

This text below was submitted to the Financial Times in line with their call for serious contributions on 19 January 2020. They replied on 24 January:

“The opinion editor has reviewed the piece, and has asked me to write back to you.

The piece raises an important issue, but unfortunately it doesn't fit well with the mix of subjects we're looking to cover in our pages right now.”

About two weeks later the FT published an article on this selfsame subject with thinking within the box as usual. At least they did not plagiarise.

Basic digital income to pay for public broadcasting and not-for-profit internet services

Paul Charles Gregory

A source of grievance in many countries is the fee imposed to pay for public broadcasting. In Germany, where every household must pay a hefty fee of over 200 euro, one low-paid woman, who had no radio, television or internet even, spent prison time for refusing, as she saw it, to finance celebrity footballers. Similarly if less drastically, in the UK scarce court time is lost to prosecutions of the poor for watching television without having paid the license fee.

The remedies proposed by opponents are financed by subscription or advertising. Further below I propose an alternative.

Meanwhile, in some countries the idea of providing citizens with a basic cash income for everyday expenses has gained currency if also many critics. Simultaneously, on the Internet, although much information, news and entertainment is available free of charge, many users are willing to make voluntary payments.

The underlying problem is that much needs funding which, for practical reasons, has to remain free at the point of access. Hence, as a universal solution, paywalls fall at the first hurdle. Advertising is unpopular as evidenced by the popularity of ad-blockers. Besides, much advertising expenditure now goes to the internet giants. Nor should it be forgotten that the advertising still has to be paid for by consumers, just further down the line.

Direct funding by government is anathema since governments will tend to fund whatever is uncritical of them rather than what people choose.

There is a 21st century solution which brings together the three threads. The principle is to provide, in return for payment of a universal but affordable license fee, a basic digital income which works in the manner of a vote.

Although the license fee or equivalent would remain compulsory, there would be no need to pursue in court those whose means are distinctly below the median. Many people even on modest income are perfectly willing to make voluntary payments, for example, for access to local news or else make donations to organisations, such as Wikipedia, which provide information services for free.

On payment of the license fee, households (or individuals, depending) would be able to securely register how they wish their contribution to be allocated. They might allocate a third to, say, the national broadcaster (in the UK the BBC), a third to a local online newspaper, and a third to Wikipedia or a similar provider of information over the internet. The allocation could, in time, be fine-tuned, so that, for example, the household awards the broadcasting levy only to public radio rather than television, or to cultural programmes rather than sports coverage.

The modest license fee proposed would not go far, and it is here that the notion of a digital income comes into play. A fee of one hundred (euros, pounds, dollars) would be boosted to two, three or, in time, four hundred. Where would this supplement come from?

At present, corporate spending on advertising is accounted for as an expense, which means that it enjoys a tax break. Ending this de facto subsidy would free up ample funds to finance the digital income supplement. Advertising constitutes in any case an attempt to distort markets by selective information and intrusive techniques, which means that it should, as a matter of public policy, be discouraged.

Some aspects of this design may need clarification.

The allocations household make are secret and do not involve subscriptions.

It might be proposed that the license fee should be abolished altogether. After all, citizens do not pay a fee in order to be able to vote. But by making (sufficiently affluent) people pay, they become aware of what is at issue and will be better motivated to register their preferences. Of course, there will be some who pay the statutory license fee but fail to register their preferences, just as there are some citizens who do not vote. This does not invalidate the scheme. But such individuals have later no moral right to complain about the public broadcasters or providers of other digital services.

There was talk above of allocating funds to the local press. With the rise of the internet giants, everywhere local newspapers have been starved of advertising revenue, with drastic consequences for reporting and therefore local democracy. The proposal would remedy this. National newspapers have not been included here because some would be too controversial and, in any case, they seem now to be self-funding.

One requirement for recipients of digital income is that they should be not-for-profit, which does not mean that employees and contributors should not be reasonably remunerated. A paid-for local print newspaper, for example, might carry advertising and make a profit, but its internet presence be free to users and free of advertising.