

# The Public Digital Payments Platform

## ***What is the situation?***

For many European countries servicing of debt has become the state's number one priority. Governments have therefore become highly dependent on private banks, speculators and the European Central Bank (ECB). This dependency can seriously hinder the functioning of a state especially in times of crisis.

## ***DiEM25 therefore proposes the following:***

In order to end the problems associated with this dependency, DiEM25 proposes the establishment of a **public digital payments platform** for every country of the EU.

This system would offer a cheap, efficient, public alternative to the existing credit and banking system. It would enable governments to circumvent the bond markets and to finance investments by borrowing directly from its citizens. In good times, this system would act as an extension to the existing deficient banking system and in times of crisis as an insurance policy against economic collapse.

## **How?**

1. The tax authority creates a reserve account for every citizen. Citizens can then purchase tax credits via an easily accessible Online-Portal.
2. Citizens and businesses can redeem these tax credits against future tax obligations and in doing so receive a reduction.
3. Citizens and businesses can also use this platform as a means of payment.
4. The government can use the platform to borrow money directly from citizens for investment purposes.
5. The government can use the platform as a social policy tool by offering preferential discount rates on tax credits to specific communities and/or businesses.

## **Who benefits?**

### Citizens and Businesses:

The system offers citizens and businesses a cheap alternative to credit cards and existing digital payment systems (Visa, Mastercard, Apple Pay) and thereby creates more flexibility in times of restrictive banking policies, which are failing to allow adequate financing of the real economy.

### Society:

The system offers the state new methods of financing public investment and thereby reduces dependency on the bond markets. This form of direct financing will strengthen acceptance by and engagement of citizens with public spending and investment.

### The state in times of crisis:

A government which has lost access to funding from the bond markets as well as from the ECB (e.g. Greece) would remain liquid.

## **In the age of crowdfunding: let's crowdfund the common good!**