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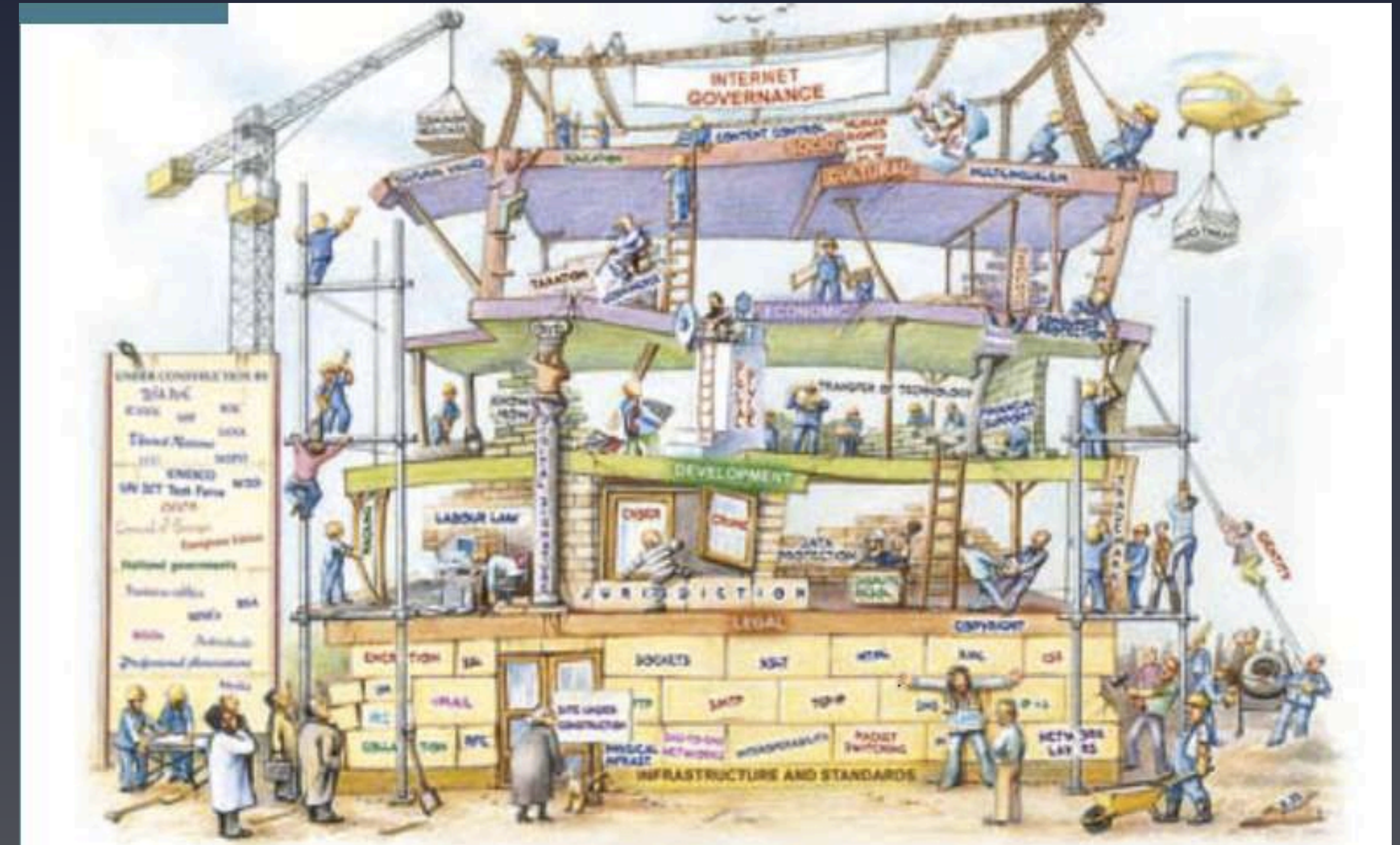
The Impact of Internet Governance on Economic Development and Growth

