

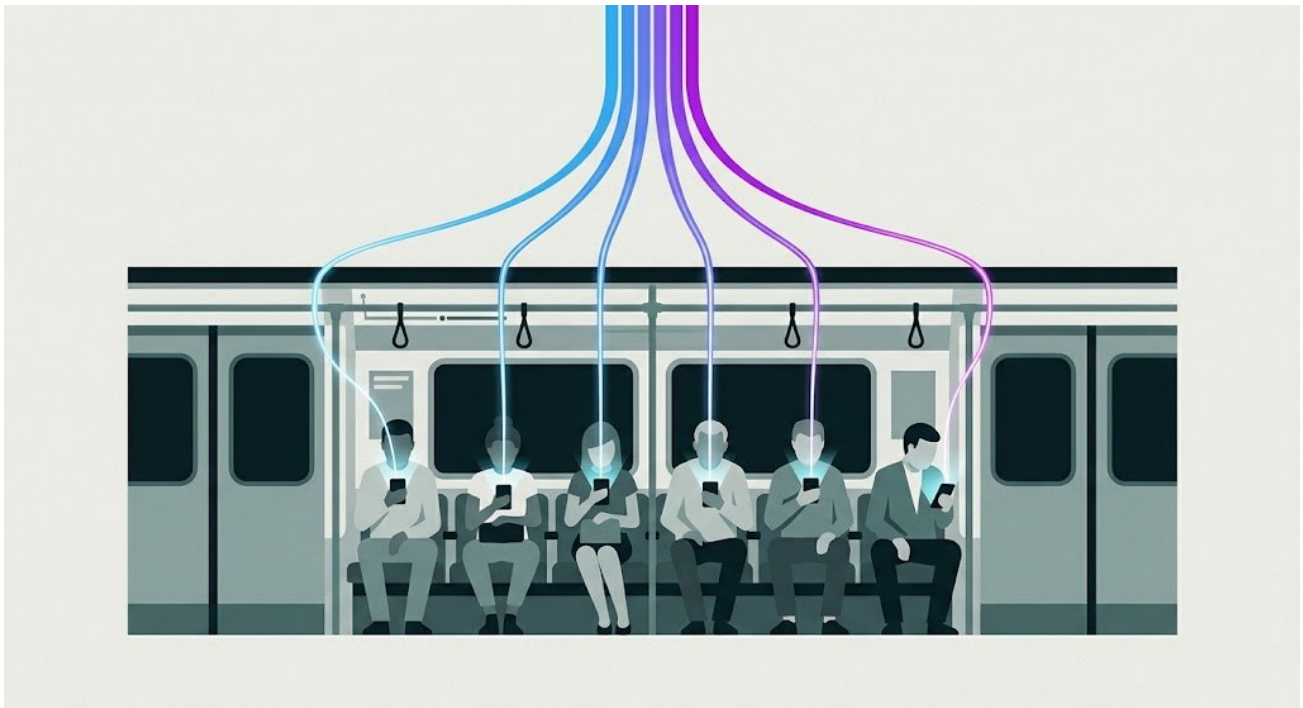
Who Pays for Free?

An argument about the things you are given at no charge, and what they cost.

5 min read

Before you read

- **monetise** — to turn something into a source of revenue
- **incentive** — a reason built into a system that pushes behaviour one way
- **engagement** — in technology, the measured time and attention a product captures
- **subsidise** — to cover part of a cost so the user pays less than it takes to provide
- **inadvertent** — not intended, though caused all the same
- **regressive** — falling hardest on those with the least



Attention leaving the carriage — the currency the passenger actually pays in.

¹ There is an old and useful rule for reading advertisements: if you cannot see what is being sold, look again. On a train out of London Bridge, almost every screen in the carriage is running software that nobody in the carriage has paid for. The messaging app is free. The maps are free. The video feed is free, and so is the search box, and the encyclopaedia, and the email.

² None of it is cheap to build. Somebody is paying, and the interesting question is not who, but what that payer wants in return.

³ The standard answer is that advertisers pay, and the user supplies attention and personal data in exchange. That answer is correct and slightly too comfortable, because it describes the transaction as

though it were a swap agreed between two parties. It is better understood as an incentive structure, and incentive structures shape products whether or not anyone intends them to.

⁴ Consider what follows from the arrangement. A service funded by subscription earns more when users find it valuable enough to keep paying. A service funded by advertising earns more when users spend longer inside it. Those two targets overlap, but they are not the same target, and where they diverge the second one wins — because it is the one being measured.

⁵ This is why features that nobody asked for keep appearing: the automatic next video, the notification about an account you do not follow, the feed that reshuffles so the end is never reached. None of these makes the product better at its stated job. Each makes it better at the job it is actually paid for.

⁶ Note that this argument does not require anyone to behave badly. There is no villain in it. A team optimising honestly against the number they have been given will arrive at the same designs as a team acting cynically. That is what makes incentive arguments stronger than accusations: they survive the discovery that everyone involved is decent.

