# Crowdfunding the Commons?

# Renée Ridgway

Crowdfunding is currently celebrated as the alpha and omega of the arts together with an entrepreneurial rhetoric in the cultural and public sectors. As many governments around the world continue to cut budgets for these sectors and promote private partnerships (sponsoring), citizen patronage is on the rise. The phenomenon of crowdfunding continues to flourish, ‘in 2013 the crowdfunding industry grew to be over $5.1 billion worldwide’.[[1]](#footnote-1) In 2013 in the U.S. crowdfunding behemoth Kickstarter surpassed the NEA (National Endowment of the Arts), which is not surprising in a country where private money has almost always provided more support than governmental institutions for the arts.[[2]](#footnote-2) A recurrent criticism is whether these types of ‘private microdonations’ are really there to combat the budget cuts and austerity measures, or will they actually undercut funding from the public sector, financed by taxpayers’ money.[[3]](#footnote-3) With public resources for the arts dwindling worldwide and individual patronage becoming the norm, digital platforms are enabling private transactions at an even quicker pace due to the technological advancements of payments and the widespread dissemination of crowdfunding campaigns on social media. If individual surplus is transferred to ‘friends’ in the network as gifts or in return for perks or tokens on reward crowdfunding platforms, will the network in turn be able to effectuate this increasing demand in donations for the pre-financing of not only art projects but the development of ‘public’ or ‘civic’ infrastructures?

We have also witnessed the growth of collective online platforms that use crowdsourced initiatives for the social good, or commons, deemed ‘civic crowdfunding’. Although volunteering time has always been a ‘neighborly’ thing to do, by helping out friends, family, and colleagues, more and more people are reaching into their social networks to ask not only for favors, but also for monetary ‘gifts’. In the UK currently, the Big Society ‘nudges’ taxpayers to contribute to society, and in turn people ‘nudge’ their friends (or neighbors) for cash to causes they feel are important, yet ostensibly don’t have the money to finance themselves. In this way, there is increasingly a movement where folks rally around a shared concern, or community cause. ‘Civic crowdfunding’ has now found its place between rewards-based, equity-based, and lending-based crowdfunding initiatives.

With crowdfunding as a contemporary means to enable creative endeavor, civic projects, or community activism, one cannot overlook Goteo, a social network for collective funding (monetary and non-monetary contributions) for distributed collaboration (services, infrastructure, and other resources). Located in Spain, Goteo is a platform that attempts to foster development for the benefit of more than one individual author and promotes social goods, which in turn will improve society and enrich common resources. Ostensibly the ‘social return’ is embodied through drawing on its network for support facilitated by online transactions of money, alternative forms of payment, or barter. In which ways does Goteo differ from other crowdfunding platforms with its free knowledge, open code, and collaborative approach?[[4]](#footnote-4)

## Reward Crowdfunding

Most crowdfunding initiatives offer rewards, or perks for monetary contributions. Whether these are deemed purchases is still controversial, but legislation for taxation is in the works.[[5]](#footnote-5) Rewards vary from campaign to campaign, which usually have an ‘all-or-nothing’ model meaning that the campaigner has to obtain the full amount and reach the goal, otherwise the funds need to be returned to donors. The ‘keep-it-all’ model lets the campaigner or promoter retain whatever s/he has raised in the campaign. Reward crowdfunding is progressively popular and has financed campaigns by famous musicians asking for support for their tours[[6]](#footnote-6) or uncompressed sound,[[7]](#footnote-7) as well as for film directors’ forthcoming movies,[[8]](#footnote-8) where many fans willingly donate small (and large) sums of money to make it all happen. These rewards, or pre-sale products, vary in range but are connected through the interest group, just as campaigns for design gadgets that are cool[[9]](#footnote-9) have a community of users who want hip commodities.[[10]](#footnote-10) Continuing this trend, acclaimed artists crowdfund as a means to invest in eponymous real estate ventures for long-durational performance art, collaborating with leading architects,[[11]](#footnote-11) while a prestigious art fair teams up with Kickstarter to support non-profit visual arts organizations through a ‘rigorous selection process’ involving a hand-picked jury.[[12]](#footnote-12)

