

## INTERNET ADOPTION IN CHINA'S SMALLER CITIES

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### ABSTRACT

*A 2003 survey of 4000 adults aged 17 to 60 examined differences by community size across 12 Chinese cities. In smaller cities, income, education and demand did not pose the major barriers for people to adopt the Internet because of the key roles played by Internet cafés. But the Internet café itself is not a perfect solution because of problems of teenagers' addiction to online games and chatting, as well as of imbalances by gender.*

*Generally speaking, Internet adoption in China's small cities is still in its preliminary stage and the potential of using the Internet for information seeking is far from being well developed. Thus, it is predictable that, with the popularization of Internet cafés, Internet adoption in China's smaller cities will continue to grow. This model could expand to the countryside, where most people also cannot afford a personal computer at home, and have even less education -- but maybe have a greater interest in learning about the outside world. The results demonstrate another way in which the Internet has had unique and unanticipated democratizing effects in China.*

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Internet adoption is usually thought to depend on at least three key factors. First is people's economic situation because going online requires a computer, which is still quite expensive and beyond people's daily needs in China. A second factor is education, since going on the Information highway requires a relatively high level of learning. A third, non-demographic, factor affecting Internet adoption involves people's motivation and need to use the Internet, since many poor or less educated people do not use the Internet simply because they see no need for it.

Based on these factors one might easily expect that people who live in smaller Chinese cities with less income, lower education and less perceived needs are less probable to adopt the Internet. However, the Center for Social Development at Chinese Academy of Social Sciences (CASS) found in its 2003 Internet survey a surprisingly high proportion of Internet users in small cities – sometimes even higher proportions of Internet users than in provincial capitals.

The key bridge across the expected digital divide is the Internet café, which provides people with a cheap and easy way to access the Internet. On the other hand, it presents China with some new challenges.

## **DATA**

The CASS Internet survey was conducted between January 25 and February 15, 2003, using door-to-door questionnaires in 12 cities. Three cities involve a metropolis (Beijing, Shanghai and Guangzhou), four are provincial capitals (Chengdu, Chuangsha, Xi'an and Shenyang), and five are smaller cities (Nanhai, Yima, Guangshui, Jimo and Fengnan). The sample was multi-staged, with 600 interviews in each metropolis, 300 in each provincial capital, and 200 in each small city. This results in a total sample of about 4,000 ( $600 \times 3 + 300 \times 4 + 200 \times 5$ ) people aged 17 to 60 who were randomly chosen, from whom complete and usable data were collected from 3,941 adults, which included 2,457 Internet users and 1,484 nonusers.

In order to gain a comprehensive and ecological understanding of Internet development in smaller cities (which have usually been ignored in previous research), case studies with a variety of data methods were conducted. These included archival and documentary research to understand local conditions more clearly, and additional interviews with local government officials, local IT companies and Internet café owners. At least four focus group discussions were organized in each city, separately for male and female Internet users and nonusers.

## **RESULTS**

Although the average proportion of Internet use in small cities (27%) is somewhat lower than in a metropolis (33%), it is higher than in provincial

