

## Narrowing the Digital Divide in Korea

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### BROADBAND INTERNET SERVICE IN KOREA

Table 1. Number of Internet users in Korea, 1998–2001 (thousand)

	1998	1999	2000	2001
Internet users	3,103	10,860	19,040	24,380

Table 2. Number of broadband Internet subscribers in Korea, 1999–2001 (thousand)

Type of access	1999	2000	2001
ADSL	-	2,542	4,453
Cable modem	-	1,319	2,723
Others	-	9	630
Total	236	3,870	7,806

*Note:* Others include the subscribers by LMDS, LAN, or satellite access.

### Key Success Factors of Broadband Internet Service

- Demand
  - on-line games: over 200 professional players
  - cyber stock trading: 72% of total stock trading
  - Internet broadcasting: 700 stations
  - over 1,200 content providers
- Responsive supply
  - competition driven by new common carriers
  - strong infrastructure with optical fiber cables
  - fixed monthly charge under US\$30
  - unique environment

- Government policy  
Cyber Korea 21 (1999): framework of IT development; invest US\$22 billion by the end of 2002; long-term loan: low-interest loans for local loop investment to rural areas; by the end of 2002, US\$270 million and by the end of 2005, US\$770 million  
local loop unbundling

### **Broadband Internet Service Prospects**

- By the end of 2002, virtually all households will have broadband access except in some remote areas.
- Service providers change business strategy from simple access to value-added service.
- The launch of wireless LAN and 3G services in 2002 or 2003 shall expedite the integration of fixed and mobile broadband services.

### **NARROWING THE DIGITAL DIVIDE**

#### **Current Status of Digital Divide Based on Internet Usage**

- There is a digital divide by age, occupation, geographical region, income, and gender in Korea.
- The Internet usage gap in June 2001 was much bigger by age (80.3%) and occupation (73.8%) than by income (24.3%) and gender (14.1%).

#### **Major Goals**

- Provide broadband service nationwide by the end of 2005.
- Install free Internet access facilities in every township by 2003.
- Provide Internet learning opportunities for all people.
- Support the development and distribution of content for the handicapped, the elderly, and farmers.

#### **Key Plan**

- Deploy nationwide broadband networks by 2005  
long-term low-interest loan of US\$770 million  
universal service obligation to Korea Telecom by 2005  
satellite Internet access to islands and mountain areas
- Improve the information access environment  
install free Internet access facilities in every township  
provide PCs to low-income families and farmers  
develop information technology for handicapped and elderly people
- Promote information utilization

- provide minors with learning opportunities
- develop content for the handicapped, the elderly, and farmers
- International cooperation to remove the digital divide