

Opinion **Misinformation**

What to do when the ‘public good’ of information goes bad

The creation and dissemination of reliable news is at an economic disadvantage

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Just like rivers or the air, the knowledge society shares and uses can become polluted © Getty Images

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Published MAR 30 2026

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The creation, communication and exploitation of knowledge are the defining abilities of

human beings as social animals. These capacities, more than anything else, made them masters of the planet. This makes our tools of communication — from language to writing, printing, telecommunications, radio, television and now the internet — the defining technologies of their eras. Their invention and use have shaped not just what we can do at any time, but who we are.

New technologies of communication transform society. As the late [Jürgen Habermas](#) argued, liberal democracy, [now in peril](#), was the child of the book, the pamphlet and the newspaper. The digital technologies of our time are similarly transformative.

Unfortunately, along with many gains, they bring huge potential harms that today threaten the health of our societies. These harms are not theoretical; they are all too visible.

Knowledge is in the language of economics, a “public good”. This means that, if it is publicly available, it will be potentially available to everybody and also that everybody can have it without anybody being deprived of it: technically, it is “non-excludable” and “non-rival”. Knowledge, as is sometimes said, “wants to be free”. Indeed, given today’s technology the marginal cost of disseminating information is essentially zero.

Over the past 30 years the internet has become the dominant source of information

Share of population (%) using the internet. Country groups (dashed) and selected countries

World High income Upper middle income
 Lower middle income Low income US China
 India

100 _____

FINANCIAL TIMES

Source: World Telecommunication/ICT Indicators
Database, International Telecommunication
Union; World Bank

Yet creating true information is not free at all. This creates a huge market failure: the creation and dissemination of reliable information is at an economic disadvantage relative to the creation and dissemination of fabrications. The public good of knowledge can readily turn into the public bad of confident ignorance or, worse, raging prejudice.

Thus, just like rivers or the air, the knowledge society shares and uses can become

polluted. Worse, this can be a very profitable business. It is not hard to think of contemporary examples. Above all, if there is a market failure, competition alone will not cure it. Free speech is an important attribute of a free society. But, on its own, it does not guarantee reliable truth. Rivers of cheap lies can all too easily drown the costly truth.

Current technologies make the problem worse than before, in fundamental ways. Thus, while the creation of reliable information remains expensive and quite hard to monetise, the driver of the social media businesses, the dominant publishers of our age, is the attention posts gain. [Disseminating lies and frauds can be good business](#). Worse, [disseminating posts that make people's lives unbearable](#) can be a good business. I cannot think of any theory that views this as a legitimate market activity. Artificial intelligence seems likely to worsen our collective plight by creating “perfect” frauds of all kinds.

So, what is to be done? There are three broad complementary options: subsidisation of the

creation and spread of reliable information; protection of intellectual property; and changing incentives.

Governments already subsidise scientific research, as they should. Another area is the media. In the case of the UK, two big issues have recently been raised. One, as the former editor of the FT Lionel Barber [has noted](#), is the future of the BBC. In my view, all large-scale media businesses should have public service obligations, because that would force them to provide the public good of high-quality information. If that is impossible, we have to protect the public service broadcaster we have. It is imperfect: all organisations are. But the role it plays remains vital. I would add that in the area of TV news, it is also vital to avoid a British version of Fox News. But this, as [Alan Rusbridger argues](#), is what GB News is becoming: a state-authorized propagandist for the Reform party.

On creation of intellectual property, it is important that the wellsprings of human

creativity be nourished. This means that the AI “scrapers” should be compelled to compensate the owners of the copyright they use. I would go further. [A tax on big AI businesses should be dedicated to supporting the creative commons](#) — the human-created arts, sciences and, yes, even journalism — on which their health and that of free societies rests.

Finally, we should be delighted that a [jury in California found Meta and Google guilty of “negligence”](#) and damaging users. Such businesses are negligent and have been shielded against the consequences of the damage their indifference inflicts, not least on children. Speech has never been completely free: libel, slander and incitement to violence are rightly unlawful. Speech needs limits. The same should be true for businesses that disseminate harmful material or the propaganda of hostile states. We try to halt the flood of pollutants into our waters. We should try to halt floods of lies into the seas of knowledge, too.

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