Discovering the Divide: Technology and Poverty in the New Economy

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This article uses archival materials from the Clinton administration to explore how the "digital divide" frame was initially built. By connecting features of this frame for stratified Internet access with concurrent poverty policy discourses, I reveal the digital divide frame as a crucial piece of the emergent neoliberal consensus, positioning economic transition as a natural disaster only the digitally skilled will survive. The Clinton administration framed the digital divide as a national economic crisis and operationalized it as a deficit of human capital and the tools to bring it to market. The deficit was to be resolved through further competition in telecommunications markets. The result was a hopeful understanding of “access” as the opportunity to compete in the New Economy.

Keywords: digital divide, neoliberalism, Internet history, poverty, frame analysis

The Clinton administration’s first report on stratified Internet access in the United States, what it would eventually call the “digital divide,” argued, "While a standard telephone line can be an individual’s pathway to the riches of the Information Age, a personal computer and modem are rapidly becoming the keys to the vault" (NTIA, 1995, para. 3). What is left out of this frame is how the vault was locked. This includes, beginning in the 1970s, the automation or outsourcing of industrial production, stagnant real wages, increasing health care and higher education costs, rollbacks of federal poverty relief programs, and the massive expansion of the carceral state in poor communities (Edelman, 2013). Frame analysis traces how such elements are obscured while other explanatory elements are highlighted, why, and to what effects, what Goffman (1974) called “the serial management of consequentiality” (p. 23). This manifests in the digital divide literature as a series of “if information technology, then social mobility” propositions.

If the digital divide was a problem of stratified access, “access,” at the time of the frame’s setting, meant not so much the availability of a specific technology or skill but the opportunity to compete

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in the New Economy. This frame emerged even before the phrase digital divide was coined. It transformed the potential precarity of the New Economy into a series of opportunities for competition—if you, your community, or your country made the right upgrades. The state is here charged with encouraging private investments in those upgrades, making targeted investments of its own, and managing those populations that cannot or will not upgrade. This frame preselects political responses to persistent poverty and explains it as an ongoing shortage of human capital. It is thus a key entry point for understanding the post-1970s dismantling of the Keynesian political consensus, its reconstruction as neoliberalism, and the discursive role information technology played in this shift.

What follows is an investigation into how the digital divide frame was initially built and why the Clinton administration pursued this narrative of economic transition. After detailing my approach to frame analysis, I show how other critiques of the digital divide frame omit the neoliberal political conditions that structured the frame and linked technology politics with poverty politics. I then explore the three pieces of the Clinton-era digital divide frame: a crisis of national competitiveness, defined in human capital terms, and resolved through general deregulation and targeted public–private partnerships. Throughout, I show how the three parts of the digital divide frame interact with other neoliberal frames for the problem of poverty (e.g., education and welfare reform) to demonstrate the inextricability of contemporary technology talk from broader narratives about redistribution and the value and future of work. I conclude by reflecting on the limits of the frame and the ease with which it is co-opted.

**Framing Neoliberalism: Theory and Method**

Framing selects elements of reality for salience. Political frames define a problem by specifying the agents involved and their options for action, diagnosing the problem’s origins, judging the agents’ efficacy, and positing solutions to the problem and their likely outcomes (Entman, 1993). This draws on preexisting metacultural frames, such as the tendency to highlight individual bootstraps narratives in American political culture, and the “institutional action frames” nested within them that are formed by years of accreted political discourse that set boundaries of acceptability for future discourse and that political elites draw on when judging and publicizing policy alternatives (Rein & Schön, 1996). When viewed not solely as a technology policy but also a poverty policy, the digital divide frame appears as one component of an emergent institutional action frame that obscures the state’s potential to act as a bulwark against periodic economic crises and instead highlights its role as a guarantor of competition for its citizens, themselves circumscribed as bundles of human capital entering the market to contribute to national economic fitness.

Clinton and Gore both responded to that reframing of institutional possibility and participated in it as allies in the Democratic Leadership Council of the 1980s, moving the party rightward, away from New Deal social democracy to reverse years of Republican electoral gains. On the campaign trail and in office, they repeatedly framed New Democrats as superior economic managers: willing to make some Keynesian investments in human capital and export-oriented industries, opening borders to free trade, and focusing on deficit reduction, which limited any potential stimulus that would counter the early-1990s recession (Ferguson, 1995).
Clinton and Gore’s liberalism was thus only strategically, not fundamentally, opposed to Reagan and Bush’s conservatism. It was Clinton who cemented neoliberalism as the common sense of political possibility in the United States, after a long electoral revolution beginning in the mid-1970s in reaction to midcentury social and labor movements and in partnership with new capital accumulation regimes associated with globalization, Western deindustrialization, and information technology networks. It is a slippery phrase, and so I follow Wacquant’s (2012) institutionalist definition of neoliberalism as a political project wherein an activist state repurposes its institutions to define and enforce citizenship around market demands. This requires not a shrunken state but a re-engineered one; enhanced, redistributive bureaucratic functions for the upper class alongside more paternalistic functions for the lower class; and a massification and glorification of the penal system. This is contrasted with definitions of neoliberalism that emphasize either the privatization of state functions and the marketization of social life—thereby taking neoliberal rhetoric about the primacy of markets at face value and overlooking state activism—or the expansion of techniques of governmentality throughout the social field—thereby obscuring reforms’ historical and institutional specificity, what is “neo” about “neoliberalism.”