## Equity-Based Crowdfunding

Unlike reward or donation based crowdfunding, equity-based incentives offer a long-term investment in a start-up, a business venture, a project or even just an idea. ‘A new development within the crowdfunding industry is the so-called equity-based crowdfunding: as a reward investors receive unlisted shares of a company.’[[13]](#footnote-13) Instead of the financial obligations of paying back loans with interest, with equity-based crowdfunding entrepreneurs have lower risk by raising money from non-accredited investors. These individuals or organizations provide equity in a collective effort to stimulate small businesses. For example the JOBS Act (Jumpstart Our Businesses) has been signed into law in the U.S., which eases security regulations, creating exemptions for crowdfunding in order to democratize investments.[[14]](#footnote-14) Companies can sell online securities through the crowdfunding platforms much like microfinancing loans, however ‘without requiring those companies to provide meaningful disclosure and without adequate oversight by the Securities and Exchange Commission’.[[15]](#footnote-15)

## P2P Lending

As banks increasingly command the political agendas of the state, the public reaction is to rely on micro-financing in the form of crowdfunding as an acceptable means of borrowing money. Many citizens have lost trust in the banks, which is why certain high-net-worth individuals lend money online with P2P crowdfunding. Lending platforms have skyrocketed and serve as middlemen to match investors with borrowers and to create agreed-upon terms. This type of lending comes out of an ‘anti-bank’ movement in which the platforms attempt to undersell the interest rates of the banks and the public wishes to borrow less from banks and more from private investors. Because of this anti-bank attitude more people are turning to ‘peer to peer’ platforms through crowdfunding, stating that they receive better interest rates online than with banks.[[16]](#footnote-16)

## Crowdfunding Whatever

The ethical implications of crowdfunding are becoming more controversial as communities find voice through their campaigns with a cause. Disputes range from issues regarding freedom of speech and discrimination, as well as the transparency of information involving these forms of fundraising. ‘The American Freedom Defense Initiative, a radical anti-Islamic group, raised $41,500 on Indiegogo (of a $50,000 target) in May 2013 for an advertisement campaign warning against what it calls “the threat of jihad and Islamic supremacism”’.[[17]](#footnote-17) Concerns have been raised in regard to the platforms’ terms of service, which explicitly state that they prohibit racial intolerance, hate campaigns, or other forms of exploitation. A moral controversy ensued at Kickstarter with a campaign for a guide on how to seduce women ‘Above the Game’.[[18]](#footnote-18) As digital means facilitate payment systems that cross borders, the definition of nation-state, and its respective governmentality along with its responsibility is taking on new configurations. Some campaigns are directly related to financing private security forces, such as in Oakland, California, which raised over $60,000 with the Crowdtilt platform to become a gated community with fences. While private security forces are common in the city, the campaigns were criticized for encouraging their growth and, due to the ease of creating and ‘cloning’ crowdfunding campaigns, causing a contagion effect that could undermine the role of policing. ‘For the libertarian, this may be an encouraging development that supports the reduction of government spending. For the progressive, it is a threat to the nation state that risks widening existing social inequalities.’[[19]](#footnote-19)

New gadgets for monitoring are also prevalent in campaigns such as Kickstarter’s ‘The Pocket Drone – Your Personal Flying Robot’, which exceeded all expectations of its $35,000 goal, raising $929,212 from 1,946 backers.[[20]](#footnote-20) Instead of hobbyists collating aerial footage of the vacation trips or neighborhoods, on the Ukrainian crowdfunding site The People’s Project Ukrainians rallied together to buy the ‘first people’s drone’ in order to aid the Ukrainian army in securing their border with Russia.[[21]](#footnote-21) ‘The organizers had originally hoped to buy a state-of-the-art Israeli drone – for $165,000 (£97,000) – or a cheaper American one costing $120,000. In the end, however, they managed to build the drone for just $35,000’.[[22]](#footnote-22) On the patriotic site one can also support uniforms, bullet-proof vests, camouflage gear and other badly needed supplies for the Ukrainian militia, helping them be better prepared in literally, a war zone.