Chafic Chaya | MEAC-SIG 2021v | 8 July 2021

Summary



- Investigate how the Internet promotes economic development
- Examine the relationship between Internet governance and economic output
- Look at different possible economic performance scenarios



Internet Promotes Development

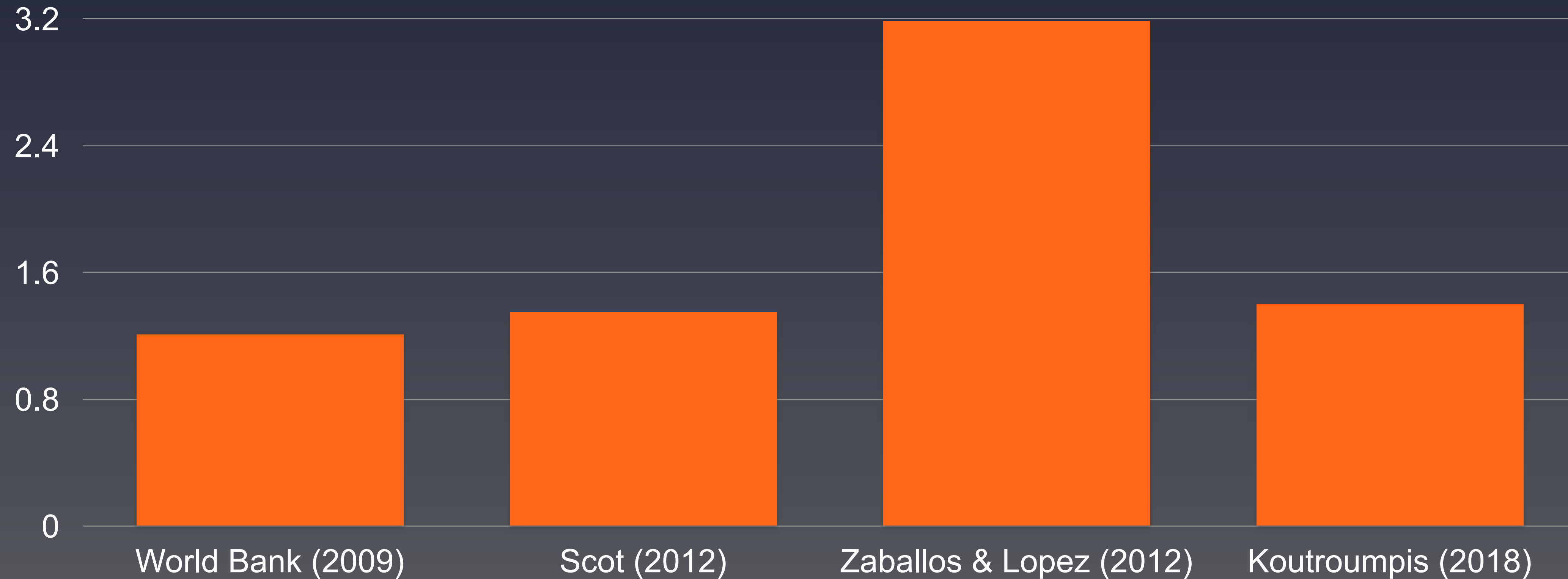


- Studies found broadband Internet has a positive economic impact
- A variety of models and analyses have been designed to measure the impact of broadband Internet on the economy with different formulas and variables
- Basically, developing countries have lower technological penetration than the developed countries, and hence, technological innovation will have more significant impact on their economies

