

## Former Google CEO predicts the internet will split in two by 2028 — and one part will be led by China

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Village Global VC

Eric Schmidt at Village Global VC in San Francisco.

Eric Schmidt, who has been the CEO of Google and executive chairman of its parent company, [Alphabet](#), predicts that within the next decade there will be two distinct internets: one led by the U.S. and the other by China.

Schmidt shared his thoughts at a private event in San Francisco on Wednesday night convened by investment firm [Village Global VC](#). The firm enlists tech luminaries — including Schmidt, Jeff Bezos, Bill Gates and Diane Green — as limited partners, then invests their money into early-stage tech ventures.

At the event, economist [Tyler Cowen](#) asked, "What are the chances that the internet fragments over the years?" Schmidt said:

"I think the most likely scenario now is not a splintering, but rather a bifurcation into a Chinese-led internet and a non-Chinese internet led by America.

If you look at China, and I was just there, the scale of the companies that are being built, the services being built, the wealth that is being created is phenomenal. Chinese Internet is a greater percentage of the GDP of China, which is a big number, than the same percentage of the US, which is also a big number.

If you think of China as like 'Oh yeah, they're good with the Internet,' you're missing the point. Globalization means that they get to play too. I think you're going to see fantastic leadership in products and services from China. There's a real danger that along with those products and services comes a different leadership regime from government, with censorship, controls, etc.

Look at the way BRI works – their Belt and Road Initiative, which involves 60-ish countries – it's perfectly possible those countries will begin to take on the infrastructure that China has with some loss of freedom."

The Belt and Road is a massive initiative by Beijing to increase China's political and economic influence by connecting and facilitating all kinds of trade, including digital trade, between China and countries in Europe, Africa, the Middle East and Asia.

Schmidt's predictions come at a time when his successor at Google, CEO Sundar Pichai, has stirred up controversy around the company's strategy in China.

Reportedly, Google has been [developing "Project Dragonfly,"](#) a censored version of its search engine that could appease authorities in China. The project allegedly included a means to suppress some search results, booting them off the first page, and a means to fully block results for sensitive queries, for example, around "peaceful protests."

In recent weeks, hundreds of Google employees lobbied Pichai for more transparency and [signed a letter saying that the reported plans raised "urgent moral and ethical issues."](#)

Pichai has said that Google has been "very open about our desire to do more in China," and that the team "has been in an [exploration stage](#) for quite a while now," and considering "many options," but is nowhere near launching in China.

In a separate discussion last night between Schmidt and several start-up founders, he lauded Chinese tech products, services and adoption, especially in mobile payments. He noted that Starbucks in China don't feature a register. Customers order ahead online and pay with their phones before picking up their lattes.

A business development leader with [Facebook](#), Ime Archebong, asked Schmidt if large tech companies are doing enough good in the world.

Schmidt replied: "The judge of this is others, not us. Self-referential conversations about 'Do I feel good about what I'm doing?' are not very helpful. The judge is outside."

At several points in the private discussion, Schmidt urged entrepreneurs to build products and services that are not merely addictive, but valuable. He also said not enough companies "measure the right things." Too many focus on short-term

revenue growth and satisfying shareholders, rather than what's best for their users, society and the long-term health of their companies.

Schmidt was the CEO of Google from 2001, when he took over from co-founder Larry Page, through 2011, when Page reclaimed the reins. He remained as executive chairman of Google and then Alphabet until earlier this year.

**WATCH:** [Google still allows other companies to scan and share data from Gmail accounts](#)