[image Ukrain Drone]

## Civic Crowdfunding

Whether the aforementioned campaigns would be considered civic is open to debate, but for many ‘civic crowdfunding’ is understood as a form of commoning, where people pull together to get things done, because they cannot depend on the state to organize nor resolve issues. Anti-government (or anti-state) attitudes are unified under volunteerism and community groups, offline in their hometowns and cities, online with the transfer of payments. These ‘civic crowdfunding’ campaigns can be for private, educational, community or charity projects and are mushrooming worldwide. Spacehive describes itself as the world’s first civic crowdfunding campaign with the motto, **‘**if it’s a public space, and popular with the public, Spacehive is for you’.[[23]](#footnote-23) Other platforms nudge companies to pay attention, connecting community projects with businesses to create ‘win-win’ situations. Many companies are establishing partnerships, or jumping on board to make their businesses look more social, or for tax write-offs, depending on the legislation in their respective countries. Although Neighbourly enables cash donations or in-kind contributions, such as equipment, storage space, materials, employee expertise, the most desired involvement is that people volunteer, which means contributing for free.[[24]](#footnote-24) Like Kickstarter, the preceding platforms are ‘for-profit’ entities[[25]](#footnote-25), whereas Ioby is a ‘citizen-led neighbor funded’ not for profit organization that strengthens neighborhoods through community resourcing.[[26]](#footnote-26)

## Sharing Economy cum Platform Capitalism

Civic crowdfunding situates itself within the new economy of digital transactions, within the ‘sharing economy’ of services such as Uber, Airbnb, and TaskRabbit. Deemed also ‘platform capitalism’, the sharing economy offers temporary solutions to short term problems.[[27]](#footnote-27) Although some would like to deem it P2P, these are predominantly profit-making entities and their core business model consists of a community of users who contribute and share resources between each other. Urban migration has resulted in people living in closer proximity to each other, enabling a distribution of tools, services, and even cars – as not only parking spaces but also the space of free time becomes more difficult to find. A model of speed and flexibility that attempts to overlook ideas of ownership and hyper consumerism of the past replaces this scarcity. More and more people desire services or the ‘performance economy’ instead of commodity production antiquated to the days of Fordism, when Henry Ford’s model of production employed the workers in the factories to produce the commodities they would in turn buy with the surplus from their labor. Instead, what is being offered in exchange is theirsurplus: cars, spare rooms, equipment, services, and free time. This ‘collaborative consumption’, as it is called, is changing the way people engage with their networks and along with it, the definition of society and community. Where once people only stayed within the boundaries of their known community, based on identity, kinship, familiarity, and the like, contemporary environments now facilitate people to connect to the society at large. It is this platform capitalism that conditions networks to come together, along with the monetization of the relationships that comprise the network.

## From Crowdfunding to Crowdvocacy

Now let us return to Goteo (drip in Spanish). Its aims are social, cultural, scientific, educational, journalistic, technological, and ecological in order to contribute to the development of society, free knowledge, and open source. Drawing on an irrigation method for water used in arid climates that improves water usage, ‘at Goteo monetary and other resources come in the form of *drops* from the crowd, naturally fertilizing initiatives to help them grow and favoring collective empowerment through digital means’.[[28]](#footnote-28) Based on local and ideological proximity, enabling more reliable and effective bridges between producers and consumers, Goteo attempts to offer sustainability, shared authorship, and common goods, while fostering self-development of creative and innovative initiatives, which in turn improve society and enrich common resources.

