BEIJING -- A congressional hearing in Washington last week focused attention on the practices of four U.S. Internet companies doing business in China -- Google Inc., Yahoo Inc., Microsoft Corp. and Cisco Systems -- amid mounting criticism that they are making money in the world's second-largest market of Internet users at the expense of human rights.

Rep. Christopher H. Smith (R-N.J.), chairman of the subcommittee that convened the hearing, has accused the companies of a "sickening collaboration" with the Chinese government's efforts to police the Internet. He has also drafted a bill that would restrict their ability to cooperate with Chinese efforts to censor political content or apprehend online dissidents.

The companies have acknowledged making troubling compromises to do business here, but say that they must comply with Chinese law and that the Chinese people are better off with them in the country because their services have promoted greater freedoms. They have also said, though, they would welcome a more active U.S. government role in fighting the demands of China's censors.

Critics inside and outside China say the companies have not fully weighed the moral problems surrounding their operations here, especially since many of the services they provide are offered by Chinese competitors. They say the companies should use their leverage as high-profile U.S. companies to resist censorship and push for changes on behalf of the entire industry.

"Bottom line is, it's good they're in China. . . . But there's a lot more they can do when it comes to thinking through the human rights implications of their business practices," said Rebecca MacKinnon, a Harvard researcher who has scrutinized the behavior of U.S. Internet firms in China. "If high-tech companies are serious about doing the right thing, they can join together and lobby for more transparency and accountability in the way in which Chinese officialdom deals with Internet services."

For example, Chinese officials often call Web site managers by phone and order they delete material, without providing justification. U.S. companies could push for a written order citing a legal violation, which might cause the censors to act more carefully and less arbitrarily, MacKinnon said.

Each company summoned to testify on Wednesday has made different decisions about balancing the competing ethical and commercial pressures of providing Web services in China.

Google announced last month that it was launching a censored search engine to improve its service in
China, where users say the government often blocks its regular site and the results it returns. The new search engine is the first in China to disclose to users when links are being blocked because of government restrictions.

But when Google launched the site, one popular blogger in China ridiculed it as the "eunuch edition," referring to the castrated men who served the emperor in ancient China.

Google also has decided not to host its e-mail and blogging services in China, to avoid being required to provide information to the police. In addition, by continuing to offer its regular search engine, Google remains a more powerful tool for finding political material than its Chinese competitor, Baidu, which filters its results aggressively.

Google has not, however, disclosed the sites and keywords it uses to censor its new service.

Yahoo made different choices when it began offering Web services in China in 1999. It filters search results without telling users that it is doing so, and it launched an e-mail service based in China and provides user data to the police when requested.

According to court documents, user data from Yahoo has been used as evidence in the prosecution of at least three dissidents: Shi Tao, a journalist serving a 10-year sentence for leaking a propaganda directive; Li Zhi, a civil servant serving eight years in prison for posting an essay on the Web; and Jiang Lijun, an Internet writer sentenced to four years on charges of inciting subversion.

The Shi case has received the most attention because police appear to have identified him based on the data provided by Yahoo. In the other cases, the Yahoo data contributed to the prosecution's evidence but was not critical in identifying or convicting defendants, according to attorneys for Jiang and Li.

In Wednesday's testimony, Michael Callahan, Yahoo's general counsel, said the Chinese police don't explain the nature of their investigations when they request data, and he argued that Yahoo is required by law to comply with their requests.

Refusing, he said, might subject Yahoo's Chinese employees to prosecution. He also declined to say how many times Yahoo has provided user data to the police, saying Chinese law prohibited him from doing so.

But Li's well-respected attorney, Zhang Sizhi, said no law prohibits Yahoo from disclosing its contacts with the police. He said Yahoo should have refused to provide user data because almost all such requests are related to political investigations.

"They faced a choice, and they surrendered," he said, arguing that the firm could have moved its servers out of China and that its employees were in no danger. "They're making excuses."

Microsoft chose not to host e-mail services in China, but it has acknowledged being unprepared in December when it complied with a government request to delete the blog of a Chinese journalist. It drafted a policy on handling such requests afterward.

Cisco has attracted less attention in China because it provides hardware and doesn't interact with Internet users. The firm acknowledges its routers can be used to censor the Internet but says that it does not customize the equipment for the Chinese authorities.
However, MacKinnon said Cisco provides training that can be used to improve censorship, and that it also sells surveillance equipment to Chinese police agencies.

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