⁷ The counter-argument deserves a proper hearing, because it is strong. The advertising model has put tools of real power into the hands of people who could not possibly have bought them. A student in Kuala Lumpur, a farmer in Kenya and a banker in Frankfurt open the same map, the same translation engine, the same archive of human knowledge. Under a subscription model, two of those three are priced out. A free service paid for by advertising is, in that specific sense, among the most effective subsidies ever built — the wealthy user's attention is worth more to advertisers, and so helps fund access for everyone else.

⁸ Any honest critic has to hold both of these at once. The model expanded access enormously, and the model rewards capturing time rather than delivering value. Both are true. Arguments that mention only the first are advertising; arguments that mention only the second are scaremongering.

⁹ What follows from holding both? Not, probably, that everyone should pay for everything — that reverses the one clear achievement. The narrower conclusion is that the cost is real, is paid in attention rather than money, and is distributed unevenly. A reader with time to spare pays little. A student with an examination in April pays a great deal. A cost that falls hardest on those who can least afford it has a name in economics, and the name is regressive.

¹⁰ None of which decides what anyone should do on a train out of London Bridge. It only establishes the thing worth knowing before deciding: nothing in that carriage is free. The price is simply not denominated in pounds.

Part A Multiple choice

Circle the letter next to the best answer.

1. The writer's main claim in paragraphs 3 and 4 is that
 - A advertisers deliberately design products to waste users' time
 - B funding by advertising creates an incentive to maximise time spent, not value delivered
 - C subscription services are always better than advertising-funded ones
 - D users do not understand that their data is being collected
2. Why does the writer insist in paragraph 6 that "there is no villain" in the argument?
 - A To avoid legal difficulty in naming particular companies
 - B To suggest the problem is too small to matter
 - C Because an argument from incentives holds even if everyone involved acts decently
 - D Because he has no evidence of anyone behaving badly
3. Paragraph 7 is best described as
 - A a concession that presents the opposing case at its strongest
 - B a digression unrelated to the main argument
 - C a restatement of the writer's earlier claim in new words
 - D an example chosen to ridicule the opposing view
4. The word "regressive" in paragraph 9 is used to describe a cost that
 - A decreases over time as technology improves
 - B returns the user to an earlier, worse state
 - C is paid in data rather than in money
 - D falls most heavily on those least able to bear it

Part B Written response

Answer in two or three sentences. Refer to the passage.

5. Explain in your own words the difference the writer draws in paragraph 4 between what a subscription service is rewarded for and what an advertising-funded service is rewarded for.
6. The writer lists three features in paragraph 5. Explain how these examples support the claim made in the paragraph before them.
7. Paragraph 7 argues against the writer's own position. Explain why including it makes the overall argument harder to dismiss.

8. Identify the sentence in paragraph 8 that sets out the writer's standard for honest argument, and explain what it demands of a reader.

9. The final paragraph refuses to tell the reader what to do. Explain what the writer claims to have established instead, and why he stops there.

Part C**Think deeper**

There is no single right answer here. Take a position and support it with evidence.

10. The writer calls advertising-funded software "among the most effective subsidies ever built". Is that description fair? Argue a position using evidence from the passage.

11. If the cost of free services is regressive, does that create an obligation on anyone to act — and if so, on whom? Set out your reasoning.

12. The writer argues that incentive-based criticism is stronger than accusation because it "survives the discovery that everyone involved is decent". Test that claim against another situation you know about.

13. Suppose every free service in the carriage switched tomorrow to a small monthly fee. Predict two effects, and say which groups would gain and which would lose.

Answer key

For parents and teachers

Part A

1. B — incentives reward time spent over value | 2. C — the argument holds even where everyone acts decently | 3. A — a concession stating the opposing case at its strongest | 4. D — falls hardest on those least able to bear it

Part B

5. Subscription revenue depends on the user judging the service worth paying for, so it rewards perceived value.

Advertising revenue depends on time inside the product, so it rewards duration. Credit any answer that identifies the measured quantity as the decisive difference.

6. Each feature increases time spent without improving the product at its stated purpose, which is exactly what the incentive argument predicts. Strong answers note the examples are offered as a test of the claim, not as decoration.

7. By stating the opposing case in its strongest form and granting that it is true, the writer removes the easiest objection to his own argument. Accept answers framed as credibility, fairness or pre-emption.

8. The sentence distinguishing advertising from scaremongering. It demands that a reader hold two true but opposed facts at once and distrust any argument that presents only one.

9. He claims only to have established that the service is not free and that the price is paid in attention. He stops because the decision depends on the individual reader's circumstances, which his argument does not cover. Accept answers noting this restraint strengthens his credibility.

Part C

These answers vary. Mark the reasoning, not the conclusion.

10. Look for engagement with the specific mechanism — wealthier users' attention being worth more, cross-funding access. A strong answer either defends or attacks that mechanism rather than the word "subsidy" in isolation.

11. Any assignment of responsibility is acceptable — companies, regulators, schools, individuals — provided it is justified. Weak answers name a party without explaining why that party and not another.

12. Requires transferring the structure of the argument to a new case. Reward the fit of the analogy; a well-chosen example that partly fails, with the failure noticed, is a stronger answer than a neat one.

13. Two effects plus named winners and losers. The expected strong answer identifies loss of access for lower-income users against reduced engagement-driven design, and does not treat either as costless.

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