The present study sits in the sociological, rather than psychological, wing of framing analysis, which studies how particular frames maintain or disrupt political–economic power structures, and the political elites sponsoring particular features of frames to obtain desired institutional arrangements (Carragee & Roefs, 2004). What this approach loses in predictive power, it gains in theory-building and interdisciplinary connection. Empirically, I supplement Wacquant’s (2012) institutional analysis of neoliberalism, and his critique of narrowly economistic or broadly dispersed Foucauldian governmentality analyses, with a study of specific neoliberal institutions communicating the necessity of neoliberal reforms: the substitution of welfare with workfare, the deregulation of communications industries, and the support of industrial capital flight. Methodologically, I build on recent work investigating framing as a strategic resource for political institutions—the work going into those frames, their role in larger institutional transformations, their relation to other strategic resources—such as Schaffner and Sellers (2010), with a focus on an historically specific frame connecting information technology and poverty.

The “discovery” of the digital divide cannot be analyzed without this neoliberal political context. The Clinton administration positioned its promotion of digital training centers for disabled Americans, for example, within a larger mission to “give work back to the American people” (Clinton, 2000b, para. 11), without ever endorsing direct stimulus or job creation. This included the effort “to end welfare as a way of life and make it a path to independence and dignity” (Clinton, 1993, para. 34), which resulted in 1996’s Personal Responsibility and Work Opportunity Act. Clinton and his Congressional allies celebrated the Personal Responsibility and Work Opportunity Act, which replaced the Aid to Families With Dependent Children poverty relief program with Temporary Assistance for Needy Families, for replacing the American poor’s entitlement culture with a work culture. Funding to Temporary Assistance for Needy Families was block-granted so that a countercyclical poverty policy became nearly impossible, and award limits were placed on recipients who were not working or who were unwed mothers or undocumented immigrants. No training or job creation programs were paired with these new restrictions (Wacquant, 2009). Two years earlier, as part of the New Democrats’ tough-on-crime agenda, the Violent Crime and Law Enforcement Act created 60 new death penalty offenses, criminalized gang membership, ended Pell Grants for college education in prison, and funded almost 100,000 new police officers with plans for almost $351 billion—
almost 20 times the 1994 Aid to Families With Dependent Children budget—in prison operation and construction funds to hold the more than 1.5 million prisoners predicted to enter the system (Duster, 1995). These policies punished those already hard hit by deindustrialization and the failure of federal poverty relief measures to keep pace with inflation, as well as the shorter-term damage of the early-1990s recession. As Wacquant (2009, pp. 53–57) reviews,

- Forty million Americans, or 15% of the population, met the federal government’s stringent definition of “poor” in 1994.
- Real wages had stagnated since the mid-1970s and, in the 1980s, the mass layoff became a common method of managing corporate finances: 3.4 million Americans were laid off in 1994.
- By 1993, the country’s largest employer was not General Motors but temporary staffing company Manpower Incorporated, a sign that the industrial economy, and the labor-capital compact that went with it, had largely ended.

Policy does not just administer the social world; it also communicates the rules for it. The neoliberal push for punitive poverty policy effectively communicated that poverty was not a problem of structural economic transition, but of individual choices. The role of the state became nudging the poor toward responsible choices and effective competition. It is within this context that access came to mean not so much the availability of a particular tool or skill but the opportunity to compete in the New Economy. This marks digital divide policy not as a welfare-state exception to other Clinton-era policies, but an effort to increase the productivity of the nation’s human capital stock while other state institutions either create new zones for competition or enforce the rules of competition. The institutions under review in the present study include the National Telecommunications and Information Administration (NTIA), the Federal Communications Commission (FCC), the Advisory Council on the National Information Infrastructure, and the Offices of the President and Vice President. I selected these institutions focused on economic and telecommunications policy to demonstrate novel connections with other, concurrent neoliberal institutional discourses on poverty, revealing both the framing features they share and how their different institutional functions interact to produce an emergent institutional action frame for the executive branch response to the problem of poverty in the New Economy. Viewed in this way, the digital divide frame becomes a method to garner consent to the creation and enforcement of New Economy competition by positioning economic and technological transition as a natural disaster that only the highly skilled will survive. At the time of its construction, the frame formed a left edge for neoliberal statecraft, pushing institutional reform to reproduce a flexible workforce, while the right edge managed perceived obstacles to transition.

Previous critiques of the digital divide frame obscure these links, either by neglecting the political context that structured the frame or by misreading that context and positioning the frame solely as a legitimization tactic meant to justify new accumulation regimes.

