has the largest number of Internet and cell phone users in the world. The latest estimate is 457 million Internet users, which would mean a per-capita penetration rate of more than 33%. Of the total Internet users, 303 million browse the Internet on their cell phones. China also has nearly 140,000 Internet cafes providing online access for about 30% of the country's Internet users. In other words, the Internet has reached a critical mass of the Chinese population. People have come to depend on the ease of

communications they now have at their fingertips and various applications this technology provides. The system is no longer a luxury for an elite few but a necessity for the masses.

Secondly, consider that while China has shown an ability to censor the Internet and to use force and intimidation to get Internet companies to comply with the government's screening efforts, it has not shown an understanding of how to use the web effectively either. The websites of the government's three main official medias – People's Daily, Xinhua and China Central Television – have not attracted nearly as many viewers as unofficial websites. Moreover, while foreign social-networking sites like Facebook and Twitter might not even have a toe-hold in China, this has not stopped many locally-generated microblog platforms and social networking sites from emerging. Moreover, Chinese users are adept at getting around official filtering systems and censors.

Thirdly, consider why the Internet was really effective in Egypt during the recent demonstrations: average people were highly motivated to communicate with friends and family to inquire about their well-being, to coordinate actions, and to share information about what really mattered to them. The last time this happened in China was in 1989 in the run-up and aftermath of the Tiananmen crackdown, but back then the Internet was not nearly as developed as it is now and phone penetration was much less. If another Tiananmen were to happen today, the role of the Internet would be very different.

Since 1989 there have been several crises in which the Internet and cell phone played progressively bigger roles. For example, there was the 2002 and 2003 SARS crisis and the 2008 Sichuan earthquake. In the SARS case the government quickly learned the political damage that was done when local officials tried to hide the scale and danger from the epidemic from the public. The government could not stop people sharing their fears and experiences over the Internet and cell phones. Officials were fired and the government quickly changed its policy and shared information more openly. In the Sichuan earthquake, the government did not hide the scale of the crisis at all. The government did try to limit discussion of how corruption and faulty construction reflected badly on local governments, but overall the national government was more open in its treatment of this crisis than previous ones. In 2009, the government completely shut down Internet access in the northwestern region of Xinjiang for several months following riots there. However, it is doubtful that the same tactic could be employed in Shanghai or Beijing, where there are many more people (with international links) with cell phone and Internet access. Moreover, the economies in these key municipalities would be seriously disrupted by such drastic action. Ultimately, the political repercussions could be so bad that the national government could cause the very crisis it was trying to avoid.

The key question therefore is will a crisis ever emerge that causes a critical mass of average Chinese to become so worried that they urgently feel the need to communicate with one another, including with the growing number of friends and relatives they have abroad, and will the government be seen to help facilitate this communications or will it try to obstruct it? The crisis could be a natural disaster or health emergency. It could be an economic crisis that causes extensive hardship or highlights gross abuses of power and mistakes by government officials. Or it could be a spontaneous reaction to some event that galvanizes the public with a particular sense of outrage. Sooner or later there will be something that happens that results in such a high level of grassroots' concern that pressures for sharing information and experiences is overwhelming. There is no country in the world that, given enough time, does not encounter such situations, and China will not be any different. This is when a strong bias to censor and control information flows can result in political disaster, while the opposite approach is usually the quickest and surest way to restore stability.

HONG KONG

Comments

Hong Kong is at the other end of the spectrum from China when it comes to the Internet and social networking sites. Not only does Hong Kong have one of the most advanced communications infrastructures in the world, but also its people and companies enjoy complete freedom in their use of this infrastructure. Hong Kong's cell phone penetration is over 150% and virtually all households and commercial buildings have broadband access. The government does not censor the Internet at all and people in Hong Kong have embraced social networking. Facebook has a bigger penetration in Hong Kong than in any other Asian economy – and that is just one of many such services that Hong Kong people use.

So far China has left Hong Kong alone – a decision that might not have been easy considering that Hong Kong does have political activists who are uniquely well positioned to work with like-minded people in the Mainland to get around censorship restrictions there and help disseminate information and discussions that Beijing would like to block. Hong Kong activists also use the Internet to press their agendas against the Hong Kong government and institutions. Pro-democracy activists, environmentalists, and corporate governance advocates are all big users of the Internet. Their activities are one clear example of how Hong Kong really does enjoy freedom of speech and is allowed to have a system that is different from what is allowed on the Mainland.

