

## *Executive Summary*

This year's report, *The State of the Internet 2000*, provides an overview of the continuing expansion of the Internet and gives special attention to the increasingly international nature of the Internet. The Internet has far surpassed its humble beginnings as the Department of Defense's ARPANET. It has become truly global in scope, growing more so with each passing day. The Internet draws people of all countries, cultures, and languages. This year over 300 million people are online, with fewer than half from North America. This gap is expected to widen further, as the world's online population becomes more nationally and culturally diverse and less "U.S.-centric."

The *Global Growth* section focuses on emerging Internet populations in various regions of the world. Online growth in areas such as the Asia-Pacific region and Latin America has surpassed expectations as e-commerce initiatives and personal Internet use have blossomed. Despite the bright outlook for continued Internet penetration, there is a significant global digital divide, primarily between the North and South. For example, only 1.5 million people are online in Africa, 1 million of whom are in South Africa. Poverty and inadequate telecommunications infrastructure in the developing world must be alleviated in order for Internet use to become fully established.

The section on *Social Trends* provides a discussion of the fundamental changes taking place in the way people communicate and conduct business. Although the digital divide still exists in the U.S., tremendous strides have been made in eliminating it, thus permitting more Americans to communicate via the Internet and opening up a world of new opportunities to low-income families. The Internet is quickly becoming an essential part of every classroom as students at all levels of education utilize it to do research and participate in a variety of online educational activities. Additionally, the emergence of virtual communities has drawn the world closer together as people from all walks of life may speak to each other in chat rooms and find a community with similar interests.

As highlighted in the *Technology* section, new technologies continue to transform how the Internet is used. Technologies such as XML, wireless Internet, and encryption are being standardized, thus strengthening e-commerce initiatives and other Internet activities. Alongside these new technologies, however, come new threats such as cyber-terrorism. The U.S. and the international community have made significant advances in tracking and halting hacking and other forms of cyber-terrorism.

Perhaps the *E-Business* section provides the best glimpse into the future of the Internet, which has given industry an entirely new way of conducting business. Companies have revolutionized industry practices, creating greater efficiency and monetary savings. E-commerce has similarly exploded with online retailing and industry marketplaces. Business-to-consumer and business-to-business e-commerce promise to continue seizing an increasingly larger share of the goods and services market in the coming years. Outside the U.S., companies have begun to take note of the online successes of North American businesses and are starting to follow suit.

The concluding section, entitled *Looking Forward*, examine future government and industry Internet challenges. Although most governments have maintained a laissez-faire approach to the online industry, there is more and more pressure by citizens concerned about privacy and security for some degree of regulation and monitoring. Within the U.S. and European countries, legislative bodies have already instituted minor measures geared towards the protection of personal information. Without a doubt, greater Internet regulation will occur in the coming years; however, industry and government should work together to insure that any regulation fully supports the continued growth of the Internet economy while protecting the interests of individuals. This is not just a national effort. The countries and companies of the world must collaborate and standardize guidelines for the Internet industry to avoid costly international disputes and to continue the dissemination of Internet technology to the entire world.

Overall, we can safely say that the State of the Internet is good. Rising technologies, new applications, and expanding usage indicate that the Internet will continue to grow. Although it remains possible that governments might smother the Internet in regulation, early signs suggest that this is unlikely. The Internet should continue to evolve into an open and global information environment, which we hope it can become.