Gunkel (2003) argued that the digital divide frame maps a complex social field onto a simplistic binary that automatically devalues one side and positions “technology” as a primary driver of social
change. But although he explored a general Western epistemological fixation on binaries and compared divide talk’s determinism with historical antecedents, he neglected to examine why particular political elites sponsored this particular frame with these particular features at this particular time. Similarly, Selwyn (2004) encouraged more nuanced, conceptually rigorous digital divide scholarship that moves beyond counting PCs as signs of successful outreach. But mapping the frame’s origin to a new moment of Euro-American political preoccupation with “social inclusion” neglects how these technology outreach policies are also always poverty policies, native to a punitive, paternalistic turn in U.S., UK, and French statecraft that, as Wacquant (2009) shows, emerged partly to manage the racialized groups marginalized by deindustrialization policies.

Stevenson (2009) penned the most compelling critique of the ideological origins of digital divide policy to date. Like Selwyn (2004), she showed how the frame technologizes a political problem, but further demonstrated how this obscured new post-Fordist social relations by focusing on individual access over class structures, garnering consent to those new divisions, and legitimating the state’s role in advancing tech sector accumulation. These critiques are correct but incomplete on two counts. First, they fail to capture exactly what is appealing about the digital divide frame and why it persists despite numerous attempts to refine the concept. By reviewing the links between the digital divide frame and other contemporary neoliberal projects, it becomes clear that a crisis of human capital deficits was articulated in multiple domains and that final result of the frame—redefining access not as available tools or skills but as the opportunity to compete—fit cleanly not just with the demands of post-Fordist capital but with the common sense of laborers who really were excluded from the transition to a knowledge economy, and those helping professionals—librarians, in Stevenson’s account—who really do work for inclusion. No matter how complex the various definitions of the digital divide became, they retained this core understanding of access. Second, Stevenson’s critique took neoliberalism’s marketization thesis at face value, and thus envisioned a shrinking state that prepares new markets for high-tech capital rather than an activist institution expanding ever deeper into the lives of the poor especially and enforcing the social exclusion the helping professions attempt to resolve. Her economism ends up echoing a persistent feature of neoliberal political discourse: highlighting the contemporary welfare state’s diminishment in response to pressure by capital, while obscuring the carceral state’s growth at the same moment. This is an empirical and theoretical blind spot that framing analysis, as an exploration of the political process of selecting certain elements of discourse for public attention, is well suited to fill.

It is only by viewing the digital divide frame as a poverty program as well as a technology program that we can cut through the marketization thesis and resolve the contradictions Stevenson observes between the new regime’s simultaneous pushes for deregulation or outsourcing on the one hand and universal access or skills training on the other. Within the neoliberal rearticulation of citizenship, the goals of promoting market competition and reproducing a post-Fordist workforce are not fundamentally opposed. Rather, redefining a healthy citizenry as a bundle of human capitals brought to market by information technology justifies both the punishment of populations perceived to be noncompetitive and the increased marketization of welfare state services dedicated to them. The digital divide frame does not just transform structural unemployment and stagnant wages into the problems of individual poor people. It explains and justifies persistent poverty and delimits the responses of the state and civil society to either (limited) investments in workforce-oriented technology provision and training or (expanded)
investments in monitoring, policing, and warehousing the poor. Techniques of consent and coercion necessarily cooperate structurally even if their institutions, or their personnel, appear opposed.

Gramsci (2000) argues that in moments of economic transition, when the reins of power seem to be “up for grabs,” political coalitions secure power partly through activist cultural policy emphasizing sharp breaks with a denigrated past and new institutional directives fit for new economic demands. Framing analyses of political communication are important additions to this literature on hegemony (Carragee & Roefs, 2004), and, in that regard, this article is intended to expand the literature on the emergent neoliberal consensus. But hegemony is always incomplete and in process. And communicative frames are, as Matthes (2012) argues, an active, integrated process of political elites competing to sponsor particular frames, journalists reinterpreting and broadcasting them, and citizens processing and acting on them. My empirical focus here is limited largely to that first stage in order to introduce new concerns, namely the links between technology and poverty policies, that have thus far been ignored in the literature, via a careful reading of archival materials. This necessarily omits alternatives to the Clintonian digital divide frame of Internet access and economic transition produced by other political elites, the news media’s reinterpretation of the problem, and the citizenry’s negotiation of that message. Some comparisons are provided with the Brazilian approach to Internet access, but largely in the name of highlighting the historical contingency and institutional specificity of the Clinton administration’s efforts. More and less powerful actors produced alternative frames and rejected the Clintonian frame, or accepted it with revisions, but that work is beyond the scope of the present article. Further research is needed to produce an integrative picture of the political struggle to frame poverty in the New Economy, particularly social movements’ contestation of these dominant frames.

Social Mobility as National Mobility

Even before the digital divide was named as a crisis, it was articulated as one. During the 1992 election campaign and throughout its first term, the Clinton administration argued that getting every American plugged into a National Information Infrastructure (NII) was a matter of economic survival. Investment in the fixed capital of fiber optics and the human capital of skilled knowledge workers would cement victory over Soviet communism, end the early-1990s recession, and regain global economic dominance from Germany and Japan. The imperative to name the digital divide and close it cannot be understood without this refitted economic nationalism. “Refigured” because whereas Clinton and Gore distinguished themselves from Reagan and Bush by endorsing some Keynesian stimulus, most major stimulative plans were dropped in favor of deficit reduction after taking office and the NII proposals that persisted were, compared with Roosevelt’s rural electrification or Eisenhower’s highways, relatively modest in scope (Ferguson, 1995).