Internet Impacts on Economic Growth



■ Increase in GDP per 10% increase in fixed broadband penetration



Good Internet Governance is Indispensable for Economic Development

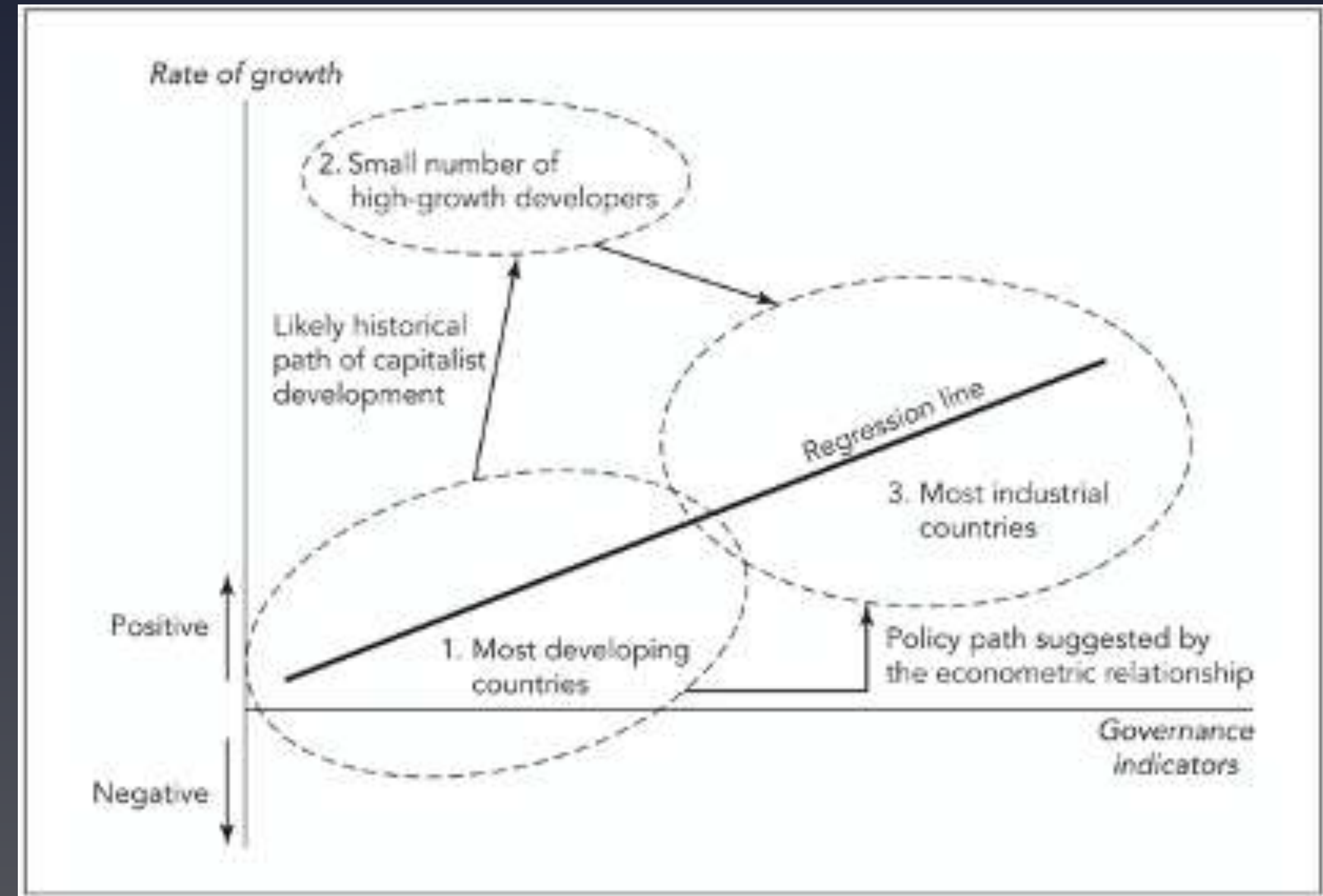


- Internet increases productivity and contributes to economic growth, it therefore deserves a central role in development strategies
- However, good governance is indispensable for such development
- Studies from the International Monetary Fund (IMF), United Nations (UN), and World Bank show that good governance plays a significant role in economic growth
- These studies measure the quality of governance using metrics which are the main pillars for any successful Internet governance process