Individuals, as well as collectives and companies are joining in. As Goteo celebrates 3 years in November 2014, €2,000,000 has already been accumulated through the platform, including matching funds from various partners from all over Spain. The social factor plays a considerable role, with citizens taking on the responsibilities of solving the demands of matching funding, dissemination and production in projects that transform society through communal action and collaboration in a social economy. Promoting media activism, openness, civil rights, and sustainability in regard to ecology, Goteo has a comprehensive agenda that ‘involves public state and private agents, rather than becoming another means to concentrate wealth without any social end’.[[29]](#footnote-29) With a motto of positive change with open and free knowledge, Goteo desires to empower citizens to create value for themselves, and not just financially.

According to Goteo, the digital commons works differently than the physical commons. Understanding the digital commons only comes with a deeper reflection on intellectual property including its many interpretations. By promoting the growth of the commons, along with supporting training and mixed forms of funding there is a (re)distribution of resources. ‘Goteo remix[es] some patterns of corporate social responsibility so they approach open communities and its values, even for selfish or competitive interests, turning that into a reverse logic, which can start to modify internally the way companies and corporations affect our daily lives.’[[30]](#footnote-30) The trick is to have continual ‘innovation’ on the site with engaged users, whereby the network shares tools, tests out the developments of software or inventions and participates in match-funding that embodies open source principles. The main task of the platform is to create a stable, trustworthy and efficient procedural environment that promotes transparency, training, and knowledge production. Along with this, the publishing of open source code that implements scalability and reproducibility are part of the core values that distinguish Goteo from other crowdfunding platforms.

## Goteo’s Social Contract

Another noticeable feature of Goteo is that it is run by a non-profit entity, Fundación Fuentes Abiertas, which is promoted by Platoniq.[[31]](#footnote-31) Started in 2001, this cultural organization combines a collaborative economy’s philosophy with the ethics of free knowledge, operating internationally in a grassroots manner with selected, sustainability-oriented partners from the business world, academia, and public sector. Because of its ‘non-profit’ status, surplus is not kept through ownership but reinvested back into the organization. Moreover, Goteo receives certain tax benefits that further enhance donating and receiving support from a declared public utility when it supports ‘open source’ projects that in turn contribute to the commons. This is viewed as a pioneering step in engaging with ‘free culture’ in Spain.[[32]](#footnote-32)

For Goteo it is necessary to have a clear understanding between the campaign (promoter) and the foundation – how the money will be spent and on what. In the contract it is stipulated that the promoter needs to declare the description of the project and its objectives.[[33]](#footnote-33) There needs to be transparency about the monetary resources that are requested with each campaign and ‘to specify in advance the type of free or open license whereby such collective returns will be made accessible.’ Instead, training people how to be open is, along with recognizing the social value within the project. The foundation first signs a contract with the promoter, who has to generate a delivery within a period of one year, which serves as a guarantee for the backers. Once the campaign is accepted by the foundation, there is a workflow generated between the beneficiaries and promoters.[[34]](#footnote-34) Goteo has around a 67 percent success rate and the 33 percent who are not funded receive feedback on how they can learn to better communicate their values, or which other funding opportunities may be available.

## Crowdfun

‘Open Crowdfunding’ should be ‘Crowdfun’ which means ‘open source itself, collective returns for the whole society and collaboration within the production process’.[[35]](#footnote-35) Unlike other civic crowdfunding platforms, Goteo encourages promoters ‘not to make rewards unless they are necessary’.[[36]](#footnote-36) Goteo is also exceptional because of its two round model, where the promoter can decide if they want two rounds and the amount they will crowdfund. In the first round of 40 days it is ‘all-or-nothing’ if you do not reach the goal then there is no funding. In the second round of 40 days they have a ‘keep-it-all model’ that allows more flexibility and also enables improvements and optimization to the campaign. Goteo closely follows its promoters, sometimes spotlighting specific campaigns on the front page of the website. When the collective returns are delivered, they publish on open data journalism sites, or through partners.[[37]](#footnote-37) Comments from users are encouraged and are available. However, like other online economies, the most successful projects go hand in hand with a strong reputational economy through social media. The trust that is acquired in digital reputation through crowdfunding enables other people to support others’ projects and builds up the collective return.

