

Global Markets, Local Divides in Digital Decade

By Madanmohan Rao

DRAMATICALLY changing business and political climates across Asia to grammatically changing spelling and sentence structures via SMS (Short Message Service), the Internet and wireless telephony are transforming Asian countries and cultures in unprecedented ways.

The number of internet users in Asia is expected to increase to 228 million out of a global total of at least 765 million users by 2005.

Asia already accounts for about a quarter of e-commerce transactions worldwide. Asia has an estimated 250 million cellphone users today, increasing to 600 million users by 2005.

The International Telecommunication Union (ITU) also predicts that by 2010, more than 50 percent of all mobile-phone users in the world will be in the Asia-Pacific region, up from 35 percent in 2000.

And in terms of manufacturing output, Asian nations like Japan, South Korea, and Taiwan have become leading global players in hardware while India has emerged as a major software powerhouse.

But despite these market opportunities, care must be taken to ensure that the digital divide in Asia does not widen into a yawning abyss, according to analysts who gathered in June 2001



in Manila for the 10th annual summit of the Asian Media Information and Communication Centre (<http://www.amic.org.sg>), titled 'Asia's InfoComm Future: Building Core Values, Competence and Capacity.'

The pace of technology change has never been as rapid, and global standards are being set by the digital world, according to a speech prepared by Philippine President Gloria Macapagal-Arroyo.

Like Singapore and India, the Philippines also aims to position itself as an e-services hub in Asia, especially for animation and backroom operations.

"Harnessing IT is the key to finding the country's niche in the global electronic economy," according to Arroyo.

With a population of 79 million, the Philippines has a teledensity of 10 percent, a cellphone user base of 9 million, and close to a million Internet users.

It is also regarded as the 'texting capital' of the world with an estimated 200 million SMS messages sent out every day.

Banking, ticketing, and information inquiries are available as billable services via SMS messages, and m-commerce is expected to take off more rapidly in the Philippines than e-commerce via traditional PC channels.

In fact, SMS messaging played a significant role in orchestrating popular support during the recent protests which eventually toppled then-president Joseph Estrada, said Emily Abrera, Chief Executive Officer

Of McCann-Erickson Philippines.

"Pervasive computing via non-PC devices is sweeping across the world. By 2002, 50 percent of the sales of Web-enabled devices will be for non-PC devices. Cellphones are joining the Web as the nucleus of new business in the digital age," said Nathaniel Marquez, wireless e-business solutions manager for ASEAN and South Asia at IBM.

By the end of 2001, the number of worldwide mobile subscribers is expected to surpass the landline user base; Asian countries like Hong Kong, Japan, South Korea, Singapore, and Taiwan have already crossed this point.

Convergence of Internet access with wireless and TV channels is helping serve markets better across Asia, said Cecilio Lorenzo, Chief Operations Officer of Philippine ISP InfoCom, which offers DSL and cable modem access.

Wireless telecom giants like Ericsson and Nokia have also set up numerous research and development labs across Asia, which can help boost local capacities, Lorenzo said.

For many Asian countries, significant online audiences and e-commerce markets lie in their diaspora populations, particularly in the U.S. The Internet can thus serve as an effective 'global glue' for the online global tribes of India, China and other Asian countries.

Indian software specialists play a crucial role in computer programming worldwide. The success of India in the software reconfirms that intellectual capital is the most valuable resource in the infocom industries.

"Thanks to its global nature, our site on the Web helps to tap advertiser markets in the Philippines as well as in the U.S.," said Dennis Valdes, president of INQ7.net, the joint Web presence of the Philippine Inquirer newspaper and GMA TV network.

Many Asian governments are accused of being ineffective, not cost-effective and not accountable; good governance practices can leverage the Net to improve administrative processes, said Anura Goonasekara, deputy director of the Asian Media Information and Communication Centre in Singapore.

At an international level, the forces of information and communication (infocom) technologies and globalisation are now mutually reinforcing each other, observed Kyung-Ja Lee, president of the Korean Broadcasting Institute.

But while Asia has produced leading hardware and software players at a global scale, it still accounts for an inadequate share of global cultural products, she said.