Impact of Governance on Economy Growth



- An approach that aligns Internet governance and economic performance according to the World Bank (2005) and Khan's findings (2004)
- A positive relationship has been seen correlating the rate of growth with the governance indicators:
 - Voice and Accountability
 - Political Stability
 - Government Effectiveness
 - Regulatory Quality
 - Rule of Law
 - Control of Corruption



Code of Good Internet Governance

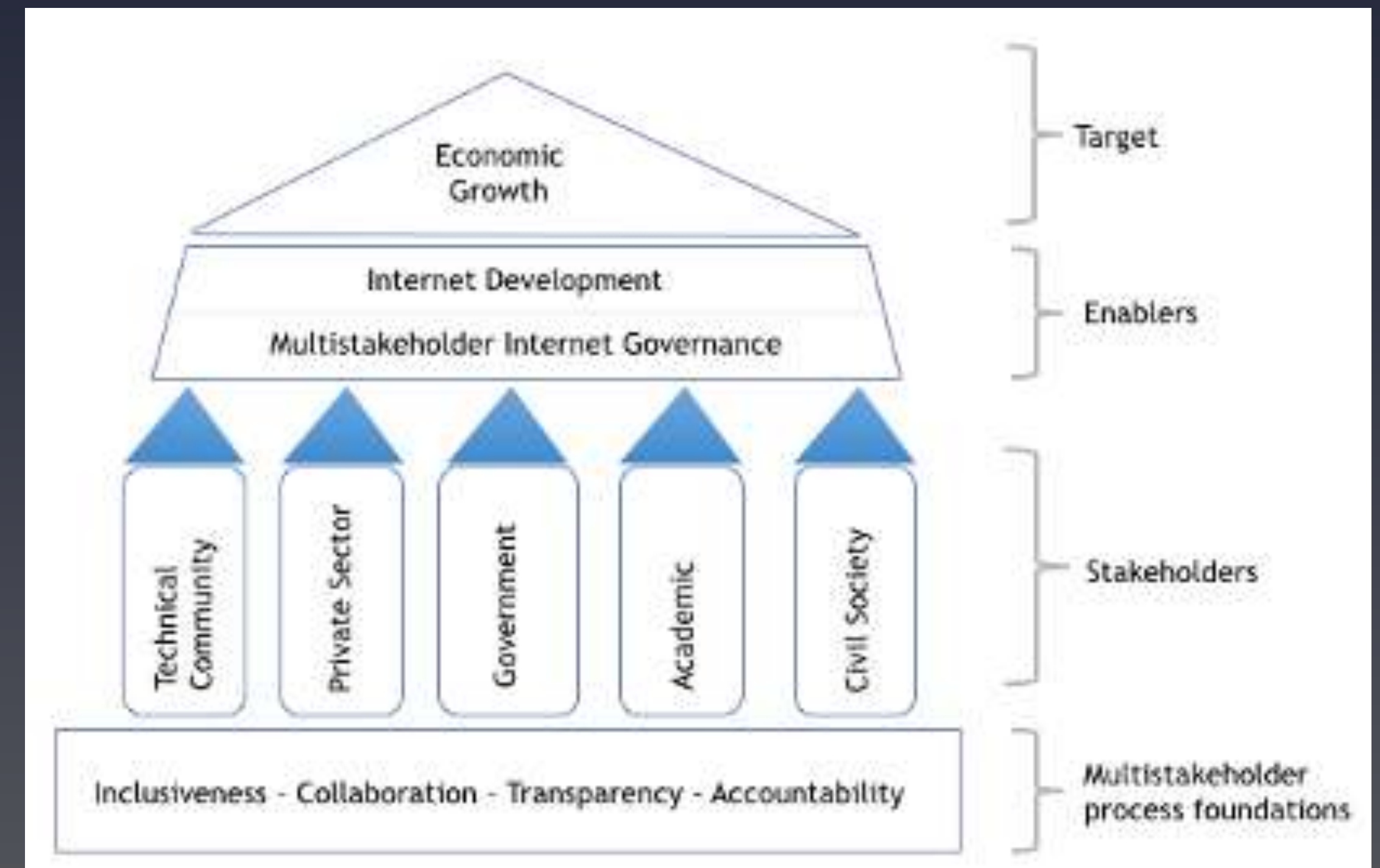


- Decision-making processes within Internet governance should be open, transparent and inclusive
- Internet governance processes should enable and encourage all those who wish to participate and make contributions
- Any individual or organisation should be able to initiate ideas and debates about Internet governance
- Internet governance entities should produce and share clear information about modes of participation and administration processes