In this section, I argue that the Clinton administration’s plan to connect every American to the newly privatized Internet was framed as an investment in national economic competitiveness. Within this first part of the digital divide frame, combating poverty is a problem not of alleviating suffering in the present, but of making the correct investments in “information have-nots” so as to resolve current crises of underutilized labor, realize future capital growth, and achieve post-Cold War international economic hegemony.
The Internet began as a Cold War research communications network funded by the Defense Department and housed within U.S. universities. By the late 1980s, the military (ARPANET) and civilian (NSFNET) functions had been split off. The infrastructure was under federal control but administered by private firms. In 1991, then-Senator Gore proposed the $600 million High Performance Computing Act to study how to upgrade this network for commercial and consumer use at gigabit/second speed, opening up a portion—the ANS CO+RE network—for commercial traffic managed through an IBM–MCI partnership. During the 1992 campaign and immediately after taking office as vice president, Gore repeatedly posed NII build-out as a national economic emergency. Political opponents attacked this as undue state intervention, but Gore had spent years carefully negotiating this terrain, publicly identifying networked technologies not only with collective economic fitness but with individual values of consumer choice and democratic deliberation. He argued for his NII proposals in a 1991 issue of Scientific American alongside other early Internet architects:

The unique way in which the U.S. deals with information has been the real key to our success. Capitalism and representative democracy rely on the freedom of the individual, so these systems operate in a manner similar to the principle behind massively parallel computers. These computers process data not in one central unit but rather in tiny, less powerful units.

Capitalism works on the same principle. People who are free to buy and sell products or services according to their individual calculations of the costs and benefits of each choice process a relatively limited amount of information but do it quickly. When millions of individuals process information simultaneously, the aggregate result is incredibly accurate and efficient decisions. . . . Communism, by contrast, attempted to bring all the information to a large and powerful central processor, which collapsed when it was overwhelmed by ever more complex information. (Gore, 1991, p. 151)

This conflation of different scales—infrastructure and individual, personal computing and national markets—was not just New Democrat spin, but an overarching regulatory regime emphasizing market competition as the primary political calculus and market citizenship as the primary political unit. Nor was the anti-Communism simple cheerleading. Clinton and Gore (1993) positioned NII build-out and basic research into technologies of “commercial relevance” as the place to shift funds no longer required for Cold War militarization.

Because the Internet would necessarily exceed the boundaries of the United States, it was also posed as an instrument of soft power—especially within newly capitalist, post-Soviet states (Gore, 1994a)—to the benefit of U.S. software producers who supported the Clinton–Gore campaign and depended on English’s dominance as the language of commerce (Ferguson, 1995). The administration took this economic nationalism so seriously that Gore accused his 1996 vice-presidential opposition of “unilateral disarmament” for threatening to defund the Next Generation Information Infrastructure (Holland, 1996).
Internet infrastructure build-out was a crucial part of the administration’s plan to upgrade the workforce for an information economy. This New Economy was based on transmitting and manipulating information, but was not limited to software coding or computer manufacturing—it was post-sectoral. “Everyone will be in the bit business,” Gore said (1994a, para. 28). Within the “Technology for America’s Economic Growth” policy initiative, released a month after Clinton and Gore took office, any gaps in connectivity were a blow to the nation’s standing in the New Economy to the point where “schools can themselves become high-performance workplaces” (p. 14) to train tomorrow’s technologists.

“Because information means empowerment, the government has a duty to ensure that all Americans have access to the resources of the Information Age” (U.S. Department of Commerce, 1993, para. 25), a duty that, in the administration’s telling, Reagan and Bush had neglected. But that duty did not demand traditional Keynesian public works responses. The provision of access was meant to create new markets or better position American exporters in existing ones—not provide market alternatives. Funding requests for infrastructure build-out were not particularly large, certainly not sufficient stimulus for the early 1990s recession: $600 million for the High-Performance Computing Act, $100 million per year for the NII (U.S. Department of Commerce, 1993). The bulk of the $100 billion costs for extending the commercial Internet, with NSFNET infrastructure fully privatized in 1995, to every American would be borne by telecommunications firms incentivized by deregulation.

This mild Keynesianism was supported by an investment bloc of capital-intensive, export-oriented industries, especially high-technology companies felt to be competing with “Japan Inc.,” that needed the state to relax U.S. import tariffs for components, negotiate lower export tariffs abroad, educate a new generation of knowledge workers, protect intellectual property, and provide at least the groundwork for an internationally competitive communications infrastructure through new policies and institution-building (Ferguson, 1995). Donors from this sector, including lifelong Republicans such as John Young of Hewlett-Packard and John Sculley of Apple, formed the Council on Competitiveness and provided pivotal funding and public support for the 1992 Clinton–Gore campaign (Sims, 1992). Many of these elite donors were then recruited to the advisory council on the NII to advise the Secretary of Commerce on all matters Internet, an institutional project that cemented the Clinton administration’s links with high-technology companies and that set them apart from the corporate alliances that marked the Bush and Reagan administrations (Cate, 1994).

