

Global Voter Media Platform

Mark Latham*

This draft: February 12, 2009
Links updated November 5, 2010
Future drafts at votermedia.org/publications

Abstract

Our existing media, both private sector and public sector, have inadequate economic incentives for serving voter interests in our democracies and shareowner interests in our corporations. As a result, we suffer from corruption and inefficient policies. To remedy this, we can create a new hybrid media sector, where organizations compete for funds allocated by voters. This would provide the financial support for media to build their reputations for critiquing politicians, directors and their policies, while remaining loyal to voters' interests. With more trustworthy information and insight, we will be able to use our voting power more effectively.

The blogosphere's recent growth and energy provide an ideal engine for launching this proposal. We can create a website platform for blog (and other media) competitions, one for each voting community in the world. Supported initially by donations, this system should prove valuable enough to voters that they will finance media awards from their community budgets. Early adopters of this proposal are likely to be smaller democracies like student unions and municipalities, followed eventually by co-ops, credit unions, associations, labor unions, then corporations and regional and national governments.

Tests of this system have begun in Vancouver Canada. This paper describes the economic rationale for the proposed reform, system designs tested so far, the results achieved, and strategies for the next stage of the voter funded media movement. It should make elected leaders (politicians, boards of directors) more accountable to voters and the public interest, thus helping to solve the daunting range of global problems that humanity now faces.

Contents

	<u>Page</u>
1. Proposed media funding system	2
2. Why create public interest media?	2
3. Implementing voter funded media in student unions	5
4. Why voter funded media differ from private sector media	7
5. Coordinating with government on media reform	9
6. Funding: sources and amounts	11
7. Voting system design	13
8. The future of voter funded public goods	16

** Mark Latham is a financial economist and founder of VoterMedia.org.
Email: [mark\[at\]votermedia.org](mailto:mark[at]votermedia.org). Phone: (604) 608-9779.
Postal address: 1755 Robson Street #469, Vancouver, B.C., Canada V6G 3B7.*

1. Proposed media funding system

We can reduce corruption and improve the policies of our governments and corporations by creating a better information system for voters. To that end, I propose building a website, here called Global Voter Media Platform (GVMP).

GVMP will not itself generate information, but will act as a conduit between information providers (media) and voters. Existing media have inadequate incentive for serving voter interests. GVMP will provide that incentive by letting voters allocate collective funds among various competing media. Any individual, group or organization, for-profit or non-profit, can enter these media competitions. They may use any means to communicate with voters directly, including internet, print, radio, TV etc. But since GVMP is a website, media will typically have at least a minimal web presence to connect with voters via GVMP.

In test implementations so far, blogs are the most popular medium for this type of competition. So this paper may refer to information providers as blogs, bloggers, or more generally as media. GVMP's user interfaces will show content from RSS feeds.

Parallel to each voting community in the real world (each democracy with voting citizens, each corporation with voting shareowners, etc.), there will be a voting community on GVMP. Ideally, these should have the same list of eligible voters. In practice, the GVMP voters' list will only approximate the real-world list, and become more accurate over time as data and statistical techniques improve, or if granted access to the real-world voter list.

Each GVMP community will vote continuously online to rank the media competing to serve its information needs. In the first release of GVMP, there will be no funding for media. The voted ranking will serve only to let community members know which media have the best reputations; the GVMP website will also show more content from the higher ranked media. In later stages, the top media will receive periodic cash awards.

I propose to organize GVMP as a non-profit with a board of directors elected by all its users. We will practice what we preach, by hosting a media competition to serve users' information needs when voting in the GVMP organization itself.

GVMP will be supported by donations of funds, labor and other resources, perhaps augmented by advertising and by fees for optional premium services. In the early stages we plan to attract funding from public-spirited individuals and foundations. But once this system has proved its value to voters, the main source of funding should be from the real-world organizations whose voters GVMP is serving.

2. Why create public interest media?

Our large power structures – governments and corporations – have helped us accomplish many positive things, but they seem to fall short of their potential. Their rate of failure on important problems remains high enough that we may question whether humanity can avoid increasingly

severe and widespread hardship in the next few decades. Symptoms of this failure are all too familiar: international conflict, environmental degradation, financial crises, corruption, inefficient public policies etc.

Why do governments and corporations so often fail to serve even the interests of their own voters? Citizens elect political leaders, and shareowners elect corporate boards. These voting mechanisms are supposed to encourage elected leaders to serve the voters' interests. But we can not exercise our voting power effectively if we don't understand what our leaders are doing. Most of us are too busy to investigate that ourselves, so we depend on the media to inform us. Thus the media are a key component of our democratic system of checks and balances.

However, many knowledgeable observers say that our media are inadequate and getting worse. To cite just a few:

This book is about how the media hurts America. More specifically, it is about the media crisis in the United States, a crisis in which we are seeing the deterioration of political journalism, if not its effective termination. The collapse of journalism spells disaster for any concept we might hold that this is a self-governing society, or even that citizens can fulfill the public role envisioned in our Constitution. (Nichols & McChesney, 2005, p. viii)

Journalists at all three American television networks with evening newscasts expressed worries that their news organizations would withdraw from the Iraqi capital after the November presidential election. They spoke only on the condition of anonymity in order to avoid offending their employers. (Stelter, 2008)

...the loss of daily newspapers is a significant threat to the future of our democracy. (Alterman, 2008)

The US newspaper industry is in a disastrous state. (Harris, 2009)

Economic analysis confirms that private sector media incentives are insufficient for serving the public interest:

...freedom of choice, understood in market terms, is an incomplete solution when we are dealing with a public good, like national defense or clean air. Information about public issues has some of the characteristics of a public good, even in an era with diverse options. ... It is well known that if we rely entirely on free markets, we will not have enough national defense and our air will be excessively dirty. ... Because of the 'public good' features of information, no single person has a sufficient incentive to pay for the benefits that he receives. The result is simple and clear: The market will produce too little information. (Sunstein, 1993, pp. 68-70)

Sunstein's conclusion may be best interpreted in terms of information *quality* rather than quantity. We can see that the market produces huge quantities of "information". But on public issues there is too little quality – too little trustworthy insight from expert professionals with reputations for loyalty to the public interest.