It is possible that someday the communications technology will be such that Beijing will not be able to isolate Hong Kong's Internet from the Mainland's to Beijing's satisfaction and will feel so threatened by activists using Hong Kong as a base or a communications facilitation center that they feel the need to intervene and restrict this freedom in Hong Kong. However, so far that has not happened, and it is one reason why firms like Facebook invest first in Hong Kong before they do in China. It is also why Hong Kong has advantages over other Chinese cities that make it a more attractive base for regional and international business. This is a role that would be much more difficult to play if Hong Kong did not have free access to information like details surrounding the Egyptian demonstrations that could affect everything from the price oil to the movement of share prices and exchange rates.

INDIA

Comments

India's Internet penetration is not nearly as deep as in China (only about 5.1% compared with more than 33% in China), but the country enjoys much greater press freedom. It also has a democratic political system. For these two reasons, India's overall political stability is much less vulnerable than China's to widespread demonstrations mobilized by activists through social-networking sites. The government can and does live with such demonstrations. It does not feel threatened by them.

Although India's Internet growth has been slower than China's, its cell phone growth has been just as rapid and both countries have a cell phone penetration rate of about 63%. India might be slower than China in getting out the latest generation of cell phones, but as Indians make the conversion from older generations, there will be a surge in the use of the Internet as well, since the two systems go hand-in-hand. Moreover, India is well ahead of China in social networking sites, including foreign ones like Twitter

Indian entrepreneurs have capitalized on the Internet to stimulate the growth of backroom processing industries and other services. It has turned into one of the biggest foreign exchange earning industries for the country and is also a major and growing source of employment for some of the country's best trained workers.

This does not mean that the Indian government does not have concerns over how the Internet is used. Like the US and other democracies, it is wrestling with how to balance such competing priorities as transparency, confidentiality, free speech and security. Certain groups in India are pushing the security angle hard. The

motivation is different than China, whose main concern is to protect the position of the Communist Party and to preserve social stability. In the case of India, the main worry is terrorism, especially by Islamic extremists with links to Pakistan militants or to Al Qaeda, but also by numerous other insurgent groups like Maoists. This is why the home ministry wants India's intelligence agencies to be given access to encrypted corporate emails to ensure that systems like BlackBerry are not abused by terrorists. The problem is that the corporations using such systems do not feel secure that their information will remain private. As last year's Radia tapes scandal showed, government legal bodies can and do leak intelligence they have gathered through wire tapping. In this case the government allowed media outlets to get hold of wiretap recordings of the phone calls of a lobbyist for the Tata Group. In response, industrialist Ratan Tata in November filed a petition with the Supreme Court that argues the leak of the tapes violated his constitutional right to privacy. It remains to be seen how this case will be settled, but it shows that India, like the US, is likely to move in the direction of developing a code of conduct for Internet activity.

INDONESIA

Comments

Indonesia's on-line population is booming – annual growth has been averaging close to 50%. It is the same for cell phone growth, and Indonesians have embraced social networking sites like YouTube and Twitter. The timing of the arrival of the Internet is particularly important in the case of Indonesia. Internet technology arrived in the late-1990s, precisely when opposition to the Suharto regime was growing, and cyberspace became a rare platform for free expression and interaction, as well as a major source of news and information that was free from state control or censorship. Since the collapse of the Suharto regime, the general media has become much freer, but many Indonesians still prefer the web as a way to get their news and express their views. They remain suspicious of the traditional media and frequently put more faith in their web networks.

The Suharto regime clamped down on all types of opposition for over 30 years. Hence, it is not surprising that when the Internet arrived and created a way for people to communicate in "free space" outside the control of the state, more than just democratic activists embraced the new technology. So did Islamic extremists, environmentalists and almost any other group that felt oppressed during the Suharto years. But the governments that have come to power since the fall of Suharto have each encouraged the movement toward free speech and a relatively uncensored, unregulated Internet. Individual politicians usually have their own websites, and the Internet is the place to go to learn about such controversies as alleged military abuses, major acts of corruption, and human rights abuses. All these problems are still occurring in Indonesia, but there has not been an attempt by the government to crack down on the Internet to cover up such controversies. Consequently, they are receiving a much bigger public airing than before.