[image: License]

## Non-Monetary Contributions

Goteo mentions that one of their goals is being able to accept contributions other than money and thus really generating a distributed or cooperative economy. Users are signed up to the platform in order to involve other members of the platform for support, some of them with non-monetary contributions, drawing on Goteo’s personal network as ‘crowd funding is not really about money and more about creating communities.’[[38]](#footnote-38) In promoting a ‘by the community, for the community and of the community’ approach[[39]](#footnote-39) there are also other ways of contributing, such as people offering time in exchange for financial support, or laboring, or trading off one of their skills. Goteo emphasizes a collaborative model, where the promoter of the project explicitly expresses a list of non-monetary needs on their public page. Enabled by a supportive community, the commons is taken up into the production process bringing economic value, through a micro task infrastructure. Goteo deems this type of contribution ‘altruistic’, which can mean giving without necessarily expecting a return. Many of those who are signed up on Goteo are thereby users in the greatest sense of the word but also producers and contributors.

## The Social Coin

[image Social Coin]

Utilizing an outlook on expanding the development of alternative currencies, Goteo also hopes to put into practice a personal wallet for users to spend on social responsibility and to facilitate ‘time-banking’ instead of monetary support of projects. One of their campaign promoters was the NGO The Social Coin, which can be tracked in real time, allowing them to measure the positive impact of random acts of kindness in the world. Everyone who donates will receive ‘a biodegradable coin contain[ing] a seed that can be planted at the end of the chain’ that they in turn can share.[[40]](#footnote-40)

## First Citizen Lawsuit Against Banks

How does activism tie into some of the more conceptual (artistic) endeavors at Goteo? One project is Tuderechoasaber (Your Right to Know), an online platform for creating and accessing requests for information from Spanish public bodies.[[41]](#footnote-41) At Goteo it is not about art for artists’ sake; rather the emphasis lies on the sociality, incorporating activist practices and creativity into the platform in order to explore more ‘radical approaches to alternative cultural economies’.[[42]](#footnote-42) Conceptual projects include ‘CrowdfundPaRato’ which is, according to the website, the first citizen lawsuit against banks.[[43]](#footnote-43) The man in question, Mr. Rodrigo Rato, was bailed out and now taxpayers want to see justice served and their money back. With the charge of ‘Impunity has come to an end!’ citizens have decided to sue the bank through a crowdfunding campaign as a response to the Spanish Constitution, which in Article 119 states that those who do not have the means to litigate will have free judicial representation.[[44]](#footnote-44) Because it seems that they did not trust that such an initiative would be supported by the state, they opted for alternative means, as there are not enough financial resources available.[[45]](#footnote-45) The question lingers however, why are the lawyers, auditors, and researchers not working pro bono on such an ethical endeavor and why are citizens once again paying for the protection of their savings? The state could have supported free litigation already financed from taxpayers’ money.

[image: Saber]

## Monetization of Social Relations

In the past banks provided people with loans, or invested people’s savings with a decent amount of interest instead of bestowing bonuses to bankers. With governments ‘in cahoots’ with the banks, most people are giving up on a foreseeable future with state support or regulation. The multinational companies are allowed to have off-shore entities which warrant a complete lack of oversight of their banking policies, in turn, these companies do not pay high taxes on profits made through the financial industry, speculation and off the books assets. The state never receives such monies because of ‘loopholes’ in regulation, allowing the companies to hire lawyers and auditors according to their agendas. Instead, the taxpayer is asked to support crowdfunding campaigns, whether they are for bailouts, civic projects, friends’ creative endeavors, new technologies that enhance our lives, loans or equity.