This analysis suggests that there is no point in blaming private sector media for such shortcomings. They don't give us better information because we won't pay them for it. Most of us are too selfish to pay individually for public goods, with our money or our time (e.g. watching serious journalism on TV). In a democracy, this is well known as the voters' free rider problem, also called rational ignorance or rational apathy.

The obvious solution is to pay for public interest media with public funds, as we do for other public goods like national defense. Thus we levy taxes to pay for public broadcasters like PBS in the USA, CBC in Canada, and BBC in the UK. So why hasn't this arrangement fulfilled voters' needs for political insight?

The problem is that government funded media organizations face an inherent governance conundrum: how to make them accountable to the public but independent of politicians? For most public spending, some degree of accountability is achieved by politicians debating spending priorities and voters choosing candidates they agree with. But if media are to fulfill their role of critiquing politicians, their effectiveness would be undermined by politicians actively reviewing and adjusting their public funding budgets. Thus considerable efforts are made to insulate public media funding from political forces. However, these efforts often fail:

The [Canadian] government, in the name of cost-cutting, has severely curtailed CBC Television and Radio, raising the suspicion that official Ottawa (whether headed by Liberals or Conservatives) resents the independence of the CBC journalists and seeks to curb their influence. (Fulford, 1998, p. 21)

Indeed, it is hard to see how political insulation is possible when the government appoints the CBC's president and directors. Likewise in the USA:

Our review also found evidence that suggests 'political tests' were a major criteria used by the former Chairman in recruiting a President/Chief Executive Officer (CEO) for CPB [the USA's Corporation for Public Broadcasting], which violated statutory prohibitions against such practices. (Konz, 2005, p. i)

When PBS broadcast muckraking programs such as 1970's *Banks and the Poor*, it sent some politicians into a tizzy. President Nixon vetoed the public broadcasting budget authorization in 1972 to express his displeasure. ... PBS eventually did get its funding, but with it public broadcasters got a clear message: be careful in the coverage of political and social issues and expect resistance if you proceed outside the political boundaries that exist in commercial broadcast journalism. (McChesney, 2004, p. 245)¹

¹ Similar conflicts of interest would inevitably plague any effort to use government influence to make private sector media serve the public interest. Nonetheless, media reformers have suggested such strategies:

The government might ... award 'points' to [broadcasting] license applicants who promise to deal with serious questions, to provide public affairs broadcasting even if it is unsupported by market demand... (Sunstein, 1993, p. 88)

The Down Payment on Media Democracy will provide meaningful review every three years, with clear guidelines for how broadcasters must serve their local communities. And the Down Payment will put stations that ignore the public interest on probation.

I'll tell you this: a station on probation will get serious about serving the public interest real fast! But if it doesn't, then it'll be 'good-bye license.' We'll give it to someone who has a personal interest in the public interest.

Even if political insulation were possible, public media would still lack an effective accountability connection to the public whose interests they are meant to serve. There is no one in a position to evaluate the overall performance of the CBC (for example), and raise or lower its budget in response to how well it serves the public interest. So the organization as a whole lacks economic incentive. One incentive they do have is their advertising revenue, but that pulls in the same direction as private sector media, with the shortcomings described earlier in this paper.

In spite of all these limitations, existing private and public media still play a valuable role in our democracies. But couldn't we do better? My proposal is to add a new hybrid media sector, with open entry and competition like the private sector, but publicly funded like the public sector. We can solve the public sector governance conundrum by letting voters allocate the funding among the competing media organizations. This makes the media accountable to citizens yet independent of politicians. As a specific example, the next section describes how voter funded media (VFM) has been put into practice at the University of British Columbia's student union.

3. Implementing voter funded media in student unions

In August 2006 I proposed to sponsor VFM in the annual elections for the University of British Columbia's (UBC) campus-wide student Alma Mater Society (AMS). The incumbent council accepted, so the world's first implementation took place in their next election, in January 2007.

UBC has 45,000 students. In a typical election, only about 10% of them vote. The five main AMS executive officers are chosen by campus-wide election each January. They are paid positions, earning about \$21,000 per year. Decision authority rests with a 40-odd member Council, which includes those five officers and student representatives elected by the various campus departments at various times.

In my earlier designs for corporate shareowners,² I had proposed that advisors be selected by vote, and then advise on voting decisions in the subsequent year. For student elections however, I recommended that competing advisors be invited to give voting advice first, in the hope of pleasing voters enough to be selected and paid afterward. Thus voting in the officer election, and voting to choose and reward voting advisors (media), would take place at the same time on the same ballot. It became a media competition with cash awards.

AMS Council created a committee to work with me on specifying exactly how VFM would be implemented. Several design changes evolved during that consultation. We agreed on an \$8,000 award pool, which I paid to the AMS in November 2006. We sliced the pool into eight prizes, from a \$1500 first prize to a \$500 eighth prize. There was an entry fee of \$100, mainly to discourage marginal entries who might overtax voters' and electoral candidates' time. Any individual, group or organization could enter except for electoral candidates and election officials. Entrants did not even need to be associated with UBC.

