Korea’s Strategies for ICT Standards Internationalisation: A Comparison with China’s

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ABSTRACT

Korea and China are among the rising challengers in the international ICT (Information Communication and Technology) standards regime. They are attempting to internationalize their home-grown technologies. As latecomers they share similarities and display differences. This paper examines two Korean cases (WIPI and WiBro), and compares with Chinese cases. Thereby it helps to conceptualize and evaluate latecomers’ strategies for international standardization. Comparison of the two countries’ strategies for international standardization is useful and timely particularly considering forthcoming FTA negotiations between the two countries where TBT (technical barriers to trade) including standards becomes a critical part of the agreement. The cases of the two countries share some commonalities in terms of origination (local R&D), government leadership and motivation (reduction of royalties). The main difference is that while Korea is oriented towards the outside, China is towards the inside, at least by now. Due to its huge domestic markets and global influence, China’s standards form a real threat to the incumbent standards from traditional players like US and EU.

Keywords: Information Communication Technologies (ICT), Internationalization, Technology, Wireless Broadband Internet, Wireless Internet Platform for Interoperability

1. INTRODUCTION

China and Korea are latecomers in the international ICT standards regime. They are attempting to internationalize their home-grown technologies. In particular, China has received much attention from various stakeholders in the world, including standards-related international organizations, governments, ICT firms, etc. Although it has received less attention, Korea is also challenging the standards regime in ICT sectors. While there are many studies on China’s ICT standards (Williams et al., 2011; Lee et al., 2009; Lee & Oh, 2006; Suttmeier & Yao, 2004; Suttmeier et al., 2006; Cromer, 2005), there are only a few on Korea’s (Jho, 2007; Wang & Kim, 2007; Kwak et al., 2011). Both being latecomers, there are differences and similarities. However, there is no study which compares the two countries’ attempts except Lee and Oh (2008), which makes a comparison of case-level with examining only one case from each country. The motivation of this paper is that by examining the Korean case, we can not only better understand and assess China’s

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attempts, but also contribute to conceptually understanding how those latecomers’ attempts for international standardisation have so far proceeded and where they are leading to.

Comparative examination of Korean and Chinese cases is useful and timely given past and current links between the two countries regarding standardisation on the one hand, and coming FTA negotiations between the two countries and even with Japan\(^2\) on the other. First of all, when it comes to ICT standards internationalisation, the two countries have been in a relation of love and hate, in other words, that of both competition and collaboration. While they compete against each other in the arena of international standardization, they need each other to support the development of each other’s standards and to strengthen them in markets, both domestic and international. For example, when WiBro (wireless broadband Internet), Korea’s locally developed wireless broadband technology, was discussed at ITU meetings as a candidate for a sixth 3G mobile communication standard, it was widely reported that China consistently opposed to it due to the concern that WiBro might become a rival with China’s TD-SCDMA\(^3\) (see Section 2.2 for details).

On the other hand, SK Telecom (hereafter SKT), Korea’s biggest mobile carrier, which once owned up to 6.6% of China Unicom’s share, cooperated with China by providing the test bed for China’s TD-SCDMA technology. In fact, Wen Jiabao, China’s Premier of the State Council, visited SKT in April 2007 to attend the opening ceremony of the TD-SCDMA test bed. Then SKT’s CEO commented that “to strengthen cooperation with SKT will help make TD-SCDMA an international standard” (“Premiere’s visit bolsters SK,” 2007).

Another example of cooperation is the ‘CJK Meeting on Information and Telecommunication Standards’ where CJK stands for China, Japan and Korea. It is organised by standards development organizations (SDOs) from China, Japan and Korea and supported by the three countries’ governments. At this meeting, the three countries discuss to promote regional standards, and collaborate for the growth and development of their ICT standards at regional and global levels. For example, in early 2008, a series of CJK Standards Meetings were held to discuss collaboration for 4G mobile communication standards and strengthen their stance in the world standard regime (“Korea, China and Japan: ‘handshake,” 2008; “Korea, China and Japan: Collaboration,” 2008). Cooperation was developed up to the highest level. On the 31\(^a\) of May in 2010, the leaders of China, Korea and Japan announced the ‘Joint Statement on Standards Cooperation,’ stating that “it is important to strengthen trilateral cooperation on standards” in order to “facilitate trade through the elimination of unnecessary technical barriers to trade” and this cooperation “can create new driving forces for the economic growth of the Northeast Asian region.”

ICT standards will also be a subject for tough negotiations in coming FTA negotiation between Korea and China. This was the case in the FTA between Korea and the U.S.A. Korea agreed to provide national treatment to U.S. persons for participation in the development of standards and technical regulations, and to make available to the public all comments received on proposals (USTR, 2007).

Standards will be increasingly important not only in global telecommunication markets, but also in international trade, and even in world politics. In this paper, we examine Korea’s standardization strategy in the ICT sector with a view to comparing it with China’s, thereby evaluating latecomers’ strategies for international standardization.

The rest of the paper consists of four sections. In the following section, we describe two cases of Korea’s attempts to internationalise its locally developed standard technologies: WIPI and WiBro, identifying two distinguishable approaches in Korea’s attempts. Then in Section 3 we compare China’s and Korea’s strategies. Then we close the paper by summarising and making suggestions for further research.
Standardization and Intellectual Property Rights: Conflicts Between Innovation and Diffusion in New Telecommunications Systems
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