The Internet Governance Framework



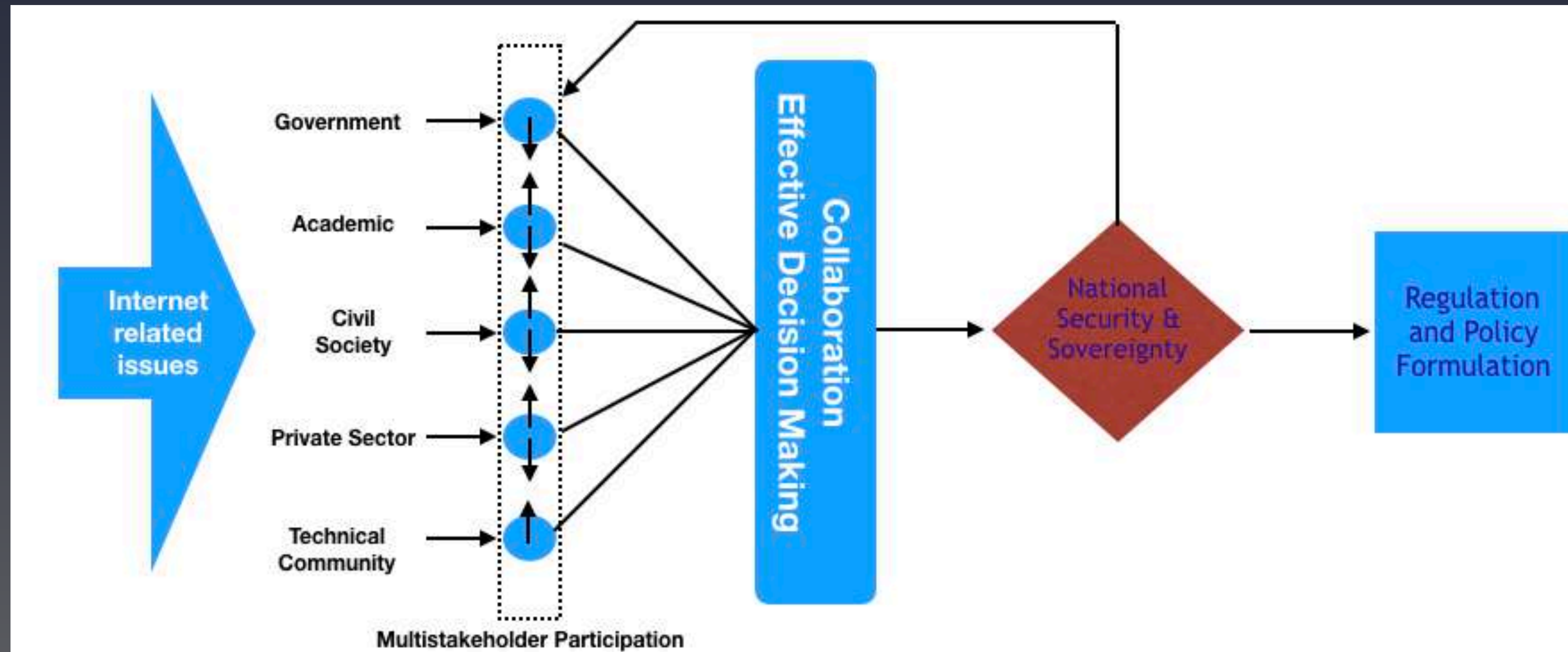
- Internet is becoming the 21st Century's global infrastructure
- A new form of governance is emerging with inclusiveness, openness, transparency, and accountability as attributes
- Four layers: Multistakeholder process foundations, stakeholders participation, Enablers and Target.