(Copps, 2008)

² E.g. see Latham, 2007a.

For this first test run, we chose a very simple voting design: one checkbox for each media contestant; students could check as many or as few as they liked. First prize went to the contestant with the most votes, second prize to the second most, and so on. This is a form of approval voting. It encourages media to appeal to as many voters as possible. And it virtually ensured that the entire \$8,000 pool would be given out.

To avoid government control of the media, there was no screening of entrants other than the \$100 entry fee. The media were not required to do anything; they could try to win votes any way they wished. It was announced as a media competition to encourage coverage of AMS issues, of electoral candidates, and of the other media. But students could vote for any media they preferred. The media contestants were listed on a central web page with a link to each contestant's website (if any).

The contest should ideally have been launched several months before the election, to give media contestants time to build their reputations among voters. But negotiation, approval and other preparations took so long that we ended up launching in early January 2007, just three weeks before the election. Nonetheless, the students and I felt it worthwhile to go ahead.

The competition attracted thirteen media entrants. Following the election, the student committee gathered feedback from many participants and reported back to AMS Council on the impacts of VFM.³ The contest brought forth some excellent new media, offering considerable breadth and depth of coverage of election issues and candidates. Media participation raised the level of debate among candidates.

Media award voting seemed to be influenced first by name recognition, then by election coverage, then by promotion (especially in print). Three of the top four award winners had existed as print publications for one or more years before the contest. The weblog Elections Insider (now called UBC Insiders, at ubcinsiders.ca), widely considered to have the best election coverage, only won seventh prize. Also disappointing was the contest's apparent lack of impact on overall voter turnout. These shortcomings may be attributable to the short three-week lead time. Thus the committee report recommended repeating the contest in the coming year, but launching in September 2007, five months before the election.

In spite of these good intentions, the subsequent year's implementation was also late to launch, in January 2008. Again I donated the \$8000 prize pool. The entry fee was raised to \$150, and we got 11 contestants. We tried a more sophisticated voting system, with a multiple-choice format. For each contestant, you could vote for an award of \$0, \$500, \$1000, \$1500 or \$2000. To tally these votes, we did not take averages, for reasons explained in section 4 below. Instead, we interpolated by \$100 increments, and found the percentile consensus level that would allocate the \$8000 pool.⁴

From my assessment of the January 2008 results at votermedia.blogspot.com/2008/02/ubc-vfm-results.html:

³ Voting results and links to their content: votermedia.org/ubc/Contestants2006-2007.html. Committee report: votermedia.org/misc/2007UBCVFMCommitteeReport.pdf.

⁴ Voting system explanation and spreadsheet: votermedia.org/ubc/InterpolatedConsensus.html. Voting results: votermedia.org/ubc/Contestants2007-200801.html.

“While voter assessments of media quality will never be perfect, we can see a substantial maturing of those assessments from January 2007 to January 2008.

The prime example is [UBC Insiders'](#) move from [7th place](#) to [2nd place](#). Their excellent content was not widely appreciated in January 2007 because they were new and VFM itself was new. But their continued blogging throughout 2007 spread their reputation, and a growing number of students participated in their comment discussions. By January 2008, students seeking insight into electoral candidates knew where to look, and were not disappointed.

Voters have also learned to catch on faster to media quality: new-in-2008 contestant [The Devil's Advocate](#) sprinted from nowhere to a 3rd place finish. ...

I'm also glad to see that VFM has induced a [healthy debate on the quality of competing media \[read comments\]](#). I hope the debate and the incentive to build reputation among voters will encourage a steady improvement in both new and established media.”

Now that we have described specific examples of voter funded media, let's return to some analysis of how economic incentives affect media output.

4. Why voter funded media differ from private sector media

One may wonder whether voter funded media would be similar to private sector media, since both are driven by mass consumer choice. Wouldn't people vote public funding to the same TV stations they already watch every day? This question will ultimately be answered by experiment, but the economic reasoning for the proposed reform predicts that citizens will vote for different media content than they now consume.

We choose different benefits in our collective decisions than in our individual decisions. Look at how we pay the cost of a police force. Even though we generally agree that we need a police force, we don't fund it by voluntary individual donations. Most of us aren't generous enough to pay individually for this public good. But most of us would vote (and do vote) to make everyone pay together through taxes, so that's how we fund it. We vote to make collective payments for collective benefits that we would not pay for individually. Likewise, I predict that the same citizens who buy *People* magazine at the checkout stand (entertainment = private benefit) will vote public funds for serious investigative journalism. This will support more insightful political media, as an alternative to the entertainment-oriented political coverage that now prevails, with its emphasis on smear campaigns, personalities, scandals, and portrayal of elections as horse races.⁵

Note that the benefit from media monitoring of public officials is not proportional to the amount of time people spend consuming that media output. We may benefit greatly from a detailed independent analysis of our tax system, even though we might not watch a one-hour TV special

⁵ These arguments are spelled out in more detail in Latham, 2007b, section 4.3, along with an intellectual history of related reform proposals.

on it (*boring!*). It can still affect voting recommendations, voting decisions, and future tax policy. Advertising revenue wouldn't support it, but voter funding would. Thus "voter funded *media*" is not the most accurate description of this proposed reform, which is more about content than media *per se*, and includes public policy analysis as well as investigative journalism.