The one exception has been local sensitivity toward pornography, which is the one excuse some groups are using to argue not only for censorship but also for legislation to control the web. There are roughly 180 Internet providers in Indonesia today, including the two state-run companies, Telkom and Indosat. The ministry of communications admits it does not have the capability to police the Internet effectively, so it is trying to convince Internet service providers to be more pro-active to prevent their systems from being used for purposes of distributing pornography. The ministry is still debating whether or not to impose sanctions on those providers who refuse to comply with the porn clamp-down.

While the Indian government wants to be able to read encrypted software in proprietary systems like BlackBerry in order to fight terrorism, Indonesia's motivation to restrict the same kind of technology is to be able to fight pornography. Earlier this year Research in Motion (RIM), the company behind BlackBerry, agreed to restrict access to pornographic sites via its BlackBerry smartphone devices in Indonesia after pressure from

Indonesian authorities. RIM said it would implement a filtering service for Blackberry subscribers "as soon as possible" after an Indonesian minister threatened to "shut down" RIM's operation for failing to comply with the country's cyber laws.

JAPAN

Comments

Like Indonesia, Japan is more concerned with clamping down on use of the Internet for distributing pornographic material than it is for fighting terrorism threats or anti-government views. Freedom of speech is guaranteed by law in Japan and, except for the anti-pornography angle, the Internet is largely uncensored and unrestricted.

What makes Japan particularly useful in analyzing the convergence of the Internet with cell phones is that it has a head start on most countries. Current trends in the Japanese cell phone industry thus provide for an interesting study of the direction that the world will most likely be taking. The mobile landscape of Japan is merging with the Internet landscape as more and more Japanese access the Internet via their mobile phones. Currently, 90% of all Japanese have a mobile telephone and four out of every 10 of them use it to surf the Internet. With figures from 2007 showing that the number mobile web users was nearly equal to the number of PC-based web users then, it is highly likely that there are now more mobile web users than PC-based web users.

Social networking is really taking off in Japan, and people prefer to do their networking over the latest generation of mobile phones, especially the iPhones, than they do over their PCs. A greater majority of the Japanese who are connected to the Internet prefer mobile Internet usage to the PC. Although Japanese are fairly big users of foreign systems like Twitter and Facebook, they have been gravitating much more to locally-created systems like Mixi and Gree. Similarly, Japanese have gravitated more toward local blogging platforms like Ameblo and Blogger that also allows blogging in Japanese. On the other hand, when Twitter introduced its Japanese version in 2008 and followed that up by distributing a smart phone application, its popularity increased dramatically. In other words, the old motto, "act global, think local" seems to apply to the World Wide Web and the future of Internet communications. It is especially suitable in countries like Japan and Indonesia, where freedom of speech is respected but English usage is limited. On the other hand, there is much bigger risk in countries like China and Vietnam, where heavy censorship is the norm and government control is emphasized.

MALAYSIA

Comments

This week's topic of the Internet, social networking and politics is probably more sensitive for Malaysia than any other country covered by this report. Elections are likely to be called this year or next and the government already controls most of the traditional print and broadcast media. The opposition has therefore already gravitated toward the Internet, where views are much more diverse and average Malaysians are increasingly relying on to get their news and exchange views. The government insists it will not try to censor the Internet or clamp down on people and sites that disseminate opposition views or are critical of the government and key officials. However, many Malaysians do not believe these reassurances, especially in the wake of developments in Egypt, which in some ways has empowered the Malaysian opposition and provided lessons they might be able to use to fight the UMNO coalition in the next elections.

There are interesting parallels between Malaysia and Egypt in that Islam is the dominant religion in both countries, but more militant, conservative religious groups are in a minority. And while Malaysia has changed its premier regularly through elections, the country has known only one ruling coalition since independence. However, there are more differences than similarities between the two countries, which make it dangerous to draw too many parallels. There is no real counterpart in Egypt to Malaysia's ethnic Chinese and Indian minorities. Penetration of the Internet, cell phone usage and social networking sites are much more advanced in Malaysia than in Egypt. This means that these tools are not only in the hands of the opposition but also the government. Most political leaders have their own websites and while the opposition has its "Wael Ghonims" to help it use the new technology to its advantage, the government has its own IT experts who are trying to balance the game.