Critical Success Factors



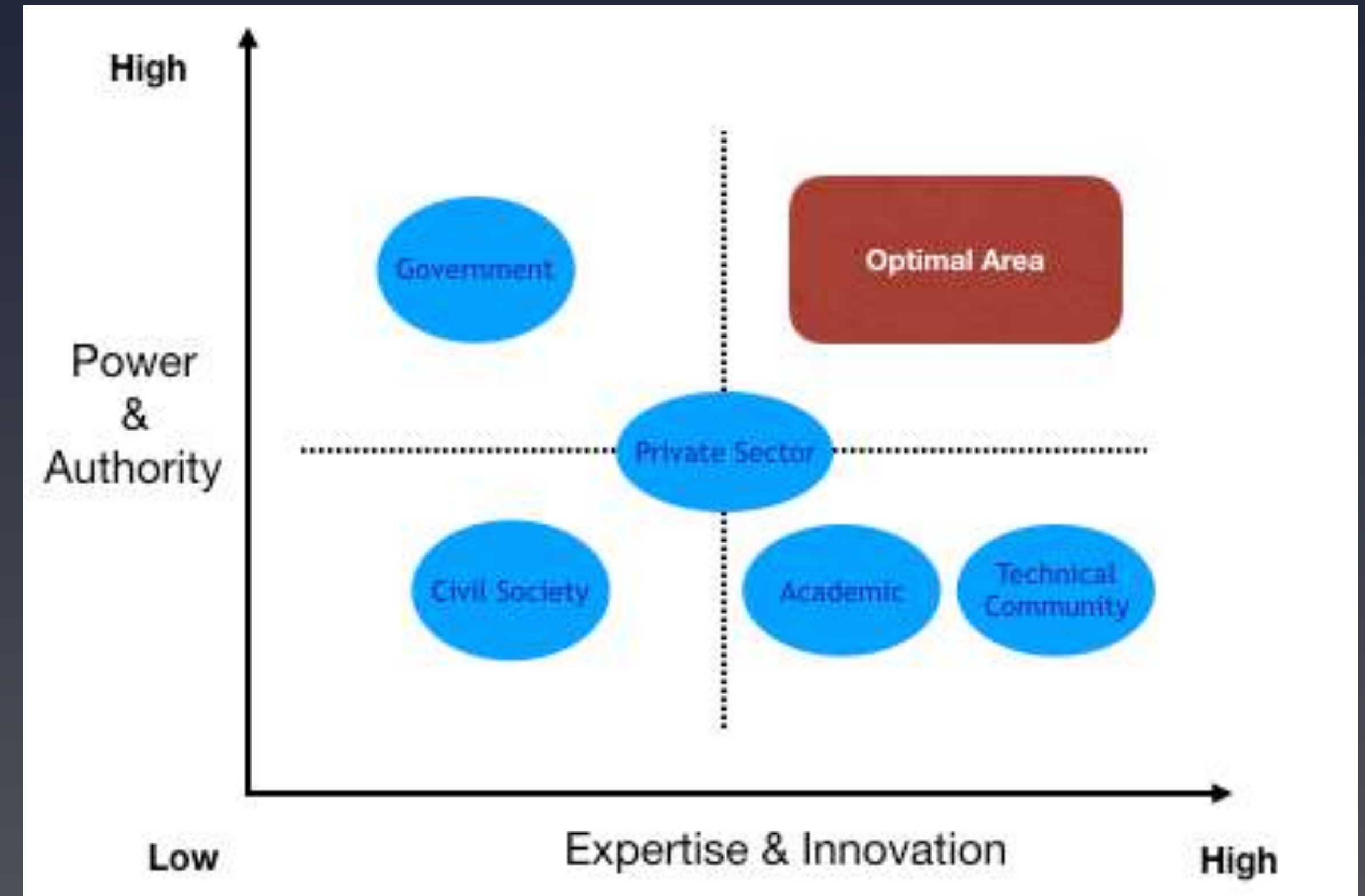
- A new renegotiation between government and other stakeholders