For this collective choice mechanism to work, the voting system for media funding must reward competitors who appeal to a broad consensus of voters. However, some fund voting systems reward appeals to narrow interest groups. These include systems that allocate public funds by voucher or by average voted amount. For example, suppose we plan to allocate \$8000 of public funds to media competitors, and there are 2000 voters. That's \$4 per voter. A voucher system would let each voter allocate \$4 among the media competitors, who would receive the sum of allocated amounts. Thus I can allocate my \$4 independently from other voters. It's then in my selfish interest to favor media competitors who benefit as narrow a group as possible of which I'm a member. Broad collective benefits would tend to be neglected, and political debate in the media would continue to be as divisive as it is now. To limit the diversion of public funds to narrow interests, entry into the media competition would probably have to be restricted, thus empowering administrators and disempowering voters. Surprisingly however, voucher methods are advocated by some leading thinkers on media reform, campaign finance reform, and corporate governance reform.⁶

Voting systems that give each competitor their average voted amount are equivalent to voucher systems. For example, suppose I vote that \$8000 should be divided \$4000 to competitor A, \$2000 to competitor B and \$2000 to competitor C, and then my vote is averaged among the 2000 voters (i.e. divided by 2000). That's the same as giving me \$4 in vouchers which I divide \$2 to A, \$1 to B, and \$1 to C. So averaging systems are likewise to be avoided.

Instead we have tested a variety of voting systems, all of which encourage media competitors to attract support from as broad a range of voters as possible. Approval voting (described above for UBC 2007) rewards the media approved by the greatest number of voters. Interpolated Consensus (described above for UBC January 2008) distributes fund amounts to those media with the highest percent support for amounts adding up to the award pool. Other methods will be described in subsequent sections below.

We should ask whether voting systems that emphasize broad consensus might put minority interests at too great a disadvantage. This is such a complex question that in the end we will just have to monitor the results of our test implementations. But the open design of voter funded media competitions gives some cause for optimism. None of the designs we have tried are "winner take all". Funds are distributed to five or more of the top competitors. And barriers to entry have been modest, allowing a diverse range of media, each appealing to coalitions of interest groups. Winning media at UBC so far have included both left-wing and right-wing voices.⁷

Another serious concern for any democratic system is whether voters are willing and able to use it effectively. In particular here, how well can voters determine which media competitors are actually beneficial to the public? Voter evaluation of media will always be an imperfect process,

⁶ See McChesney, 2008, p.149; Ackerman & Ayres, 2002; Choi & Fisch, 2003.

⁷ Examples included The Knoll magazine on the left, and The Devil's Advocate on the right.

just as it is in our existing systems. The reputation of a media organization is probably the most helpful guide for voters who are too busy to study media quality in detail. But since media quality is a highly subjective judgment, how accurate can reputations be?

Where product quality is hard to judge, competitive organizations may grow large so as to give consumers bigger statistical samples on which to base reputational judgments. Thus automobile and personal computer manufacturers tend to be large. Although I know little about cars, I know that if I want to avoid breakdowns I can buy a Toyota. The statistical record on Toyotas has been unmistakable for decades. Especially where quality becomes apparent only after many years, it's important for an organization to have a track record that is not only broad but also long.

Likewise we can expect voter funded media organizations to expand and gradually build stronger reputations. One organization can serve many democratic communities. The quality of advice on politics and public policy is often best judged five years or more down the road. Thus the VFM movement should become more effective through time, as reputations become more accurately established.

Our private and public sector media organizations already have reputations, but we citizens lacked a competitive way of paying them for serving our collective interests, so they have lacked incentive to do that. VFM will encourage new organizations (and perhaps some existing ones) to invest in reputations for serving the public interest – investments that will pay them returns for years in the future. They are likely to advise voters not only on which politicians and policies to support, but also on which media to fund, thus providing a check and balance on each other and further improving the accuracy of media reputations.

5. Coordinating with government on media reform

There are substantial obstacles to implementing voter funded media: It is a new, relatively unknown idea, it costs money, and would upset entrenched power structures. Its beneficiaries (voters) are unaware of the potential benefits, their elected leaders would lose some power and autonomy, and established media would face new competition. These factors have so far prevented any application in corporations, where it was originally designed and proposed.

On the other hand, among the great number and variety of our voting communities, some will be more receptive to democratic media reform than others. By analysis and by networking, we can find those democracies where VFM has the best chance for successful early implementation. Once we prove the concept by experiencing its benefits in several democracies, we can build more support for subsequent applications. Consider all these possibilities: student unions, labor unions, associations, co-ops, credit unions, corporations, non-governmental organizations, political parties, municipalities, counties, states, provinces, countries. Which are the low-hanging fruit?

The larger the democracy, the harder it is for citizens to understand the issues at stake when they vote, and thus the greater potential benefit from publicly funded infomediaries. Conversely, the elected leaders of a 50-person democracy are typically known personally to all voters, and have little scope for abusing power. Such a small democracy would not need the information system

proposed here. Thus most homeowners' associations are probably too small for VFM to clearly show its value in the early years of this reform's development.

But a larger democracy's "powers that be" may be harder to persuade. Ironically, the more a community needs an anti-corruption measure, the harder it will be to introduce. In terms of size and openness to new ideas, a university-wide student council election may ideal for early VFM implementations. Students have little vested interest in the status quo, and enjoy exploring ways to change the world. These factors can explain why UBC's student union was the first to try voter funded media, as described in section 3 above.

A promising next step up could be municipalities.⁸ In May 2008, the first municipal voter funded media competition began in Vancouver Canada. Whereas at UBC I have been working hand-in-glove with the student council, for Vancouver municipal politics I launched VFM without even notifying the city council. I did this because there wasn't enough time before the upcoming election to go through a bureaucratic approval process, and I lacked contacts at city hall. But it turned out to be an advantage.