This does not mean that the Internet, cell phones, blogging and social-networking sites will be less relevant in Malaysia than in Egypt. To the contrary, their overall role in shaping the debate for the coming elections is likely to be even greater in Malaysia. The country's political leaders have already come to the realization that they could find themselves boxed in if they are too aggressive in denying Malaysians the ability to exercise their rights to express views and assemble online. Even so, they are likely to be more aggressive than governments like the US and Japan in enforcing a code of on-line conduct, and the opposition will criticize such controls as a form of censorship. But if the government goes so far as to arrest bloggers, close down offending sites and limit access to the Internet, such tactics could backfire badly. This is why it is important to monitor the public's reaction to a proposal by the Home Ministry to apply the 1984 Printing Presses and Publications Act to the Internet. The move would regulate Internet content developed in Malaysia, and would likely apply also to services like Facebook and Twitter.

PHILIPPINES

Comments

The Philippines is likely to approach Internet censorship in the same way as Japan and Indonesia: the way the controls will be written at least initially will focus on pornography. In the Philippines, cybercrime legislation before the parliament would outlaw anything deemed obscene or indecent. Critics of the law are worried that it is so broadly written that its application could eventually be used for other purposes. Initially, however, this is not a particularly large risk.

Ever since the collapse of the Marcos regime in 1986, the Philippines has enjoyed a free media – one of the freest in Asia. Its quality leaves a lot to be desired, since local journalists and editors rarely seem to worry about facts getting in the way of a good soundbite, and this type of free-wheeling style carries over to the Internet as well. But this is a country that loves rumors and conversation. Filipinos have culturally adapted to cell phones the way fish adapt to water. They are also having a love affair with social networking sites. According to most companies that monitor Internet usage in Asia, the Philippines is consistently at or near the top of all countries (along with Indonesia) in terms of penetration of social networking usage with more than 90% of its entire web population visiting a social networking site each month.

The Philippines is another example of a country where use of the Internet is going to experience a quantitative leap as the main growth stimulus shifts from increased penetration by PCs to increased penetration by the latest generation of cell phone. Household use of PCs connected to the Internet has been limited by income constraints. Many younger Filipinos have had to use Internet cafes. However, the penetration rate of cell phones is already many times higher and growing rapidly. According to one source, the cell phone penetration rate is about 74% compared with only 9% for Internet penetration over PCs, while another source puts the current cell phone penetration rate at well over 90%. Most of the cell phones are older generation and are

limited to voice and text messaging, but the conversion to the latest generation of phones will take place rapidly, putting the latest social-networking systems at the fingers of average Filipinos. Moreover, with 10% of the population living outside the country and family ties as strong as they are among Filipinos, there is also a strong motivation to link up internationally through the most economic means possible. This is why systems like Skype are proving so popular and why, as the shift from PC to cell phones Internet connections gathers momentum, Filipinos were be at the forefront of people pushing inexpensive cross-border communications technology in ways that people in Egypt were trying so hard to do when demonstrations there were at the height.

SINGAPORE

Comments

The Singapore government, which has been dominated by People's Action Party since independence 46 years ago, exerts tight controls over the local media; Internet penetration is among the highest in the world, as is cell phone usage; the population is switching quickly to the latest generation of cell phones, which means the Internet will soon have an even deeper, more mobile penetration; and social-networking sites are widely popular, including Facebook and Twitter. One would think that such an environment would be conducive for activists using the Internet to attack the government, that the government would be paranoid of this vulnerability, and that the odds of an Egyptian-type of backlash and social instability would be quite high. Yet this is not the case – or it doesn't seem to be. All private surveys, including our own, indicate that Singapore enjoys greater social stability than any other country in the region. The tight controls and lack of tolerance for opposition might have a lot to do with the stability, but so do factors like decades of solid growth in which the benefits have been shared by the population, high employment levels and good careers prospects for youths, a zero tolerance for corruption, and policies that protect racial harmony and religious tolerance. If given the choice – and people are regularly – all indications are that the majority of the population would choose to stick with PAP.

The government does monitor the Internet carefully and practices some types of censorship. Internet services provided by the three major Internet service providers are subject to regulation by the Media Development Authority, which claims to have instituted a "light-touch" regulatory framework for the Internet, promoting "responsible use" while giving industry players "maximum flexibility." In addition to promoting self-regulation and public education, the MDA maintains license and registration requirements that subject Internet content and service providers to penalties for noncompliance with restrictions on prohibited material.

