

The Democratic and Economic Effects of the Internet, 1994 to 2003

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ABSTRACT

Since its inception, the internet has been lauded as a potent democratizing agent and economic stimulus. Using macro-level panel data from 1994 to 2003, this study examined the extent to which the internet has fulfilled this potential. In the 152 countries included in this study, increased internet diffusion was shown to be a meaningful predictor of more democratic regimes and limited economic growth. This was shown to be most true in developed countries, where nonlinear fixed effects regression models showed the highest coefficient estimates.

Results from this study, however, also indicate that increased internet diffusion is only one among several technological and social efforts that have contributed to the gradual increase in democracy and economic growth on a global scale. Consistent with media system dependency theory, stronger effects were separately demonstrated for countries where the internet fulfilled a greater number and centrality of information functions, and where the degree of structural stability was relatively lower. Thus, the internet should not be overstated or employed as a modern “mobility multiplier” because of the impact it has shown or the potential it may have. Importantly, though, it should also not be ignored as an integral part of comprehensive, multifaceted national or regional development initiatives.