The Vancouver implementation of VFM showed that a great deal can be accomplished without government cooperation. I did not have the list of municipal voters; I had to build my own online ballot system and do my own promotion. As with UBC, I personally funded the media awards. Although voter participation was small, and I couldn't be sure they were all eligible Vancouver voters, those few who chose to vote seemed to allocate the awards intelligently to worthwhile community media – see votermedia.org/van/.

This opens up the possibility of implementing VFM on a global scale, since consultation and cooperation with each government is not necessary. The user interface and systems for adding media, processing votes and updating the ranking on the ballot would all have to be more automated than the half-manual methods I have used so far. A more attractive user interface could increase voter participation. So far my ballots just show a media ranking and a link to each one's website. Adding media content (from RSS feeds) could make it more interesting and informative for voters to return to the ballot repeatedly. For simplicity, the system could start without funding, and later invite donations. The large number of voting communities in the world will greatly increase the chance for the VFM movement to get started somewhere, demonstrate what it can do, and evolve by group learning from experimentation.

To uphold the principle of a free press, it is better if contest administrators do not screen the media entrants. VFM may be able to work even if any user can add any blog to any community's ranking. Blogs that are irrelevant or low quality should fall to a low position in the voted ranking, and most users need not look at the lowest ranked blogs. We could limit the number of blogs each logged-in user can add, perhaps publish the name of the user who added each blog, and develop user reputation measures based on votes received by the blogs they added.

Once a community's media ranking has got the attention of enough media and voters, they can encourage the government to provide funding and the official voters list.

⁸ Note that most student unions already fund newspapers, while most municipalities do not. Does this mean that student unions will be more open to VFM because the idea of publicly funded media is established? Or that municipalities will be more open to VFM because they need it more?

6. Funding: sources and amounts

The long run design of voter funded media is for the funding to come from the voters collectively – taxes in the case of a government, student fees if a student union, corporate funds if a corporation. This is the usual way of paying for collective benefits, including information services like public broadcasting, student newspapers, and proxy statements. Given the obstacles described in section 5 above however, other sources of funds can be very helpful in the initial stages of a VFM movement, to prove the concept. Once voters experience the benefits, political support for collective funding should grow. We can also start with unfunded blog rankings, and build a website that is more attractive for voters, automated, and scalable to a large number of voting communities.

Until 2009, all test implementations were funded from my pocket, but it's not very deep. The next stage of expansion will require other sources. Possibilities include other individuals, foundations, and governments. As a single individual funding, designing, negotiating and administering VFM in Vancouver, I have the simplest organizational structure possible. For more growth and flexibility though, a non-profit entity should be created to coordinate funding, oversight and administration.

Next I will summarize the implementations we have done so far, and correlate funding amounts with results achieved. Then section 7 below will describe the various voting systems used.

Community	Annual Budget	Eligible Voters	Contest Dates	Period	Total Awards	Entry Fee	# Entrants	# Voted in Contest
UBC s.u.	\$11 mm	45,000	2007-01	Annual	\$8,000	\$100	13	2,000
UBC s.u.	\$11 mm	45,000	2008-01	Annual	\$8,000	\$150	11	500
SFU s.u.	\$3 mm	25,000	2008-01 - 2008-03	Monthly	\$1,350	Waived	6	65
UBC s.u.	\$11 mm	45,000	2008-03 - 2008-06	Bimonthly	\$1,350	\$10/period	5	95
Vancouver	\$900 mm	300,000	2008-05 - 2008-11	Weekly	\$7,800	\$0	19	470
UBC s.u.	\$11 mm	45,000	2009-01	Annual	\$8,000	\$150	10	3,820

UBC s.u. = University of British Columbia student union (Alma Mater Society, AMS)

SFU s.u. = Simon Fraser University student union (Simon Fraser Student Society, SFSS)

Vancouver = City of Vancouver, Canada

UBC s.u. annual budget of \$11 million is big because it includes medical and sports fees.

Discretionary budget is about \$2 million.

We charged an entry fee in some contests so as not to overtax busy voters with too many contestants. In a weekly (or more frequent) contest however, ranking entrants on the ballot by the previous week's standings gives busy voters the option to focus on the top few; so the entry fee is not needed.⁹ Some costs of administering and publicizing the contest were paid from entry fees in the first two UBC implementations above. In the later three implementations, I did most of the administration myself, and for publicity depended mainly on the contestants to attract voters.

The above experimental sample size is small, so the inferences given below are just my subjective judgments. Furthermore, most of the contest voter turnout numbers are rough estimates, due to voter anonymity, software limitations, and not knowing how many contestants each voter voted on.

I will focus my discussion on the question of what is a reasonable minimum cost for a successful voter funded media implementation. The short answer: \$5,000 to pay \$200 in awards per week for 25 weeks leading up to an election.¹⁰ This may be enough for smaller democracies like student unions and municipalities up to about 100,000 people. For a larger city like Vancouver, it would probably take at least \$10,000 to make a worthwhile impact.

Costs for administration and publicity would be additional if not provided by volunteers. It's not clear how much funds should be spent on publicity. My view is that funding media awards buys publicity from contestants as they promote themselves, and strengthens the VFM feedback loop between voters and media. It may thus be more beneficial than other publicity spending.