Moreover an American report claims ‘that if every American family gave one percent of their investable assets to crowdfunding, $300 billion (a 10 times increase) would come into venture capital’.[[46]](#footnote-46) Why should public services be paid privately with families donating 1 percent of their ‘investable assets’ or surplus when alternately all HFT (High Frequency Trading) could be taxed, whereby a small deduction from every transaction would lead to an exponential increase of (venture) capital that could be invested in the public sector?[[47]](#footnote-47) In turn this cash flow could be allocated for judicial matters, such as prosecuting bankers and those responsible for the misuse of private funds instead of bailing them out with taxpayer money, or with crowdfunding initiatives.

Although many crowdfunding initiatives facilitate more socially engaged models for the common good and massive distribution in a collective dimension, this kind of platform capitalism is incorporating more private surplus from individuals because people are coerced to participate in them for a variety of reasons. For some, it is becoming an *ersatz* for governmental support, as ‘crowdfunding is something like the anarchist’s welfare state, providing in a solidary way. It’s everyone providing money for each one [and] it’s replacing the old idea of public services. So you have an invention here, and this invention could be really useful in the face of Abenomics and the programs [in order] to buy people’s loyalties back.’[[48]](#footnote-48) With technology enabling more nodes in the social media networks to interconnect, transmission between commons, communities, and communes is growing exponentially whether through monetary payments or in-kind exchanges. Seemingly, networks are what crowdfunding platforms wish to acquire, as the monetization of social relations becomes one of the most salient outcomes in regard to reward-based and civic crowdfunding.[[49]](#footnote-49)

By increasingly invigorating the sharing of users’ interests within its own network, Goteo on the one hand contributes to the social benefit of projects for the common good, concomitantly it develops entrepreneurship through mobilizing the support of potential co-financiers with their micro-investments. ‘With [the] facilitation of dialogue between project producers, local public administration and private micro-investors and mid-investors, as well as producing a set of open data stats regarding the projects and tendencies and backers’ psychology and motivations, Goteo is trying to define [the] limits between open philanthropy and open investment’.[[50]](#footnote-50) This actually refers to the training of citizens about crowdfunding through workshops in order for them to learn how to participate in the production process.[[51]](#footnote-51) The open source code, called ‘cloudfunding’ is a public API delivered by forking in the online Github community. Easy to clone, the code can in turn facilitate other crowdfunding platforms. However this copycatting with copy left may eventually replace the public sector’s responsibility of providing education, healthcare, welfare, infrastructure, transport and culture to its taxpaying citizens.