Speaking at the 1997 Microsoft CEO Summit, Gore emphasized the competitive advantages his public–private infrastructure project had borne and warned of isolationists and fiscal conservatives attempting to stymie his efforts. He was clear that extending access to all Americans was a key part of a rich and free capitalism. Whereas in the old economy “growth depended largely on capital and labor [and] the task of policy makers was to keep those factors of production in sync” (para. 23), in the New Economy, the main assets were ideas, “our core capacity as human beings” (para. 21), brought to market through the Internet.

While the New Democrats framed their technological investments against the "pure" laissez-faire of neoconservatives, their interpretation of poverty in the New Economy as a national crisis of competitiveness—and the proposed definitions of and solutions to that crisis—was strikingly similar to
neoconservative education reform frames. Secretary of Education Terrel Bell convinced Reagan to make education a conservative issue through 1983’s “Nation at Risk” report. It framed a decade of falling SAT scores, in an era when the pool of test-takers rapidly expanded, as a “rising tide of mediocrity” that left students so lacking in the skills needed in the global economy that “if an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war” (Gardner, Larsen, & Baker, 1983, para. 3). Then-Governor Clinton picked up this torch as chair of the 1989 National Education Summit, endorsing a national program of outcomes-based standards, charter schools, and a nationwide standardized testing regime that would survey the extent of the skills gap and allocate resources accordingly (Scott, 2011). Schools here were positioned not as welfare state social supports but as skills-training centers.

**Taking Measure of the Divided**

After the crisis was declared, it had to be mapped so that appropriate interventions could be identified—similar to the high-stakes testing regime that emerged from education reform. In this section, I explore how the digital divide frame characterized problems of poverty as problems of performance, specifically as underutilized human capitals in need of a federal push toward competition, and how that definition affected the measurement of stratified Internet access and explanations for it. I do not dispute the reality of these inequalities. Rather, I hope to show how the narrow framing of them led to a dominant understanding of access as the opportunity to compete in the New Economy. The digital divide measurement program highlighted a deficit of skills and tools as the main symptom of the problem of a lack of fitness in the New Economy. It operationalized what it meant to be in or out of the New Economy, on one side of the digital divide or another, and solutions to the problem, the carefully targeted interventions that would help the poor cross the divide, flowed logically from there.

For the administration, economic growth was a question of making adequate investments into human capital: the skills and abilities making up what Gore called our “core capacity as human beings,” those means of production internal to the laborer. The 1994 Economic Report of the President made human capital investment the second administrative priority after deficit reduction. Later, it is one of a list of investments the state must make, alongside fiber optics, or one that workers must make in themselves: “American workers must build the additional human capital they need as a bridgehead to higher wages and living standards” (Clinton & Council of Economic Advisors, p. 41). At other times this approach is implicit: the language of reskilling for knowledge work or connecting to online resources. Gaps in access were not crises just because PCs and Internet infrastructure are necessary fixed capital for the New Economy, but because these technologies permitted access to reskilling opportunities that increased individual human capital, access to new markets for the products of individual human capitals, and access to new markets for human capital. They made individuals competitive and allowed them to compete.

As Adamson (2009) discusses, human capital theory became a key concept for governance in the 1960s, as Adam Smith’s theory of the term was reassessed by a new generation of economists and as planners sought to incorporate domestic educational costs and international development projects into the neoclassical investment theories that drove macroeconomic policy. Defining human capital as productive skills and abilities fixed to a person demands a mapping of its distribution, and the effects of investment in
it, across increasingly larger scales and more fine-grained variables. Human capital theorists such as Gary Becker and Jacob Mincer provided the techniques to incorporate poverty management into a postwar political consensus focused on economic growth: Poverty, for postwar liberals, was undesirable largely because it was a drag on national productivity (Goldstein, 2013).

The Clinton administration was willing to countenance limited state intervention into the “natural” functioning of human capital markets because of a post-Cold War spending pivot and a burgeoning alliance with Silicon Valley. They were thus free to acknowledge that the market was not joining fixed capital computing resources to human capitals in need of upgrading quickly enough to transition U.S. workers to the New Economy. All this was before digital divide entered popular usage in 1996.

Although there is no consensus as to who coined the term, former White House staffer and MCI General Counsel Allen Hammond IV and Sesame Street Workshop cofounder Lloyd Morrisett probably used digital divide in the seven years between the passage of the High Performance Computing Act and the NTIA’s 1998 Falling Through the Net report (Eubanks, 2007). It appeared nowhere in the 1995 edition of that report. Clinton and Gore used it while campaigning in 1996, comparing their investment in America’s future with Dole and Kemp’s neglect of the same. Digital divide appeared in the full title of the 1998 Falling Through the Net report and four times, in quotations, in its text and more than 50 times in the 1999 sequel.

During Clinton’s presidency, the NTIA, a small wing of the Department of Commerce, released four increasingly larger, more fine-grained reports on the state of the digital divide in the United States in 1995, 1998, 1999, and 2000. At Gore’s request, the agency had asked for the Census Bureau’s monthly Current Population Survey to be updated to include household data on computer ownership and Internet and telephone subscriptions. Results were then cross-tabulated by income, race, age, educational attainment, and region. The NTIA, and its reports picked up by Clinton and Gore on the campaign trail, became a key institutional ingredient in the construction of the digital divide frame by treating stratified access as a chief symptom of, and thus universal access as a logical solution for, the poverty that haunted the overall optimism of the New Economy. It was here that the problem of human capital deficiency was operationalized.