While the level of penetration by social-networking sites like Facebook and Twitter is one way to measure Internet freedom in Singapore compared with other Asian countries, another way is to look at how often the government asks technology and communications companies like Google to remove content from their services, or provide information about users of their services and products. Google makes such information available to the public in its *Transparency Report*. The latest report, covering the number of such requests during the six-months from January 1 to June 30, 2010, says that the company received 106 requests from the Singapore government during that period. This compared with 50 requests by the Hong Kong government, 130 by Taiwan, and 170 by South Korea. In other words, Singapore was not out of line with Asia's other industrialized economies. (Interestingly, Google is not allowed to disclose the number of requests it receives from the China government since Beijing considers censorship demands to be a state secret).

It is much easier to find opposition criticism of the government in the web than in print media, but so far this criticism has been largely ineffective at increasing grassroots support to enhance the opposition's chances in elections. The Internet has also not been an effective way to mobilize demonstrations or create other types of public challenges to government authority. More importantly, the quality of the opposition blogs and websites is

really quite low. No Wael Ghonims have yet emerged, which is somewhat surprising considering the high level of IT literacy that exists among Singaporeans both inside and outside the country. Unless and until such a figure emerges, the status quo is likely to be stable. The major question (one that we cannot really answer even after observing Singapore for decades now) is whether or not there is something in the status quo that is so sustainable that there is no fertile ground for anti-government political activists to use the Internet to take root and grow their base of support.

SOUTH KOREA

Comments

South Korea is the most penetrated broadband market in the world: over 90% of households use broadband. Following heavy investment in broadband infrastructure after the Asian financial crisis in the late 1990s, South Korea now provides its citizens with a national network that carries data at speeds for the average broadband user of 50–100 Mbps. Over three-quarters of South Korean Internet users use the Internet more than once per day. Moreover, cell phone penetration is close to 100%, and South Koreans are moving faster than any other people in the world with the possible exception of Singaporeans and Hong Kong residents to the latest generation of cell phones, which means close to 100% of the population will soon be hooked to the Internet through their phones.

South Korea has a long tradition of demonstrations – by students, farmers, labor unions and numerous other special interest groups. All have embraced the Internet to network with like-minded people and to coordinate their activities. Moreover, since the official print and broadcast media has a reputation for reflecting the views of either the government or the major companies that own the media, most younger Koreans place more faith in the news they get over the Internet than they do over more traditional media.

That said, the government maintains a wide-ranging approach toward the regulation of specific online content and imposes a substantial level of censorship on elections-related discourse and on a large number of web sites that the government deems subversive or socially harmful. It is also extremely concerned with ways North Korea might be able to use the Internet to spread misinformation and cause other national security damage to the South. Because this threat is widely recognized, the Korean public has come to regard such censorship as necessary. Foreign defenders of Internet freedom are less tolerant. They argue that Korean laws are creating too many specific restrictions on web users by challenging their anonymity and promoting self-censorship. For example, the government requires visitors of some web portals to input their real names and residential registration numbers to verify their identity before posting messages or comments.

Although South Korea is not vulnerable to an Egyptian-style crisis, North Korea is. The clampdown on news is so complete in the North that the majority of the population does not even know how few freedoms they enjoy and how poorly they are doing economically. If the North keeps its population in the dark as completely as it is doing, it might be able to maintain control and remain in power unchallenged, but at the expense of any real economic progress. On the other hand, if the news ever does spread to the North – and it is more likely to get there through the Internet than through any other channel – the population might view their own situation and their government in an entirely different light, creating a level of turmoil and pressure for change that overshadows anything currently taking place in Egypt.

TAIWAN

Comments

Some 70% of all homes in Taiwan own PCs and around 60% of homes have Internet connections, but the really big penetration is coming through the latest generation of cell phones, which will plug in virtually the entire population to the web. Taiwan probably has the highest percentage of engineers who are shaping the development of the Internet of any Asian country. In addition to the demographics, there are other strong reasons why Taiwan could be an incubator for the type of human talent who can mobilize the Internet for purposes of political activism and social change. Domestic politics is polarized between the DPP and the KMT, and there is a strong incentive for politicians of both parties to use the Internet and social networking to support their own agendas (such as by coordinating demonstrations and spreading rumors about political rivals). The politics separating Taiwan from the Mainland are also polarized. Both sides have a strong incentive to use the Internet for purposes of propaganda and to gain a national security advantage. Unlike in a place like Egypt, therefore, Taiwan is a place where the government in power as well as rival parties in the opposition are actively trying to groom Wael Ghonim-type activists.