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3. Renée Ridgway, ‘Crowdfunding-Monetizing the Crowd’, *n.e.w.s.*, 2 March 2014, <http://northeastwestsouth.net/crowdfunding-monetizing-crowd>. [↑](#footnote-ref-3)
4. For this article I contacted Goteo directly and conducted an online interview on 12 September 2014 with María G. Perulero, their campaigns representative. [↑](#footnote-ref-4)
5. Income tax is collected from the campaigner and the donor may be able to write-off the contribution as a tax deduction. [↑](#footnote-ref-5)
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11. Kickstarter, ‘Marina Abramovic Institute: The Founders’, <https://www.kickstarter.com/projects/maihudson/marina-abramovic-institute-the-founders>. [↑](#footnote-ref-11)
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    ‘People’s Drone” to Help Outgunned Army’, *The Guardian*, 29 June 2014, <http://www.theguardian.com/world/2014/jun/29/outgunned-ukrainian-army-crowdfunding-people-drone>. [↑](#footnote-ref-22)
23. Spacehive, [https://spacehive.com](https://spacehive.com/). [↑](#footnote-ref-23)
24. Neighbourly, <https://www.neighbourly.com>. [↑](#footnote-ref-24)
25. Kickstarter allows a tag for ‘civic’, although most of the projects are not ‘civically’ engaged. With their ‘for-profit’ status Kickstarter bought a building for $3.6 million in Brooklyn as HQ, after the funds from venture capitalists. Matt Collette, ‘New Kickstarter HQ May Jumpstart Greenpoint’s Emerging Arts Scene’, *The Brooklyn Ink*, 14 November 2013, <http://thebrooklynink.com/2013/11/14/53262-kickstarter-greenpoint>. [↑](#footnote-ref-25)
26. Ioby, <http://ioby.org>. [↑](#footnote-ref-26)
27. Sascha Lobo, ‘S.P.O.N. - Die Mensch-Maschine: Auf dem Weg in die Dumpinghölle’, *Der Spiegel*, <http://www.spiegel.de/netzwelt/netzpolitik/sascha-lobo-sharing-economy-wie-bei-uber-ist-plattform-kapitalismus-a-989584.html>. [↑](#footnote-ref-27)
28. ‘Goteo, ‘From Crowdfunding to Crowdvocacy: Here Come the Civic Makers’, *Issue.com*, [http://issuu.com/goteo.org/docs/goteo-from\_crowdfunding\_to\_crowdvoc#](http://issuu.com/goteo.org/docs/goteo-from_crowdfunding_to_crowdvoc). [↑](#footnote-ref-28)
29. Goteo, ‘The Case of Goteo: From Crowdfunding to Cloudfunding to Expand Resources for the Commons’, <https://goteo.org/blog/3317>. [↑](#footnote-ref-29)
30. Goteo, ‘The Case of Goteo’. [↑](#footnote-ref-30)
31. Platoniq, <http://www.youcoop.org/>. [↑](#footnote-ref-31)
32. The managing body of Goteo is a foundation, whose mission is ‘to share meaningful knowledge publishing on the internet in the form of code, data and/or digital files on free or open source licenses’, and is therefore able to escape corporate finance taxes. While the government can charge taxes for selling (so there is income tax) there is an open standard of supporting copy left which means tax benefits for supporters and Goteo attempts to make the public aware of the difference. [↑](#footnote-ref-32)
33. Even though Goteo has a higher than average services fee (8 percent of amount obtained), this money is invested back into the collective that the Foundation is committed (obligated) to share with society. ‘The Case of Goteo: From Crowdfunding to Cloudfunding to Expand Resources for the Commons’, <https://goteo.org/blog/3317>. [↑](#footnote-ref-33)
34. ‘In the first week the promoter needs to reach 20 percent. If they don’t reach this amount the campaign most likely won’t take off. This 20 percent is usually the immediate network of the promoter who have been approached for financial support’. Collective returns form the basis and that means implicitly to follow up with a good execution of the project, maintaining momentum to ‘keep the ball in the air’. Interview with María G. Perulero (Goteo) 12 September 2014. [↑](#footnote-ref-34)
35. ‘Goteo has a real community; a total 53,206 users until yesterday (12 September 2014) more than 50 percent (32,659) of them are backers. 4,447 of these are multi backers, contributing to others projects by giving money or with non-monetary (833) contributions. There are 1,955 who just collaborate. On average there are 120 for backers each successful project. The number of promoters, backing other projects is 102. Finally the numbers of promoters giving non-monetary contributions is 24’. Interview with María G. Perulero (Goteo), 12 September 2014. [↑](#footnote-ref-35)
36. ‘Goteo does not explore financial benefits, has no commercial benefits, that would be equity. Instead we have a donation crowd funding model with collective returns.’ Interview with María G. Perulero (Goteo) 12 September 2014. [↑](#footnote-ref-36)
37. El Diario, <http://www.eldiario.es/colaboratorio/> or in partnership with the ECF, <http://www.culturalfoundation.eu/> or with dissemination through Shareable: <http://www.shareable.net/>. [↑](#footnote-ref-37)
38. Felix Stadler, ‘Crowdfunding the Commons: Goteo.org Interview’, Shareable, 13 June 2012,