Our implementations at UBC have had enough funds to significantly influence the media and political discussions (especially in blog comments). However, VFM has not yet had a measurable impact on voter turnout in elections there, which remain around 10% or less. Voting on media funding has an even lower participation rate. The 2,000-voter turnout in January 2007 was achieved by appending the media ballot onto the election ballot. In January 2008, an administrative error led to holding a separate round of voting on media one week after the election, resulting in the much lower 500 voter turnout figure. In March through June 2008, a new online voting system was tested, but its cumbersome voter registration process limited participation, along with the typically low level of student activity in summer at UBC.

So far, the influence of VFM has been only on a limited group of students who pay attention to student union issues. These are, however, the most important students to influence; through them, VFM can still benefit all students by improving accountability of elected leaders. In spite of generally low turnout for media funding votes, the results usually seem to support public interest media. Occasionally however, narrow interest groups seem to sway the results enough to direct awards to less public spirited contestants. Gradually building broader awareness of and participation in media voting should help counteract this over time.

⁹ In a blog contest with no entry fee, we could instead give blogs the option of paying for placement. To stand out from a proliferation of blogs, they could bid in an auction for prominent places on the ballot. If this is done in a transparent way, and the proceeds are used for awards in the same contest, it could be a net benefit to voters.

¹⁰ Compare this with the current level of collective spending on media by UBC students: a \$5 annual fee per student for their main newspaper, the *Ubyyssey* – over \$200,000; plus student union support of various other publications.

As to whether VFM has affected voting decisions, election results, or student government policy, these are also hard to measure. Based on observation of the voter funded media and discussions they host, my subjective judgment is that it has created enough new insight and public debate to have a positive impact on student government at UBC.

The test run of VFM at Simon Fraser University, however, was too underfunded and brief to have a significant influence there.

The Vancouver municipal VFM implementation likewise saw participation by only a small fraction of voters, but generated enough media interest that several leading media/blogs covered the competition and appealed for voting support from their readers.

In January 2009 this movement passed an important milestone: the first voter funded media competition financed by its voting community was launched by the UBC student union, with an award pool of \$8000.¹¹

7. Voting system design

We have tested many voting systems in the first two years of voter funded media implementations. This section of the paper will start by describing the system I propose for the first release of the Global Voter Media Platform, which aims to be easily scalable to a large number of voting communities, and which will only rank blogs without awarding funds to them. Then I will describe the voting systems we have tested for allocating awards, which could be adapted for later releases of GVMP when we start funding cash prizes. Eventually we can try various voting systems in different communities, to see which work better.

For the first release of GVMP, simple is best. I propose that we use approval voting: Each community's ballot shows an "approval" or "I support" button next to each media/blog that users have added to that community. Each voter can click the button next to as many contestants as desired. The blog with the most votes is then ranked first, and so on. This is similar to the way users vote at Digg.com, except there you vote on blog posts (news items), whereas at GVMP we will vote on blogs (news sources). News items are transient, while news sources are building long term reputations.

Users can change their votes at any time by voting again. We count the most recent vote from each user. Some might vote every day, while others might not refresh their vote for six months. With a constantly shifting mix of media/blog quality, recent votes should count more than old votes. For example, each current vote could get a weight of 1.0, and the weight of older votes decline linearly through time down to 0.0 at 50 days. I call this "vote decay". With an automated system, we could update the blog ranking daily.

The first-ever VFM implementation, at UBC in January 2007, used approval voting. But each student could vote just once, linked to the electronic ballot when they voted in the student union's annual election. The resulting media ranking mapped into cash awards for the top eight

¹¹ Results discussed at <http://votermedia.blogspot.com/2009/02/ubc-ams-vfm-voting-results.html>.

contestants, which had been allocated by a student committee from \$8000 that I donated. First prize was \$1500; eighth prize \$500.

For the second implementation, at UBC in January 2008, the student committee decided to further empower voters by letting them determine not only the blog ranking, but also how to slice the award pie. Again with an \$8000 pool, each student could choose one of five funding levels for each blog: \$0, \$500, \$1000, \$1500 or \$2000. Although each voter's choices were not constrained to sum to \$8000, an algorithm was devised to ensure that the aggregated consensus awards did sum to \$8000. After interpolating the \$500 steps into \$100 steps, the consensus vote percentage was found such that the sum of the blogs' awards at that percentile would be \$8000. Details are linked at votermedia.org/ubc/Contest2007-2008.html.

Community	Dates	Period	Total Awards	Entry Fee	Voting Platform	Voting System	Govt Involved
UBC s.u.	2007-01	Annual	\$8,000	\$100	Election ballot	Approval	Yes
UBC s.u.	2008-01	Annual	\$8,000	\$150	Election ballot	Interpolated Consensus	Yes
SFU s.u.	2008-01 - 2008-03	Monthly	\$1,350	Waived	Course mgt system	Median of 0-10 rating	Slightly
UBC s.u.	2008-03 - 2008-06	Bimonthly	\$1,350	\$10/period	Course mgt system	Condorcet ranking	Yes
Vancouver	2008-05 - 2008-11	Weekly	\$7,800	\$0	Survey Monkey	Various	No
UBC s.u.	2008-01	Annual	\$8,000	\$150	Election ballot	Interpolated Consensus	Yes

An important development in VFM design was the transition from an annual media funding ballot appended to the annual election ballot (at UBC), to a continuous year-round online media funding ballot that is not linked to an election ballot (at SFU, UBC and Vancouver). This transition promises substantial benefits, but comes with considerable costs. It remains to be seen how the pros and cons will play out, but I'm optimistic about the continuous voting system.