The NTIA framed increased economic fitness as the goal of access and market competition as the means to extend access. The 1995 NTIA report found that poor, rural minorities were least likely to have a PC or modem, followed by poor Black residents of central cities; however, those positions were reversed when education was held constant. The report decried this because those "most disadvantaged in terms of absolute computer and modem penetration are the most enthusiastic users of on-line services that facilitate economic uplift and empowerment" (para. 10).

Gaps in connection rates between White and Black or Hispanic households, even with income held constant, grew from report to report, with the 1999 NTIA report labeling the digital divide a "racial ravine." This is another variation on the gap or canyon imagery of the early digital divide literature: a fissure borne of the New Economy, separating the "information disadvantaged" from opportunity on the other side (NTIA, 1995). Gore often asked audiences to consider opportunities for access not just in rich
suburbs, but also in nearby, poor, predominantly Black inner-city areas: Bethesda (Maryland) and Anacostia (Washington, DC), Brentwood and Watts (California; Gore, 1994c).

Each report ended by profiling the “least connected” who “lag further behind” and what they stood to gain through PCs and modems (NTIA, 1998). The 1999 NTIA report concluded, “While these items may not be necessary for survival, arguably in today’s emerging digital economy they are necessary for success” (p. 77), that “no one should be left behind as our nation advances into the 21st century, where having access to computers and the Internet may be key to becoming a successful member of society” (p. 80). Policy proposals were absent in the first report, but were included ever after. Over time, they gave greater weight to market diffusion of the means of access, but argued that time was of the essence and “community access centers” such as schools and libraries could act as temporary bridges for disconnected communities.

A focus on the number of Internet-connected PCs available—the most basic unit of this human capital mapping project—dominated the U.S. digital divide frame initially, but later coexisted with investigations of usage and skill, all broadly grouped under “access” (Epstein, Nisbet, & Gillespie, 2011). Access ultimately meant not skills or tools specifically, but the general opportunity to compete. Bringing the digitally divided online was an urgent problem not for reasons of human rights, religious obligation, or any of a variety of other possible frames, but because crises of gross domestic product were placed at the level of individual users and their PCs. Internet access could, for the Clinton administration, never be part of a broader poverty relief mission, because the broader institutional action frame for poverty emphasized individual responsibility and state action only in policing and incarceration. The NTIA’s measurement program had to justify itself on this terrain. Its first report claimed that

Once superior profiles of telephone, computer, and on-line users are developed, then carefully targeted support programs can be implemented that will assure with high probability that those who need assistance in connecting to the NII will be able to do so. (NTIA, 1995, para. 17)

The crisis of competitiveness was expansive, but the needs of the human-capital deficient needed precise measurement. Aid needed to be precisely targeted so that access would offer opportunities to compete and not handouts, as Pell Grants for prisoners were perceived to have been and as an extensive, federally funded and managed Internet infrastructure would surely have been.

**From Universal Service to Access to Opportunity**

The administration’s discussion of access solutions became a meditation on state limits. This final part of the frame made equitable distribution of these technologies the responsibility of deregulated markets, wherein competition would lower prices and extend access. This forced a reconsideration of the universal service mission—the provision of baseline connectivity to every citizen in the name of safety and political and economic participation—in telecommunications policy. Consistent with other contemporary neoliberal projects, state intervention would persist but only insofar as creating markets and securing competition in them. Community access centers would triage technological poverty in the meantime. In
this section, I review how this final portion of the frame was built and the master definition of access cemented: the opportunity to compete in the New Economy. Where the declaration of the crisis and the measurement of it nested technology policy within the larger institutional action frame for poverty through institutions such as the NTIA, the proposed solutions to that crisis necessarily invoked, and were delimited by, existing institutional action frames for corporate regulation and trade.

The administration repeatedly staked out the purpose and limits of the state during economic transitions. Press releases for the Next Generation Information Infrastructure even included Q&A sections asking why the government was involved at all (Clinton & Gore, 1996). This was posed as a reaction to a larger economic problem beyond government’s control. The NII Agenda for Action (U.S. Department of Commerce, 1993) described a new era in which “information is one of the nation’s most critical economic resources” in every industry trying to thrive “in an era of global markets and global competition” (para. 11). Its future priorities are listed under “Need for Government Action to Complement Private Sector Leadership”: tax and regulatory policies that promote long-term private investment, universal service, and research programs and grants that help the private sector build and demonstrate NII applications.

Laissez-faire is always an activist policy, charging the state with creating and protecting markets. Plans for a Global Information Infrastructure that would end the global digital divide hinged on the World Treaty Organization’s request for member states to privatize state-owned telecommunications (Clinton & Gore, 1995). Gore (1994b) compared the Global Information Infrastructure’s promise with the contemporary privatization of USSR telecommunications, arguing that “reducing regulatory barriers and promoting private sector involvement” (para. 4) allowed freedom of movement for information, capital, and democracy. Such forceful market creation is familiar from the North American Free Trade Act, which the Clinton administration instituted alongside Mexico’s Salinas government. The North American Free Trade Act was promoted as a development program for rural Mexico and the U.S. Rust Belt alike. Its results were lowered import barriers and the collapse of Mexican peasant agriculture through competition with U.S. (state-subsidized) industrial agriculture (Harvey, 2005).