"Indian software specialists play a crucial role in computer programming worldwide. The success of India in the software manufacturing reconfirms that intellectual capital is the most valuable resource in the infocom industries," said Lee.

But uneven distribution of resources locally has led to a rise in social tensions in Korea; similar disparities are emerging in China between the coastal and interior regions, and India also has related problems with the digital divide, Lee observed.

"Thirty percent of the population in developed countries have access to the Net, but only two percent of the population in developing nations are online," said Ann Quon, assistant chief at the Asian Development Bank.

Notable experiments and innovations in India to improve IT access include the Simputer project, CorDECT wireless local loop technology, the MS Swaminathan Foundation telecentres in Tamil Nadu, Gyandoot rural cybercafes in Madhya Pradesh, TARahaat.Com and iKisan sites for rural businesses, and the 'hole in the wall' experiments of NIIT.

Accessing the Net via TV can rapidly increase the Internet market

in India, said Anju Grover Chaudhary, professor at Howard University in Washington.

"This can increase the markets for entertainment as well as distance learning. Current affairs programmes can enhance discussion and debate via online voting such programmes like @2000+ in Finland are already succeeding well on this front," said Chaudhury.

Other organisations like the LEARN foundation and Grameen Telecom in Bangladesh are improving Internet access and mobile cellphone facilities for students and villagers. In addition to connectivity and capacity, the Internet also throws up challenges for some Asian governments in terms of content of sexual and political nature.

"From Falun Gong dissidents in China to Tamil separatists in Sri Lanka, the Net is being used as a mobilisation platform," observed Shyam Tekwani, journalism professor at Nanyang Technological University in Singapore.

Governments like those of Malaysia are realising that citizens cannot be controlled once a nation's middle class embraces computers.

In the interests of promoting e-commerce and becoming a regional e-hub, Singapore has all but given up its initial fight to control the Net, only a token 100 pornography sites are be-

ing blocked.

In terms of regulatory stipulations on ISPs, the more liberal Asian countries are immunising ISPs and hosting companies from liability until they know of the presence of offending material under their control, observed Ang Peng Hwa, communications analyst at the Nanyang Technological University in Singapore.

One issue revolving around Internet content that is mobilising concern among parents and educators around the world, including Asia, is protecting children from pornographic sites as well as E-mail/chat correspondence from child abusers.

"Parents should realise that children need protection and guidance on the Net just as in a new city or neighbourhood. Software filters which block access to pornographic sites can be used by parents as well as cybercafe owners," said Susan Sridhar, professor at Women's Christian College in Chennai.

The pace of Internet diffusion coupled with U.S.-dominated globalisation also seems to be sparking off concern over cultural hegemony over Asia, observed Arun Mahizhnan, deputy director of the Institute for Policy Studies in Singapore.

"But the Internet actually plays to the creative and technological strengths of the Asian people, we should actively exploit it," Mahizhnan advised.

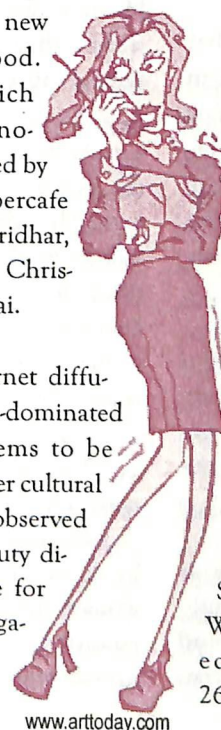
At a regional level, Asian countries and companies need to cooperate more to create regional Internet backbones and collectively lobby for better settlement rates with U.S. ISPs, advised Ajay Kumar, industries secretary at the state government of Kerala in India.

"Most South Asian countries also do not have an efficient, cost-effective or liberal domain management system in place, as a result of which there is a strong preference for U.S. domains," said Kumar.

In sum, Asian countries are going through a silent but crucial socio-economic transformation due to digital technologies, sparking off an increase in business potential, liberalism and individualism, according to Alain Modoux, assistant director general for communication and information at UNESCO in Paris.

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