Citizens need the media to keep an eye on politicians all the time, not only before elections. A continuous feedback loop between media and voters is ideal for supporting and encouraging journalists to fulfill this monitoring role. VFM is a new interactive group learning mechanism. Voters learn from each other which media they should read. It takes many cycles through the feedback loop for all participants to find out how best to use the system. If we only run one cycle per election, it will be years before we get the full benefit. Thus continuous voting and frequent (e.g. daily) tallying should improve the chances for a successful VFM implementation.

Building a new online voting system takes some resources, but is not the main drawback of separating media voting from election voting. Rather, the greatest challenge seems to be getting enough voter turnout for a meaningfully representative democratic decision on media funding. It is always hard to persuade citizens to vote, since individual incentives are typically lacking. Most democracies make a considerable effort to encourage turnout for elections, so attaching the

media vote to the election ballot takes advantage of this effort. The meager turnout in continuous voting so far was discussed in section 6 above. Below we will look at design and publicity strategies to help solve this problem.

For Simon Fraser University's student union in January to March 2008, I built a continuous online ballot using the university's course management system. A professor approved my access to create a noncredit "course" with no class meetings, where I could give a "quiz" which was actually the ballot for voting on a list of blogs. Thus media voting was conducted separately from the annual election vote. Each student could rate each blog on a scale of 0 to 10. Votes were aggregated by taking the median of each blog's ratings. Highest median got first prize, etc. The award pool was sliced up into five prizes in advance by the contest administrator.

The third implementation at UBC likewise used their course management system for continuous online voting, with five prizes set by the administrator. Each voter ranked the blogs (first choice, second choice etc.), and an aggregate ranking was found by a sequential Condorcet method.¹²

I tried several different voting systems in the weekly online Vancouver municipal politics media/blog competition (May through November 2008).¹³ I built the ballots and administered voting using templates on the website SurveyMonkey.com. Several of the systems involved voting on incremental adjustments to the previous week's ranking, such as choosing one of these three options for each blog: "move up", "stay", or "move down". But I found it difficult to aggregate votes and translate them to rerankings in a systematic and logical way. So I tried a method similar to "Interpolated Consensus" used in UBC's second implementation (January 2008); but instead of multiple choice, each voter could type in any dollar amount for each blog. Then a consensus percentage level was found such that awarding that percentile's amount would exactly allocate the award pool. On the last two weeks however, I reverted to simple approval voting, in part to test the proposed voting system for Global Voter Media Platform.

I don't think it's worth the effort at this point to analyze and compare all the above methods in detail, with so little experimental data. Simple approval voting seems wise for the first release of Global Voter Media Platform, and we are likely to learn much more from that implementation since we will use it in multiple voting communities. We can plan the subsequent step after learning from those results.

Instead of using course management systems or SurveyMonkey.com, building a custom website will enable us to greatly enhance the user experience in blog voting. For example, user IDs (for those voters who want them), passwords and cookie placement will permit automatic login on return visits. RSS feeds can bring in current blog content to be displayed on the ballot. Stored preferences can take users directly to their primary voting community; and so on. This should increase website traffic and voter participation.

8. The future of voter funded public goods

¹² See votermmedia.org/ubc/Contestants200803-200806.html.

¹³ Details at votermmedia.org/van/updates.html.

It is difficult to predict the impact of the proposed Global Voter Media Platform (GVMP), because it aims to reform democracy at such a fundamental level. It would create a new type of check and balance on political power. But to help us plan, design and adapt this media voting system, we must try to anticipate where it will lead us.

We plan to give participants considerable freedom in how they use GVMP. They can add any blog to any voting community's ballot. They can base their voting decisions on any criteria they choose. Bloggers can write whatever they want. This freedom is partly to prevent censorship by system administrators, and partly to save on administration costs. But can we reasonably expect the public interest to be served effectively by such an unorganized system?

Some users (and groups of users) will try to pursue their narrow interests in ways that do not serve (or that harm) the voting communities whose ballots they are using. This may be just for the fun of messing things up, or to spread a small group's political views, or to make money. For the system to work coherently, we need enough breadth of voters to counterbalance each other's narrow interests, leaving us with consensus decisions (blog rankings) that serve broader interests. Especially in the early stages of GVMP, narrow interests and frivolous inputs are likely to prevail temporarily in some blog rankings. Compounding the problem, "bad" users may drive out "good" users: why revisit a web page that's full of junk?

Our tests of voter funded media in the past two years suggest that we can expect enough coherence in voting to support public interest media most of the time. As more people hear about GVMP and start voting, it will become harder for narrow interests to win. We should also be able to gradually improve the system's noise filtering techniques, such as limiting how many blogs each user can add per week.

We plan the first GVMP release to focus on the Vancouver (Canada) metropolitan area, where many political bloggers and blog readers have already been participating with voter funded media. This will include 21 municipalities, several universities and colleges, credit unions (including Canada's largest, VanCity), co-ops (including Mountain Equipment Co-op which has expanded nationally), the British Columbia Automobile Association, labour unions and many more. Such a variety of democratic groups gives plenty of scope for expanding participation vertically (same user in multiple communities) as well as horizontally (more users and more communities).

The multiplicity of voting communities in one urban area should also encourage the development of blogger teams who build broad reputations for serving voter interests. If a team can establish a culture of quality that persists beyond the contributions of any one of its members, their group reputation can last long enough to become dependable and known to many voters. People can learn to trust the group blog's content. Then as GVMP usage spreads to other geographical areas, such teams can expand to become new media organizations. But growth and high quality probably require professionalism and funding, especially if we want to attract and influence existing mainstream media as well.