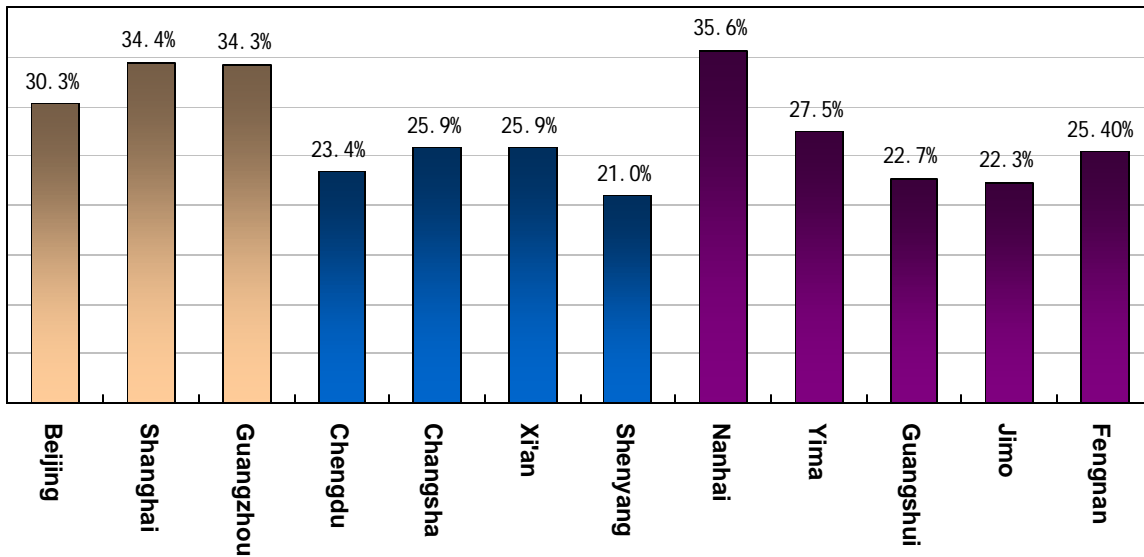
capitals (24%). Figure 1 shows that the city of Nanhai is an exception, perhaps because it is so affluent; but the city of Yima is a relatively less developed city in Henan Province, and here the proportion of Internet users is higher than any of the provincial capitals. The lowest proportion of Internet users is not in any smaller city, but in Shenyang, a provincial capital in the Northeast China. In response to the CASS survey question about "major problems in accessing the Internet", 85% of users in Yima city said "the speed is too slow", while about 50% of Internet users in Beijing and Shanghai complained that it was "too expensive". Compared with the poor city of Yima, where 28% of users felt cost of Internet access was too expensive, it seems that there is such a high demand for Internet use in Yima that the price is not the issue for them.

How can so many people in small cities use the Internet? Economic affordability is not a serious problem for people in China's small towns, because the Internet Service Provider (ISP) industry in China (unlike telephone or electronic power providers) has never been a monopoly and is characterized by intense competition across ISPs, which has led to improved services and lower costs of the Internet access. Even in large cities like Beijing, the monthly fee for unlimited ADSL or LAN based broadband access<sup>1</sup> is \$10-14 US, and the monthly price for dialup access is only 6-10 dollars. The price in small towns is even lower, so that in the city of Yima, the monthly dialup connection fee is just \$3.75 and an ADSL connection \$7.50 a month.

While it is true that Internet adoption requires one to have a computer, that doesn't mean that the computer must be at home and that people have to pay for the computer. Though most families in smaller cities cannot afford a personal computer at home, popular and prosperous Internet cafés provide people in smaller cities with great opportunities to access the Internet, charging only around US\$0.30 per hour in large cities and US\$ 0.12-0.25 per hour in small cities.

As one respondent from the local Broadcasting and Television Bureau of Guangshui city noted: "The popularization of computer ownership is limited, but the number of Internet users here is unlimited." With an average annual household income in Guangshui city of about US\$500, it is impossible for an ordinary household to buy a computer for family use, thus making the Internet café a best solution. In Guangshui city, 83 percent of Internet users access the Internet via Internet café, and overall the 47% proportion of Internet café users in small cities is virtually double the 24% user rate in a metropolis.

Secondly, it is misleading to consider the Internet as too high-tech to attract users of lower education levels. With computer interfaces becoming user-friendly, less educated people can also surf the Internet simply by moving the mouse. In the Internet cafés of small cities, users with only primary education can browse the Internet fluently and type quickly on the keyboard. While many Internet café owners are not highly educated, they still run their businesses well.

**Figure 1:** Proportion of Internet users in 12 Chinese cities<sup>2</sup>

Many Internet cafés function like a classroom, where users either learn from each other or turn to the café owner for help. The most important function of the Internet café is to educate users in the city, and at the same time to provide a space for most users to use the Internet. In the interviews in small cities, almost all the respondents said that they first learned to use the Internet at an Internet café.

Thirdly, why do people in small cities really need the Internet? Both the survey and the case studies in small cities found a high demand for Internet access. As the Chinese economy grows, people are enjoying a better life, with more leisure time after work. There used to be less entertainment in smaller cities than in large ones, especially for youth who do not want just to play Mah-Jong or other “traditional entertainment”. The Internet is a new and fashionable entertainment in the small cities. Thus, more people play online games, listen to online music and chat with strangers in cyberspace. In Yima, 79% of users play online games and 85% listen to online music.