Prioritizing market creation would seem to contradict the universal service mission that the 1995 NTIA Falling Through the Net report argued was “at the core” of U.S. telecommunications policy: There is always someone who cannot pay after all, always an area where new infrastructure is too costly. The United States’ universal service mission emerged from early 20th-century competition between the first telephone companies, which refused to connect to each other’s customers. The Congressional committee drafting the 1921 Willis-Graham Act admitted that “there is nothing to be gained by local competition in the telephone business” and permitted AT&T to form a monopoly eventually spanning the country (quoted in Loeb, 1978, p. 14). The 1934 Telecommunications Act created the FCC to regulate telegraph, radio, and telephone traffic and negotiate with AT&T over price controls and service quality (Kim, 1998). State-enforced private monopoly guaranteed universal service, exactly the sort of anticompetitive, Keynesian compromises the Clinton administration argued were upset by information technology. This conflict was resolved by selecting certain aspects of the universal service mission, particularly its identification of individual ownership of technology with democratic participation and economic uplift, for incorporation into a broader discourse of market creation and participation. Within the digital divide frame, this meant equitable access would be best facilitated not by monopoly, but by cross-media competition.
By the 1999 NTIA report, universal service was largely a stopgap measure for "high-cost areas" left out after a program of "expanding competition in rural areas and central cities" (p. 78). Here, in the last report with divide in the title, universal service is a question to be asked after pro-competition policies were realized. This was foreshadowed by a 1994 Congressional Research Service report showing that Gore’s original nine principles meant to guide NII policy were, a year later, cut to five. Gone was the explicit universal service principle, replaced with a new commitment to not create “information have and have-nots” (Smith, 1994).

This commitment registered not as universal service but as an emphasis, increasing over time, on triaging the digital divide through community access centers such as schools and libraries. In 1995, such centers were temporary “safety nets” in a “long-term strategy” (NTIA, 1995, p. 6). But by 2000, and despite a report 10 times the first’s length that stressed that “not having access to these tools is likely to put an individual at a competitive disadvantage” (NTIA, 2000, p. 89), the NTIA observed the increased use of libraries by the un- or underemployed without any judgment or policy proposal. It was a settled state of affairs. The later reports had a deterministic faith not only in the competitive boost information technology provided the poor, but also in the power of markets to extend those opportunities. Indeed, the 1999 NTIA report rewrote history to fit this frame, comparing Internet and telephone build-out and arguing that “high levels of telephone connectivity” were achieved primarily through “pro-competition policies at the state and national levels” (p. 77) supplemented by universal service subsidies—rather than the monopoly granted AT&T.

Universal service was always more of a political principle than a specific set of proposals and objectives, vulnerable to reframing. Crawford (2013) describes the 1990s reorganization of U.S. telecommunications as an anticipation of the possibilities of media convergence and a reaction to monopolies borne of Reagan-era rates deregulation. Trying to manage burgeoning oligopolies, the 1996 reform of the 1934 Telecommunications Act pursued universal service largely through further deregulation. Cross-media competition and ownership were permitted in all markets; local phone companies could offer long distance, cable companies could offer Internet, the Baby Bells borne of AT&T’s break-up had to let smaller companies offer services on their circuits, and all cable rate regulations were ended. This regulatory environment resulted, Crawford argues, in a series of oligopolies that gave U.S. consumers some of the slowest, most expensive home Internet connections in the developed world.

Internet access for schools and libraries was to be supported by the Universal Service Fund, administered by the FCC from taxes, the "e-rate" subsidy, collected from telecommunications firms—an easy target for court challenges (Hammond, 1998). There was no similar provision for households. Indeed, the FCC later argued that compelling firms to offer services of equal quality or speed in rural and urban areas “would undercut local competition and reduce consumer choice and, thus, would undermine one of Congress’s overriding goals in adopting the 1996 Act” (FCC, 1997, para. 79) and that equality should therefore not be considered as part of the universal service rubric. Where the 1934 original supported direct government intervention into the failures of market-based diffusion, the many-times-longer 1996 Telecommunications Act largely rejected such intervention as a distortion of the market.
At its core, the creation and protection of markets as a neoliberal political strategy relies on an institutional action frame in which more competition brings more winners and fewer losers (Dean, 2008). Clinton could promote the North American Free Trade Act while warning about the need for workers threatened by globalization to reskill because both were framed as competitive responses to New Economy stakes. This competition for competition was a core component of the New Democrats’ neoliberal revision of their party’s postwar social democratic agenda. It structured the digital divide frame so that no matter how access was operationalized, it still denoted an opportunity to compete in the global economy, best provided by competition to offer that opportunity.