We plan to solicit donations from individuals, foundations, and voting community governments. Donors can specify which community's blogging contest they would like to fund, and/or donate for GVMP development and administration. Like most people, elected leaders typically do not

like to be criticized, so may not be eager to fund GVMP. However, once their voters learn how they benefit from funding media, they may push their elected leaders to donate government funds. Some governments (e.g. Canada, UK, and many student unions) already fund public interest media, so the general principle is already established. Voter-directed funding would create competition for these public funds, thus encouraging media to be more responsive to the public interest. Public funding for political campaigns is justified by the same broad principle of public interest information, and its cost/benefit can be compared with that of voter funded media competitions. Citizens may benefit more from funding competing media than from funding political parties.

Judging from the steady resistance to voter funded media proposals so far from corporate management and institutional investors, corporations are not likely to be early adopters for GVMP funding. This may eventually require pressure from the individuals on whose behalf the institutional investors buy and vote shares. Empowerment initiatives such as ProxyDemocracy can help individual investors encourage institutions to serve their clients' interests.¹⁴

A great advantage of an automated web-based system for GVMP will be the ability to copy and scale the application to all voting communities in the world. The crucial feedback loop where media inform voters who then vote funding to media will have thousands of possible places to get started. Once voters see the benefit in some communities, it can easily spread to others. With limited initial funding from charitable donations, GVMP can demonstrate its benefits first in smaller democracies; but eventually we aim to tackle national politics.

By increasing the accountability of elected leaders in our governments and corporations, we can expect GVMP to have a long term positive impact on the policies of these organizations, and thus a pervasive positive influence on human society. Elected leaders can look to voter funded media for help in educating voters to support "bitter medicine" policies that seem unattractive in the short run but are actually beneficial in the long run. We need no longer be so limited to policies with superficial popular appeal. Improved accountability will give voters more assurance that the bitter medicine argument is not just an excuse to exploit them for the elite's benefit.

If we learn to trust and fund competing media organizations, their functions may grow beyond informing and guiding our voting. With their arm's-length separation from elected leaders, they could become the audience of choice for whistle blowers. They might provide other public benefits such as consumer information, public policy research, antitrust monitoring, funding the creative commons, headhunting for election nominees, review of legislation, and other services now provided by governments. In effect, budgeting by voter consensus could open a door to entrepreneurial competition in the public sector. Voter funded organizations could also develop and propose further reforms to our political and corporate systems.

If voter funded media become large and influential, existing power structures are likely to evolve and adapt in response. An important role of political parties is to simplify voting decisions by building brand reputations. Many citizens vote by choosing their preferred party. Voter funded media could assume some of that role, and compete with parties for voter trust and allegiance.

¹⁴ See Latham, 2007a, and www.proxydemocracy.org.

Political reform within countries can improve relations between countries. If citizens are easily fooled, their elected leaders may gain popular support by exacerbating conflict with external “enemies”. But if voters learn to trust their funded media, they may recognise that their long term interests are better served by compromise and cooperation rather than conflict. Reducing the corruption in democracy may also make it more attractive for countries that have not yet chosen to become democratic. International political convergence and consensus should help us tackle global issues like climate change, poverty and population growth. Maybe the next few decades won’t be so bad after all.

References

- Ackerman, B., & Ayres, I. (2002). *Voting with Dollars: A New Paradigm for Campaign Finance*. New Haven, CT: Yale University Press.
- Alterman, E. (2008, July 16). I Read the News Today... Oh Boy. *The Nation*. Retrieved February 2, 2009 from www.thenation.com/article/i-read-news-today-oh-boy
- Choi, S., & Fisch, J. (2003). How to Fix Wall Street: A Voucher Financing Proposal for Securities Intermediaries. *Yale Law Journal* 113(2), 269-346.
- Copps, M. (2008, June 9). FCC Commissioner Michael Copps Speaks at National Conference for Media Reform. *FreePress.net*. Retrieved February 2, 2009 from www.freepress.net/node/41785
- Fulford, R. (1998). Tensions in Canadian Journalism. In Donna Logan (Ed.) *Journalism in the New Millenium*. Vancouver, Canada: Sing Tao School of Journalism.
- Harris, P. (2009, January 11). America's most revered newspaper is latest to be hit by financial woes. *The Observer*. Retrieved February 2, 2009 from www.guardian.co.uk/media/2009/jan/11/new-york-times-credit-crunch
- Konz, K. (2005). *Report of Review: Review of Alleged Actions Violating The Public Broadcasting Act of 1967, as Amended*. Corporation for Public Broadcasting, Office of Inspector General, Report No. EPB503-602. Retrieved February 2, 2009 from www.cpb.org/oig/reports/602_cpb_ig_reportofreview.pdf
- Latham, M. (2007a). Proxy Voting Brand Competition. *Journal of Investment Management*, 5(1), 79-90. Available at www.votermedia.org/publications
- Latham, M. (2007b). Voter-Funded Media: Governance Reform for Democracies and Corporations. Working paper. Retrieved February 2, 2009 from www.votermedia.org/publications
- McChesney, R. W. (2004). *The Problem of the Media: U.S. Communication Politics in the 21st Century*. New York: Monthly Review Press.
- McChesney, R. W. (2008). *The Political Economy of Media: Enduring Issues, Emerging Dilemmas*. New York: Monthly Review Press.

Nichols, J., & McChesney, R. W. (2005). *Tragedy and Farce*. New York: The New Press.

Stelter, B. (2008, June 23). Reporters Say Networks Put Wars on Back Burner. *New York Times*. Retrieved February 2, 2009 from www.nytimes.com/2008/06/23/business/media/23logan.html

Sunstein, C. (1993). *Democracy and the Problem of Free Speech*. New York: The Free Press.