    <http://www.shareable.net/blog/crowdfunding-the-commons-goteoorg-interview>. [↑](#footnote-ref-38)
39. Ridgway, ‘Montetizing the Crowd’. [↑](#footnote-ref-39)
40. This project is deemed as one of the best social innovation crowdfunded projects by the EU commission. Goteo, ‘The Social Coin’, <https://goteo.org/project/the-social-coin?lang=en>. [↑](#footnote-ref-40)
41. Goteo, ‘Tuderechoasaber’, <https://goteo.org/project/tuderechoasaber.es?lang=en>. [↑](#footnote-ref-41)
42. Goteo has been awarded an ECF (European Cultural Foundation) hub grant and an ‘Award of Distinction’ in Digital Communities at Ars Electronica in Linz. [↑](#footnote-ref-42)
43. This campaign concerns the case of Rodrigo Rato who misrepresented Bankia at their IPO, promising growth and prosperity on 20 July 2011 with shares trading at €3,75. With the help of a PR campaign he was able to convince taxpayers to invest their savings, but then the shares collapsed to only €1 ten months later, and the gap grew. ‘#Crowdfundparato’, <https://goteo.org/project/crowdfundparato/>. [↑](#footnote-ref-43)
44. They state: ‘We will undertake criminal and civil actions against members of Bankia’s Board of Directors, at the time when it was chaired by Mr. Rodrigo Rato and against the Board of Directors of the Financial and Savings Bank, for endorsing on the State a toxic and ruinous matrix. We demand prison and seizure of assets for a value equivalent to the amount obtained with the irregular placement of shares. 400,000 investors have been misled, many of them with savings in this bank. Seized money has now mysteriously disappeared, dragging the country to an imminent bailout’, [15mparato.wordpress.com/](http://15mparato.wordpress.com/); ‘#Crowdfundparato’, https://goteo.org/project/crowdfundparato/. [↑](#footnote-ref-44)
45. Citizens needed to contribute a small amount (€15) each to reach the first goal (€15,000) in order to start the lawsuit. They needed to raise the amount in just 6 days, and instead they raised €18,359 in 24 hours. They admit to potentially needing more funding at later stages, for the cost of hiring independent auditors (€30,000-80,000) and an investigation of several months, perhaps years. [↑](#footnote-ref-45)
46. Ki Mae Heussner, ‘Fred Wilson: What Crowdfunding Means for VC Business’, Gigaom, 8 May 2012, <https://gigaom.com/2012/05/08/fred-wilson-what-crowdfunding-means-for-the-vc-business/>. [↑](#footnote-ref-46)
47. The financial transaction tax (EU FTT) has been postponed until 2016. Banks and the financial industry are debating on the Robin Hood tax, where a percent of every transaction is taxed. [↑](#footnote-ref-47)
48. Brian Holmes, ‘Consequences of Quantitative Easing’, *MoneyLab*, 22 March 2014, <http://networkcultures.org/moneylab/2014/03/27/brian-holmes-consequences-of-quantitative-easing/>. [↑](#footnote-ref-48)
49. Renée Ridgway, ‘Monetizing the Crowds’, *Open! Platform for Art, Culture and the Public Domain*, 2 November 2013, <http://www.onlineopen.org/columns/monetizing-the-crowds>. [↑](#footnote-ref-49)
50. Felix Stadler, ‘Crowdfunding the Commons: Goteo.org Interview’, *Shareable*, 13 June 2012,

    <http://www.shareable.net/blog/crowdfunding-the-commons-goteoorg-interview>. [↑](#footnote-ref-50)
51. ‘The crowdfunding donations are a prerequisite, testing open projects for the subsequent search of micro-investments that may be the way to further fuel the emergence of this new world of business models and non-profit oriented real social purpose, rather than the model of a maximization of profit and perpetual growth regardless of the needs of society’, ‘Sobre la regulación del crowdfunding y Ley de Fomento de la Financiación Empresarial’, <https://goteo.org/blog/4325>. [↑](#footnote-ref-51)