

# **Seizing the Opportunity to Cross Digital Divide**

Text of a speech at Asia Society 's annual session held in India

China Reform Forum

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## **Definition**

By digital divide, we mean here the divide between rich and poor in the possession of information. Such a rich/poor polarization or knowledge partition arose from a drop height in information. It is the outcome of the differences in innovative ability and the degree of information /networking technology application, among divergent groups of people, enterprises, areas and nations, in the process of global digitalization. Manifestations

From a global perspective, manifestations of digital divide can be seen in three aspects.

An ever-widening digital divide is occurring between developed and developing nations. A recent UN Human Rights Progress Report indicates that with only 16% of the world population, industrialized nations constitute 90% of the global Internet users. The digital divide has made global economy develop in a more unbalanced way and enlarged the gap between developed countries and developing countries. As a result it will exert a far-reaching impact on the sustained development of the world economy and the process of globalization. Suffering from information poverty, most developing nations are in danger of being marginalized.

A similar thing is also taking place among developing nations. Information technology (IT) in India, the Republic of Korea, Singapore and Malaysia has spurred rapid economic progress and become a catalyst for economic recovery and expansion in the wake of the East Asian financial crisis. But information revolution has yet to benefit many developing countries in Africa and Latin America, thus making it difficult for them to catch up with the tidal wave of economic progress. The digital divide may speed up the process in which developing economies are stepping forward in echelon. It also has enlarged the differences of attitudes towards economic globalization and digital economy between the developing countries, bringing about new "South South Issue" as a result.

Digital divide can also be seen inside a country due to differences in income, gender, educational level, nationality and region. In terms of IT popularization and

application, coastal areas in the United States are clearly ahead of the inland states, whites are above other ethnic minorities, and higher income or higher education groups superior to the lower ones. Access to Internet in black and Hispanic families comes to only about two fifths of those of Whites.

## **Factors**

At the level of nations, major factors responsible for this digital divide are as follows:

First, it makes a world of difference whether a country can or cannot utilize useful information to stimulate its socio-economic progress.

Bringing information into full play in national construction, Information giants transform the information industry into an accelerator for socio-economic development, upgrading their productivity, management skills and quality of life, while carrying forward overall social and economic development at the same time.

By contrast, unable to utilize useful information for national socio-economic progress, information midgets suffer from insufficient supply and demand, improper management and disorderly development of the information industry. Second, gaps exist among nations in effectively controlling harmful information or malign use of IT that may bring about economic or political risks.

Information-strong nations are capable of checking harmful information with efficiency to ward off the negative affect. They may seek advantages and avoid disadvantages so as to protect themselves forcefully and target the vulnerabilities of the weak ones.

By contrast, information-weak countries are defenseless before harmful information. They are often susceptible to information-phobia, fearful of degenerating into information colonies.

Finally, the digital divide can also be traced to the unfair international economic order.

Relying on their economic and sci-tech strength, the information giants, while pressing ahead with their own IT and information industry, are imposing a high-tech blockade on large numbers of developing nations weak in information. They intend to preserve center stage in international economics and remain in the frontier of the information revolution.

Short of capital and expertise to initiate an information revolution, the weak countries are at the periphery or semi-periphery of the international economic order,

well nigh impossible to find a technological platform to realize the advantages for a late-starter, thus lagging farther and farther behind the forerunners.

## **China**

### (1) The situation.

Since the advent of the 1990s, leapfrogging took place in China's information and telecommunications industries, expanding with a pace of 30 percentage points higher than that for the economy. A transition occurred in the telecom field, away from manual to automatic, from imitation to digital, small to big volume and single to multiple operations. A variety of telecom means exists ranging from optical fiber, satellite, program exchange, mobile communication, data and multi-media. which cover cities and villages throughout the country and are connected to all corners of the world. The size of both fixed and mobile phone services in China now ranks second in the world with the dissemination rates at 17.8% and 5.5 % respectively, Internet users reaching 22.5 million and on-line computers hitting 8.92 million. Considerable progress has also been made in information applications and services such as e-commerce, network media, long-distance education and medical care.

### (2) The divide.

A digital divide clearly separates China and Western advanced countries. The information revolution in China is still in its infancy. By the middle of 2000, America has 164 million computers with the average availability bellow two people, Germany, 30.6 million computers with the average availability below 3 people, while the corresponding figures for China are 15.9 million and 0.088 % respectively. Meanwhile, China is also plagued with low information application due to high on-line charges, insufficient qualified staff, imperfect network legation and information resource shortage in the Chinese language, thereby resulting in disorderly progress and redundant expansion at low levels.

Close attention should also be paid to the urban/rural and coastal/interior digital divide in China. Information revolution has come mainly to the eastern part of the country, to places like Beijing, Shanghai, Guangzhou and the Shenzhen Special Economic Zone, where economic and sci-tech progress has been well under way. But in the central and western regions, the process has barely begun due backward information infrastructure, low general education level and insufficient funds.

A latest statistics by the China Internet Center show that netizens in Beijing account for 12.39% of the national total and in Shanghai, 8.98%, while the corresponding figures for Tibet and Qinghai Province in northwestern China are 0.0% and 0.31 only. Also, the urban/rural information gap is stunning with merely 0.3 % netizens living in

the countryside and the urban network dissemination ratio 740 times of that for the rural areas.

## **Solutions**

(1) A strategy has been put forth to realize productivity leapfrogging through information-led industrialization and vigorous socio-economic informatization so as to eliminate the digital divide as soon as possible.

(2) Efforts have been made to accelerate the construction and improvement of information infrastructure to satisfy the socio-economic needs and narrow down the gap between the eastern and western regions of the country.

(3) Efforts will also be made to cultivate a number of promising sci-tech bases and enterprises with strong innovative capability and international competitiveness in the western regions, with market-oriented accelerated readjustment and optimization of industrial structure in the western regions in mind. Domestic and foreign private investors and domestic collective enterprises will be encouraged to participate in the investment and building of the information industry in the western regions.

(4) IT application will be enhanced to raise the level of information revolution in the western regions.

In sum, narrowing down digital divide represents a gigantic comprehensive systems engineering project. Advanced countries should take up the responsibility in offering more financial aid and technology transfers to the developing nations. Faced with the common digital divide, developing nations should strengthen cooperation among themselves so as to create a favorable international environment for removing the divide.

Source: <http://www.asiasociety.org/> 06/26/2002