Due to the low diffusion of previous communication media, China’s small cities used to be isolated from big cities, which are the center of modern culture. Residents used to get their information about the outside world from newspapers and radio, which was neither timely nor vivid. TV provided the audience with vivid pictures of a colorful world, but few of them have enough money to travel. The Internet has turned to be a window to the people in small cities to understand what happens outside their hometowns and they can search what really interests them and communicate with that outside world interactively. Many respondents said they were very proud to use the Internet and to share what they knew with their relatives and friends.

Other than information and entertainment, the Internet has also

provided numerous opportunities and possibilities for people's careers in those small cities, such as online learning, job searching, making friends, falling in love with someone in the virtual world and then making contact in person. In Yima, about half of the Internet users have had the experience of "learning or even obtaining a degree online," a third of users have participated in online professional training or doing stock business online, over 85% have used a chat room, and 65% have made friends through the Web.

### **CHALLENGES**

The solution of Internet adoption in China's small cities via Internet cafés can bridge the "digital divide"; but the introduction of Internet cafés has also led to some challenges in development. The first challenge involves government control over Internet cafés that started in 2001. Especially after the Internet Café in Beijing named Lanjisu caught fire and killed 24 people and injured 13 in 2002, the government has felt compelled to do something. Considering most people in Internet cafés are not interested in politics, such government control is *social* control, rather than the political control that some Western media have reported. Considering that Internet users in small cities heavily depend upon Internet cafés, the direct result of the supervision and regulation of Internet cafés is a decrease in the number of users. Table 1 shows the years when the Internet café users first started to use the Internet. The numbers increased the most in 2000, but they have dropped dramatically since 2001 when the government began to manage the Internet cafés. Note that by year 2000, only 38% of users in smaller cities were online, compared to 54% in capital cities and metropolis.

Secondly, although many people can easily learn Internet skills in an Internet café, what they learn is mainly playing games and chatting with someone online. Thus, in small cities, the Internet functioned less as a tool to seek information than as a game machine or a communication forum.

Thirdly, whereas the digital divide in Chinese small cities is not distinct for the reasons explained above, the gender gap remains significant because of Internet cafés. One café owner in Nanhai estimated that no more than 20 percent of his customers were female, a pattern of male dominance seen in other small cities as well. Obviously, the noisy and sometimes sweaty cafés became a territory for men rather than for women. According to the CASS Internet survey, as many as 69% of Internet Café users in small cities are male.

### **CONCLUSIONS**

In China's smaller cities, income, education and demand do not pose the major barriers for people to adopt the Internet. Internet cafés play a key role in the growth of Internet usage there. However, the Internet café itself is not a perfect solution, because users include teenagers, who seem addicted to games

**Table 1: Years that Internet Café Users Started to Use the Internet**

		Pre-1996	1996	1997	1998	1999	2000	2001	2002	2003 <sup>3</sup>	Tot
Metropolis	n=297										
	% using	4.4%	4.4	7.1	17.5	20.5	20.2	14.8	8.4	1.3	100
Provincial Capitals	n=448										
	% using	2.6%	3.3	8.0	16.1	24.1	24.6	10.9	10.3	0.0	100
Small Cities	n=263										
	% using	0.0%	.8	2.3	14.8	20.2	26.6	17.5	15.6	0.8	100
<b>Total</b>	<b>n=1008</b>										
	<b>% using</b>	<b>2.5%</b>	<b>3.0</b>	<b>6.3</b>	<b>16.2</b>	<b>22.0</b>	<b>23.8</b>	<b>13.8</b>	<b>11.1</b>	<b>0.6</b>	<b>100</b>

and chatting, and because of the imbalance between genders.

Generally speaking, Internet adoption in China's small cities is still in its preliminary stage and the potential of using the Internet for information seeking seems limited. At the same time it seems predictable that, with the popularization of Internet cafés, Internet adoption in China's smaller cities will continue to grow. This precedent could expand to the countryside, where most people are even less able to afford a personal computer at home, and who also have less education -- but maybe with a stronger interest in connecting with the outside world.