**Conclusion: Framing the Future**

This shape for the digital divide frame was not inevitable, as Straubhaar and colleagues’ (2008) comparison of U.S. and Brazilian technology policy makes clear. They found that the Clinton administration focused primarily on physical access and framed technological stratification primarily in terms of economic opportunities lost in an inevitable moment of economic transition. The Brazilian inclusao social framework made access one part of a mission rooted in long-standing divisions based in race and class. It was thus an explicitly political framework lacking the Clinton administration’s technological and economic determinism. Brazil’s Cardoso government set the goals for access policy in their 1997 Green Book: new research initiatives in science and technology, distance learning, cultural preservation, telemedicine and the modernization of health systems, the construction of local e-commerce platforms, and technology education at all levels. The state was the primary actor in this frame, and the citizen in their community, rather than human capital in the market, was the primary site of intervention.

This naturally led to interventions different from those pursued in the United States. Brazil’s universal service fund collected 1% of telecommunications firms’ revenue, rather than the variable contributions levied on U.S. firms based on their own quarterly revenue projections. These funds were directed not only toward schools and libraries, but also toward direct infrastructure investment, assistive technologies for the disabled, and the creation of purpose-built telecenters providing wraparound social services through partnerships with local civil society groups. Local municipalities funded telecenters and provided technical support, civil society groups managed them, and the whole process was administered by a community council of local telecenter users who ensured that the initiative catered to local needs. Telecenters ran on open source systems to reduce licensing fees and maintain the spirit of democratic participation. National competitiveness was never entirely out of the picture but, because of a broader developmental state institutional action frame emphasizing historical inequalities, it was subordinated to community control and community empowerment.

A full comparison with other national and local access frames, and the public’s reception of them, is beyond the scope of this article. But this brief comparison should make clear that something like the Brazilian social inclusion mission could not fit, contra Selwyn (2004), within the U.S. digital divide frame, narrowed as it was around human capital measurement and national competitiveness. Indeed, the Brazilian framework was reminiscent of earlier U.S. political eras, such as when cable television was positioned as a “public information utility” that could act as one piece of Great Society urban policy (Light, 2001). In the digital divide frame, increased individual economic fitness could only be achieved through
telecommunications firms competing with each other—the furthest thing from a utility, or, indeed, the original sense of "universal service" in U.S. telecommunications policy. Both the Great Society and inclusão social were aimed at historical inequalities that demanded broad-based, redistributive public works responses. Such responses were beyond the digital divide frame, where new inequalities were borne of the problems of New Economy transitions, rather than long-term problems of deindustrialization exacerbated by punitive poverty politics.

"Digital divide" stuck in the United States because a frame announcing a national crisis of competitiveness, defined as a human capital deficit and resolved through public–private partnerships for access extension, created a fundamental definition of "access" that resolved the contradictions between a punitive, paternalistic poverty policy and the promise of the New Economy. If the opportunity to compete was made available by information technology, then investments in those opportunities—publicly encouraged but privately executed so as to not violate the sanctity of competition—were urgently required. Unfortunately, more competition creates not just more winners, but also more losers. Therefore, individual failures of competitiveness had to be excused as lacking initiative or improperly planning, whereas mass failures could be understood as populations surplus to New Economy requirements—thus justifying the expansion of the prison and workfare systems that paralleled Clinton-era digital divide initiatives and bounded their antipoverty aspirations.

In his final State of the Union address, Clinton (2000a) told the nation "We have built a new economy" (para. 3). Brought into office during a recession and after the collapse of the USSR, his administration was supported by export-oriented technology industries prepared to countenance mild state economic intervention that would catalyze private investment in Internet infrastructure and upgrade U.S. human capital stocks for the New Economy. This economic nationalism would create and protect markets and ensure participation in them, but it lacked the direct job creation or public works of prior Keynesian regimes. The digital divide frame managed the anxiety of flexible economic relations by positioning access not just as a tool or a skill, but also as the opportunity to compete in the global network. Even when the actual distributive mission of increased access narrowed over time, it continued to effectively frame the problems of poverty in the New Economy not as dislocation borne of deindustrialization or the retreat of the welfare state, but as the absence of investment—by state or citizen—in human capital and the technologies to grow and market it.

But the problem with an approach to equity based on sound investments in human capital is that a new set of investors can just as easily declare them unsound, which is what happened when George W. Bush entered office. His FCC Commissioner, Michael Powell, famously riffed on the persistence of the digital divide: "I think there is a Mercedes divide. . . . I'd like to have one; I can't afford one" (Labaton, 2001, para. 11). This signaled a shift that included prominent cuts to an Education Department program funding community access centers and a Department of Commerce program for underfunded organizations, such as food banks, attempting to modernize their infrastructure (Schwartz, 2002). In response, representatives of liberal think tanks such as the Benton Foundation argued that this political retreat kept the nation from leveraging sunken investments that could effectively mobilize human capital (e.g., Wilhelm, 2003). But the "Mercedes divide" comment was not fundamentally at odds with the frame set by the Clinton administration. Powell just held that this sort of capital investment was unnecessary to
increase individual or national competitiveness. The frame persists, even as the left edge of neoliberalism weakens and the right strengthens: Equity is still a problem of human capital investment, it’s just no longer worth investing in equity.

References


