

Poverty, Inequality, and the Social and Political Effects of the Digital Divide¹

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Executive Summary

In this report we illustrate that the digital divide is intricately entwined with other forms of social and economic exclusion. This suggests that researchers and policy makers devising approaches to the digital divide engage more concretely with the broader problems of poverty and inequality and the ways in which they intersect with broadband connectivity.

The key themes in the paper are as follows:

- Research on the digital divide has offered important insight into the economic costs and nature of digital exclusion in America today. These studies illustrate the benefits that broadband can bring to both individuals and society related to consumer welfare, worker training, e-government services, education, economic growth and civic participation. For example, in “The Real Cost of the Digital Divide in 2011” by Nicholas Delgado, the author’s analysis shows that households can save over \$7,000 annually by having access to, and using the broadband Internet. This sum is calculated as consumer savings on essentials, net of average costs of broadband service. At a societal level, a recent report by the Digital Impact Group and Econsult Corporation (2010) puts the total aggregate estimate of digital exclusion at over \$55 billion per year in the U.S. This report “develops a taxonomy of negative economic impacts associated with digital exclusion, articulates the mechanisms through which digital exclusion has adverse impacts, and qualitatively and quantitatively evaluates categories of significant impact.” Eleven sectors are estimated with the largest estimates -- \$15B each – in health care and in jobs and the economy.
- New qualitative scholarship offers a nuanced and critical approach to the digital divide by highlighting the ways in which digital exclusion both *intersects with* social and economic exclusion and also the ways that social and economic exclusion *are further exacerbated by* digital exclusion. This scholarship addresses and investigates the entwined relationship between digital exclusion and other forms of social and political exclusion.

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- Scholarship from the field of New Poverty Studies (Goode & Maskovsky, 2002) offers a helpful framework for understanding the intersection of digital exclusion with social and economic exclusion in the U.S. today. One of the central arguments within the field of New Poverty studies is that poverty does not persist because of pathology or welfare state dependency. Instead these scholars point to social isolation and political demobilization as defining features of poverty today. This scholarship highlights the need for political and civic engagement within disenfranchised communities, while providing an important reminder that technology alone cannot solve the problem of growing inequality and increasing social isolation and political disengagement in this country.
- Many organizations working in urban environments recognize the link between the digital divide and economic inequality and see new communication technologies as tools to connect otherwise fragmented and marginalized communities and mobilize them around issues of interest. These organizations have developed training programs and projects that connect broadband adoption to other important concerns like health, journalism, and civic engagement. Groups like Media Mobilizing Project, Allied Media Projects, People's Production House, and Philadelphia FIGHT are fostering creative and innovative ways that community groups can use new communication technologies to positively shape the lives of the individuals with whom they work. While these groups train people in basic computer and web literacy, these broadband adoption trainings have broader aims: to use digital media to education, organize, and build networks between poor and working class people; to improve quality of life of disadvantaged people living with HIV/AIDS; and to democratize the tools of media creation and distribution. These models of broadband adoption, which are more closely entwined with other socio-political problems, offer the rubrics for creating a thoughtful and engaged plan for solving the digital divide.