The growth of Internet use in smaller cities is another example of how the Internet has brought unique effects in the world's largest country. With the growth of Internet use, far more people have started to read news online and to express their own opinions online, with 2003 becoming the year of online public opinion in China.

For example, on November 16 Net citizen Guo Zhongxiao, posted an article on the Internet strongly criticizing the local government of Shenzhen, a newly developed city close to Hong Kong. Instead of attempting to punish the author, the mayor of Shenzhen decided to talk to him personally and listen to his suggestions. Two months after the posting, he met with Mr. Guo to tell him: "On the second day of your posting, I downloaded your article and read it two or three times. It really shocked me."

Soon after, in March 2004, Sun Zhigang, a 27-year-old young man, who worked in Guangzhou, failed to show his personal identification and was arrested by local policemen in accordance with related regulations. He was then sent to a medical station for his heart problem, where he was beaten to death by eight other patients, encouraged by the nurses. When the local court decided to put 11 people put in jail, with one nurse sentenced to capital punishment, many Net citizens started to criticize the regulation. Some scholars wrote letters to the Supreme Court, arguing that the regulation on vagrancy went against the

Constitution. Eventually, the “Take in and Ship off Measure of Vagrants and Beggars in Cities” issued in 1982 was abolished by Premier Wen Jiabao on June 18, 2003.

Responding to the most urgent SARS problem in China, at the beginning, both the mayor of Beijing and the Minister of Health denied the presence of SARS. However a physician named Jiang Yanyong, who worked for a military hospital, exposed the truth to public via the Internet, which led to the mayor and the minister being deposed. While concern over SARS has now almost disappeared, two television scenes during the period remain unforgettable: Hu Jintao, general secretary of Chinese Communist Party, visited Guangzhou, where SARS was highly dangerous. He talked to a doctor, saying that “Your suggestion was very good. I read it on the Internet.” At almost the same time, Premier Wen Jiabao went to Beijing University, which was quarantined at the time. There he had lunch with some students in a dining hall, saying that “I read your messages on the Internet expressing your determination to fight SARS, and I was really moved.” This was the first time that country leaders mentioned trying to get information directly from the Internet.

Public opinion cannot only provide government leaders with the effects of their policies on real people, but it has forced the Supreme Court to change its decision. Liu Yong, a crime lord in Shenyang, provincial capital of Liaoning, was at first sentenced to death by the local Municipal Court in February 2002; but the sentence was changed for a two-year reprieve in the second trial by the Provincial Supreme Court in August 2003. Such a change aroused public condemnation, and the Internet played an important role as thousands of people expressed strong opposition. That directly led to a final trial by National Supreme Court in December 2003, which ended with a sentence of capital punishment and immediate execution. An Internet user on xinhua.net said: “I thought this is a victory of cyber-democracy; though our strength is limited and our voices are not aloud, all of our opinions add up to a powerful source of opinion pressure online”.

Even more dramatic was the online public opinion focused on the well-known “BMW case”, in which a rich woman, Su Xiuwen, crashed her BMW into 13 people, killing a female farmer. She was originally only sentenced to a two-year probation, because the judge believed that she did not intend to kill the farmer and she was not skilled at driving – even though she had her driver’s license for six years. The event was first reported in a small local newspaper. On December 31, 2003, the portal site sina.com reported the case and attracted 220,000 responses within 10 days. The case was too dramatic to be ignored by a public that on one side involved a rich woman driving a BMW, and on the other side a poor woman farmer being killed by the car. The law did not help the farmer, but Net citizens wanted to do something, encouraged by their previous successes. However, this time the government became less involved.

Nevertheless, Internet use in China is booming. Net citizens are not only seeking information and news online, but they are also expressing their own

opinions. One may expect that its rapid growth means the Internet will play more and more surprisingly important roles in Chinese political and social life.

#### **ENDNOTES**

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<sup>1</sup> One well-known ISP company, Great Wall Broadband, connects apartments in a tower with a Local Area Network and then connects the broadband Internet access to the tower.

<sup>2</sup> The estimated proportion of Internet users in a city is equal to the number of responses to the question, "How many people in your family go online" divided by the number in response to "How many people are there in your family".

<sup>3</sup> The number of Internet café users who start to use the Internet in 2003 is extremely low because the survey was done in late January and early February.