# Electronic Democracy

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The 2017 World Values Survey documented a worrying shift in attitudes toward democracy. While in the 1930s and '40s about three-quarters of Americans said it was essential to live in a democracy, less than one-third of Millennials believe this today. In 1964, 76 percent of Americans had faith in the government to do what is right "always or most" of the time. In 2015, that figure fell to only 19 percent. The decline of faith in democracies parallels another trend: a 15 year decline in the global spread of democracies is the first significant reversal in this measure of engagement with democracy since the Warsaw Pact invasion of Czechoslovakia in 1968. All told, it's clear there is a growing crisis of faith in our democratic institutions and their seemingly limited capacity to address society's social and environmental challenges. However, the maturing field of "eDemocracy," once seen as a fringe endeavor, is revealing its depth and potential to address this crisis. eDemocracy (also known as digital democracy or Internet democracy) uses 21st-century information and communications technology to extend community engagement, expand suffrage and citizen agency, create real time decision making, rapidly aggregate opinion data, and pave the way for a shift from representative to more direct forms of democracy. This emerging movement holds many opportunities for impact investment to support a renaissance in political participation. eDemocracy has the potential to "refresh" and deepen democratic practices and systems of governance. Although we see five major challenges to overcome before an Internet-based, democratic system can take root, we have identified some promising solutions. We also propose an "ecosystem approach" (by which we mean holistically supporting a variety of related yet diverse investments) for impact investors to deploy capital at a systems change level to optimize multiple returns for shareholder and stakeholder alike. The world's current democratic institutions came into being about the same time as the telegram. But while Information and Communications Technology (ICT) has evolved, our systems of governance have not. We believe new forms of government decision making processes will play a critical role in addressing our world's many challenges. While the enormous reach and computational capacity of the Internet and the development of global-spanning social networks spur visions of a better democracy, these new forms of governance remain largely aspirational. Five main challenges to eDemocracy remain. Here, we outline each challenge, as well as recent developments that suggest that integrating eDemocracy with impact investing and innovative public policy may be the best method for overcoming many if not all of them. There is one caveat for the impact investor: No single organization or initiative—either public or private—has solutions to all five challenges. In fact, few touch on more than two. Therefore, we must view eDemocracy through the lens of an ecosystem that will, in time, integrate solutions across each of the following challenge areas. In the absence of a central organizing body or defined market demand, impact investors must deploy capital in a manner that best supports this integration.