

Contents

Acknowledgments	v
Acronyms	vii
List of Figures	xv
List of Tables	xvii
1 Introduction	1
1.1 Puzzles	1
1.2 Research Questions and Core Arguments	5
1.3 Theoretical Implications	8
1.4 Plan of the Study.....	10
2 Regulatory Reforms and Theoretical Framework	13
2.1 Conventional Explanations	13
2.1.1 Economic Explanations	13
2.1.2 Technological Explanations.....	17
2.1.3 State-Centered Explanations.....	19
2.2 Research Framework	21
2.2.1 The Governance Perspective.....	21
2.2.2 Types of Governance in the Mobile Telecom Market.....	25
2.2.3 Variables for Governance Transformation.....	29
2.2.4 Sectoral Components of Telecom Politics.....	31
3 Network Governance in the Korean Telecom Market	35
3.1 Evolution of Mobile Market Governance in Korea	35
3.2 Government Monopoly in the Korean Telecom Market.....	39
3.3 Centralized Network Governance in the Korean Telecom Market in the 1990s.....	43
3.3.1 International Pressure and Telecom Disputes.....	43
3.3.2 Institutional Changes for Telecom Reform.....	47
3.3.3 The First Restructuring Plan in Early 1990	50

3.4	Flexible Network Governance in the Korean Telecom Market in the Mid-1990s.....	56
3.4.1	Intensification of International Pressure and Telecom Disputes.....	56
3.4.2	Institutional Changes in the Telecom Industry	58
4	Global and Structural Challenges in Telecommunications.....	63
4.1	Structural and Technological Changes in Telecommunications	63
4.1.1	U.S. Telecom Market Liberalization and Free Trade Regime	63
4.1.2	Digitalization in Mobile Telecommunications	68
4.2	Dynamics in the Global Telecom Market	73
4.2.1	Strategic Alliances	73
4.2.2	From <i>de jure</i> Standard to <i>de facto</i> Standard	76
4.3	New Challenges and the Korean State.....	81
4.3.1	From Industrial Policy to Competition Policy	82
4.3.2	Policy Tools for Regulatory Governance in Telecommunications	84
5	The Emergence of Centralized Network Governance in the Korean Mobile Market	89
5.1	Forces for Change and the Korean Strategy	89
5.1.1	The U.S. Government and Multinationals	90
5.1.2	Diversification in the Telecommunications Industry	93
5.1.3	Two Strategies for Building Mobile Markets	94
5.2	Building a Mobile Services Market in Korea	95
5.2.1	Market Liberalization in Other Telecom Services.....	95
5.2.2	Liberalization under the MIC's Control	97
5.2.3	The Selection of a Second Mobile Services Provider.....	101
5.2.4	Privatization of a Public Mobile Carrier: The Birth of SK Telecom.....	105
5.2.5	Competition in the Privatized Mobile Telecom Network	107
5.3	Institutions of Mobile Market Liberalization	109
5.3.1	Two Pillars for Regulatory Reform in Telecom.....	109
5.3.2	The Licensing System.....	111
5.4	CDMA Technology Project	114
5.4.1	Initiation of the Digital Mobile Technology Project.....	114
5.4.2	Technology Standard War: CDMA Versus TDMA	117
5.4.3	Public Carriers' Involvement in the Project.....	123
5.4.4	Centralized Network Governance in Technology Projects....	126
5.5	Centralized Network Governance in the Korean Mobile Market	128

6 The Emergence of Flexible Network Governance under the WTO Regime	131
6.1 PCS Mobile Market with Indigenous CDMA Technology	132
6.1.1 The Korean Response to International Pressure under the WTO	132
6.1.2 Domestic Interests in PCS	135
6.1.3 Licensing PCS Mobile Service Carriers	138
6.2 Dynamic Competition of the Korean Mobile Telecom Industry	141
6.2.1 Competition Policy in the Mobile Services Market.....	141
6.2.2 The Growth of Korean Manufacturers in the Telecom Market	144
6.2.3 Governing a Competitive Mobile Market.....	145
6.2.4 From Centralized Network Governance to Flexible Network Governance	149
6.3 The WTO Regime and Digitalization of the Network.....	151
6.3.1 The WTO Regime and the MIC's Policy Tools.....	151
6.3.2 Asian Financial Crisis and Liberalization of Foreign Investment.....	154
6.3.3 Digitalization of the Network and Network Convergence.....	158
6.3.4 Business Strategies under the WTO Regime: Global Strategic Alliances	160
6.4 Licensing IMT-2000 Mobile Telecom Services	165
6.4.1 Licensing IMT-2000 Services.....	165
6.4.2 Standard War Between the MIC and Mobile Carriers.....	167
6.4.3 Attitude of the Korean Firm Toward W-CDMA.....	173
6.5 Developing the 4G Mobile Telecom Market	177
6.5.1 New Technology Development Strategy and the WiBro	177
6.5.2 Standard War Between WiBro and LTE 4G Players	183
6.5.3 From Ministry to Committee under the Lee Administration	185
6.6 Flexible Network Governance under the WTO Regime.....	190
7 Different Roads to a Market Economy	195
7.1 Different Models of Market Governance.....	197
7.2 Constraints on Network Governance toward Market-Oriented Reform	201
7.2.1 Constraints on Technology Development.....	204
7.2.2 Constraints from International Changes	205
7.2.3 Constraints from the Private Sector	207
Appendix: Chronology of Developments in the Korean Telecom Market in 1982–2001	209
References	211

Building Telecom Markets
Evolution of Governance in the Korean Mobile
Telecommunication Market

Jho, W.

2014, XVIII, 222 p. 3 illus., Hardcover

ISBN: 978-1-4614-7887-4