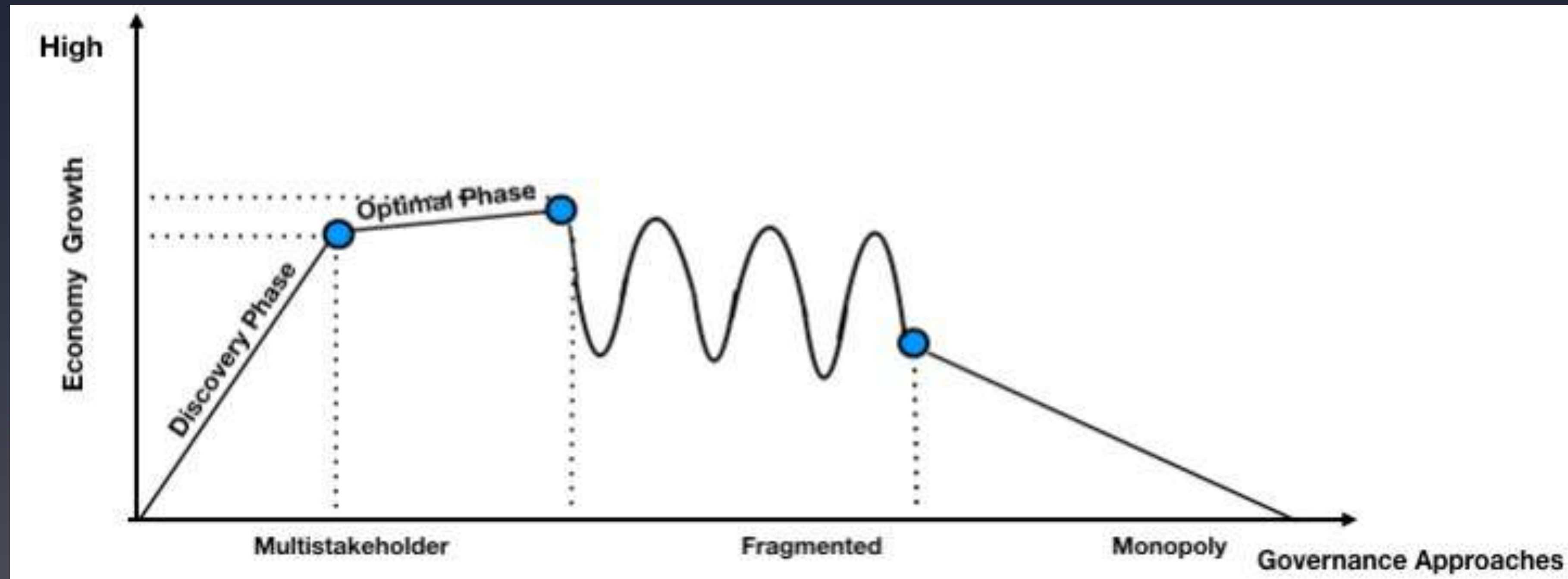
Optimal Area: Convergence of Authority & Expertise



- To achieve a robust structure for the proposed model, the optimal area is where authority and expertise converge
- Decisions should be taken through the interaction of participating interests, rather than an exercise of power by a single individual or interest group



Economic Performance Scenarios



- The stronger the multistakeholder structure, the better the Internet governance process and economic performance

Takeaways



- The Internet promotes innovation, boosts efficiency and increases inclusion
- Internet governance has a significant impact on a country's economic growth and plays a central role in developing strategies
- The concept of multistakeholder Internet governance is still vague and complex, and the roles and responsibilities of different actors are yet to be defined



Questions



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