

ICT Standards Cooperation among China-Japan-Korea: 'In the Same Bed with Different Dreams'

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ABSTRACT

As the Free Trade Agreement (FTA) between China and Korea is completed, and one among China, Japan and Korea (CJK) is being discussed, a renewed attention is given to the three countries' efforts to establish a Northeast Asian regional standards cooperation mechanism. In this paper, two ICT-oriented standards cooperative programs among the three countries, CJK-SITE and CJK-ITSM, are selected as a research setting and examined. The analysis indicates that the slow progress of CJK ICT standards cooperation can be explained by two conflicting perspectives: techno-regionalism and techno-nationalism. From the techno-regionalism perspective, standards cooperation will position CJK at a more strategic standing to effectively respond to the ever-intensifying global standards wars over the international ICT market. However, there exist significant gaps among the three countries as to why and how to pursue the standards cooperation. The authors attribute the gaps to techno-nationalism which dominates the agenda of each country's national standardization policy. Despite the apparent rationales for regional cooperation, as a Chinese proverb says, it seems that the three countries go to 'the same bed with different dreams.'

Keywords: China, ICT Standards, Japan, Korea, Regional Cooperation, Standardization, Techno-Nationalism, Techno-Regionalism

1. INTRODUCTION

On May 14, 2012, the three Northeast Asian countries of China, Japan and Korea (hereafter CJK) signed the 'Trilateral Agreement for the Promotion, Facilitation and Protection of Investment' (China Daily, 2012). The Agreement, with several rounds of follow-up negotiations so far, represents a vision towards a trilateral Free Trade Agreement (FTA). Such a trilateral economic pact, if realized, will effectively lift up the Northeast Asian region as one of the three largest economic blocks in the world together with the European Union (EU) and the North American Free Trade Agreement (NAFTA). This prospect is well-evidenced; as of 2011, the combined GDP

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of the three countries accounts for 20 percent of the world total, and the combined imports and exports represent 17.5 percent of the global trade, with a continuing upward trend since 2007 (Cui, 2013). The degree of trade inter-dependency within the region is also significant. Out of the three countries' total combined trade of 2 trillion US dollars, 58 percent is from within the region (Jun, Cho, Lee, & Hwang, 2010). Such figures, compared to those of EU's 66 percent and NAFTA's 55 percent, provide a convincing ground for a closer regional economic cooperation.

In fact, two years before this formal talk on the trilateral FTA embarked on a path, another significant collaboration effort among the three countries had taken place. The 'Joint Statement on Standards Cooperation', announced by China, Japan and Korea on May 31, 2010, emphasized and urged cooperation on standards among China, Japan and Korea as a foundation for greater economic integration in the region (MOFAJ, 2010). Obviously, the three countries were aware that coordination of different standards systems across China, Japan and Korea would contribute to removing technical barriers to trade, and thus facilitate intraregional trade. The CJK cooperation on standardization, in this sense, was pursued with an aim to build a cornerstone for the next-level economic cooperation in the region, namely, the trilateral FTA.

This joint statement on standards cooperation reflects the growing strategic importance of standards and standardization at the regional as well as at the global level. Particularly, the Information and Communication Technology (ICT) sector enjoys incomparable (to other industries) opportunities of creating new businesses and expanding global markets from such trilateral standards cooperation. Due to the volatile change of landscapes in the technology, the ICT sector is an area where standards and standardization have a significant importance for market dominance and competitive advantages (DeNardis, 2011).

On one hand, at the regional level, the substantial increase in the technological capacities of the three countries, combined with the fact that the ICT sector has become a key industry in all the three, has made their stakes in international ICT standardization even greater. Of the three, Japan has traditionally been a strong competitor in the international ICT standardization arena, along with the United States and EU countries. China and Korea, on the other hand, are late-comers in the game; notably during the past decade, the two countries have been strengthening their presence as they attempted to internationalize their home-grown technologies. Recently, the strategic move of the two, in particular of China, has become a focus of a variety of stakeholders in the world including standards-related international organizations, governments, ICT firms and others (Gong and Sun, 2009; CNIS, 2012).

On top of that, at the international level, the ever-integrating global economic environment adds another layer of consideration in ICT standardization. As the World Trade Organization (WTO) Agreement on Technical Barriers to Trade (TBT) stipulates, there is a growing call to reduce TBT for the sake of global welfare, by harmonizing different standards and subsequently, strengthening the use of international standards (Blind & Gauch, 2008). Standards facilitate trade, as it is easier to trade between countries with similar standards than between those with incompatible ones, and thus standards increase the overall welfare of the global economy (Austin & Milner, 2001). Particularly in the ICT sector where the compatibility of technology becomes a key issue, different technical standards and regulations across countries may create unnecessary barriers to trade.

With this background, while standards cooperation among the three countries covers all industries, this paper specifically highlights the CJK standards cooperation in the ICT sector. There are three major cooperative activities among the three countries, namely Northeast Asia Standard Cooperation Forum (NEAS Forum), CJK Standards Cooperation on IT and Electronics (CJK-SITE), and CJK Meeting on Information and Telecommunication Standards (CJK-ITSM).

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