Moreover, even before the governments of Taipei and Beijing sat down at negotiations, the Internet and cell phone technology had progressed to the point where it was facilitating cross-Strait's communications despite the official barriers that existed to direct communications. So many Taiwanese moved to the Mainland to live and work that they had a strong personal incentive to use the Internet to facilitate communications with their family, friends and employers back in Taiwan. Governments may have monitored this communications, but it did not stop people from using it extensively.

Precisely because of the national security threats posed by the Internet, the government in Taiwan closely monitors the web and practices some censorship. However, because Mainland China is so much more blatant in the way it filters the Internet, Taiwan comes off looking like a bastion of free speech. Doing something as simple as a web-search on Internet censorship in Taiwan turns up a lot more information about Mainland China's heavy-handed approach than anything Taiwan is doing. In this sense, Taiwan is winning the Internet propaganda war. But when it comes to actual cyber warfare capabilities, China is far ahead and increasing its lead, since it is focusing less on topping Taiwan than on gaining a strategic advantage over the US.

THAILAND

Comments

In less than a decade the number of Thais caught up in the Internet revolution has exploded from a select few to more than 20 million, almost one third of the entire population and that number is growing exponentially. The term now used in Thailand for these communicators is 'netizens'. It began in a few city Internet cafes and shops, spreading rapidly with the advent of social media networks including Facebook, Twitter etc. Now all over the country even pre-teenage children are regularly on line or twittering their friends.

The new communications systems have given tremendous momentum to political protests, especially during the Yellow Shirt and Red Shirt demonstrators of the past 4-5 years. Until the 'netizens' began making their presence felt, Thailand's young seemed to have lost their appetite for the political activism that had motivated the student movement in the 1970s, a movement that was largely responsible for giving Thailand, at least for a time, a taste of genuine democracy.

Now the Internet and social media networks have given a new voice to the notion of 'people power'. Respected rural intellectuals, who had been kept silent because in remote areas they had no access to full information about national issues, are now using the new networks to organize alliances between local villages and with nationwide movements.

Within days of Egypt's revolution, all the Thai political parties began turning to the social media in preparation for the forthcoming election. The main ruling party, the Democrats, launched a campaign on Facebook to recruit new candidates to run in the election. It is already clear that the social media will be a major arena during the election battle. All the parties will undoubtedly flood this new battle zone with their own stories and propaganda in order to deny space to their opponents. Whoever wins that struggle probably will also win at the polls.

Although more than 20 million Thais regularly use the Internet, less than 30% of them have access to broadband. But broadband access in Thailand is growing. It would be expanding more quickly but for the barriers created by conflicts between the state-controlled telecom oligarchy and the private telecom sector. The failure of the official telecom regulator to function effectively is also a major problem. These weaknesses are delaying the industry's development, crippling business opportunities and delaying significant falls in Internet tariffs. Thai users frequently complain that ISPs do not deliver the broadband speeds they promise customers. Thailand ranks 60th in global download and upload speeds.

However, these issues are pinpricks compared with the censorship of the electronic media. During the frequent periods over the past four years when a state of emergency decree has been in operation, about 40,000 websites were closed by order of the police and the military. Many remain closed today. Monitors traced postings back to their originators and those alleged to have been responsible for unlawful material have been prosecuted and jailed.

Monitors from the military and police are still trolling the networks looking mainly for anything they deem offensive to the monarchy. The army chief has admitted that soldiers' emails and other electronic messages are monitored on a regular basis while 'loyal' citizens are encouraged to denounce any website suspected of posting anti-monarchy messages.

One Thai sentenced to 10 years' jail was convicted merely because his computer's IP address showed that his domicile MIGHT match the location from which anti-royal content was posted. On trial now accused of lese majesty is a Bangkok businesswoman whose offence was to blog a comment on a foreign news report about the King's health. Other lese majesty trials are on-going or pending.

The electronic networks became a channel for royal stories and comments because of the intense secrecy surrounding the royal family, particularly since the King, who is 83, became ill. The King has now been living in hospital for 18 months. In that time there have been just a few brief glimpses of him and little news about his health. Because King Bhumibol is such a revered figure, public concern about what the future holds after his long reign comes to an end is understandable but the palace and royal officials appear oblivious of this factor.

His heir the Crown Prince is a controversial figure because of his lifestyle and doubts about his capacity to evoke the loyalty given to his father. Recent WikiLeaks material reporting conversations between American ambassadors in Bangkok and Thai leaders have confirmed that there is deep worry in elite circles about the royal succession. Two former Thai prime ministers, one of whom is now the King's chief adviser, expressed the view that Thailand would be better off if another member of the royal family not the Crown Prince became the next monarch. They spoke also of the prince's "womanizing." Other WikiLeaks reports mentioned the rifts within the royal family and gave startling details of the bizarre behavior of some members.

There have been rumours about these matters for years but it has been a shock for many Thais to see it all in print on their screens and in the words of actual quotes from national leaders.

None of these WikiLeaks was reported in the traditional media but the authorities have not been able to stop postings on websites and the social media network. The crackdown on royal news has been counter-productive because it has raised public animosity towards the government and prompted users of the electronic networks to redouble their efforts to get the news out. The authorities have gone in the other direction by making punishments for lese majesty more severe. The number of cases brought to court have jumped from one a year in the period 1949-56 to 10 a year in 1977-92 and 111 a year since 2005.

The Thai authorities can scarcely hope to stop the cyber world from becoming a major forum of free speech. Even now activists in Thailand and outside are circulating information about ways of circumventing the closing of sites and there is plenty of evidence to show that they are succeeding.

VIETNAM

Comments

Vietnam's Internet is under tight government control. The hand of the government has been especially heavy for the past six months, since the government wanted to stifle public criticism ahead of the Communist Party Congress in January. The authorities knew that with inflation high and the economy stumbling, average Vietnamese had a lot to complain about. Now that the Congress is over and the leadership and policies for the next five years have been decided, there could be some relaxation, but probably not much.

As in China, the Vietnamese government is taking a two-pronged approach to controlling the web and social networking. First, it monitors non-government sites and keeps them on a short leash. The government has developed software to spy on dissidents and disable their computers, while it has tried to block sites like Facebook to stop subversive thoughts from spreading online. Bloggers who go too far in their criticism of the government are arrested and jailed for lengthy terms. Four bloggers were recently jailed for 16 years for anti-government posts. All information stored on, sent over, or retrieved from the Internet must comply with Vietnam's Press Law, Publication Law, and other laws, including state secrets and intellectual property protections. All domestic and foreign individuals and organizations involved in Internet activity in Vietnam are legally responsible for content created, disseminated, and stored.

The second approach taken by the government is to create its own websites to compete with private portals. The latest such attempt is to set up government-friendly social-networking websites that emulate Facebook but keep the government firmly in control. Called go.vn, the government's new social networking site allows users to update their status, post photos and links, and send messages back and forth. The site is closely monitored by the government's security services, and while, for many, the attraction of the Internet lies in its anonymity, to join go.vn users must submit their full names and state-issued identity numbers to the government. The government has high hopes for go.vn, predicting that it will have 40 million members, half the country, in five years. That could turn out to be true, but so far Vietnamese are showing little interest in the site.

Vietnam would seem to be a country where the Internet could turn a spark of protest into a raging fire that mobilizes the frustrations of the public and seriously challenges the one-party government. However, so far the government has succeeded in marrying tight Internet controls with high economic growth. Clearly the country will be a classic test case for the theory recently voiced by US Secretary of State Hillary Clinton: "Those who clamp down on Internet freedom may be able to hold back the full expression of their people's yearnings for a while, but not forever." Vietnam's leaders clearly disagree with this contention.

EXCHANGE RATES

<i>Currency</i>	<i>2/18/11</i>
Chinese renminbi	6.5735
Hong Kong dollar	7.7853
Indian rupee	45.106
Indonesia rupiah	8,857
Japanese yen	83.105
Malaysian ringgit	3.0340
Philippine peso	43.384
Singapore dollar	1.273
South Korean won	1,112
Taiwan dollar	29.4031
Thai baht	30.590
Vietnamese dong	20,883

Commercial middle rate expressed in terms of US\$1.

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Political & Economic Risk Consultancy, Ltd.
20th Floor, Central Tower
28 Queen's Road, Central, Hong Kong
Mailing address: G.P.O. Box 1342, Hong Kong

Tel: (852) 2541 4088
Fax: (852) 2815-5032
E-Mail: info@asiarisk.com
Web site: <http://www.asiarisk.com>

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