Crowdfunding: Monetizing the Crowd?

Submitted by Renée Ridgway on Sun, 2014-03-02 12:27

Crowdfunding: Monetizing the crowds?

Not so very long ago the social ‘welfare states’ of Europe[1] provided health care for everyone and a sizeable amount of money for culture, which was generated from tax revenue. Many artists and cultural practitioners had the opportunity to apply for grants, supplemented by patronage, sponsorship, selling their work, or even having jobs. The contemporary discourse in the cultural sector has now shifted and takes its cues from neoliberal policies of management, adopting an ‘everything for the market’ attitude. This has led to Europe’s assimilation of a U.S. inspired laissez-faire approach to culture, and subsequently transformed cultural practices into the burgeoning imagination of the ‘creative industries’. This is marked by a particular condition of state withdrawal of financial support for culture while emergent forms of online, networked platforms increasingly facilitate private donations. For example, electronic money transfers using digital technologies have enabled micro-finance networks that restructure the funding support and patronage earlier available to cultural practitioners. These have ensured an even quicker transfer of the private wealth of citizens to individuals within the cultural sector, such as with the phenomenon of ‘crowdfunding’. [2]

Instead of governmental support, increasingly more and more art workers and cultural organisations are being forced to engage with crowdfunding as a legitimate means to finance artistic practice by drawing on their networks, primarily their friends, family, neighbours and colleagues. With crowdfunding it now appears as if the network will not only provide attention, feedback, and reputation but also create a means of monetary support for many of these projects, as a surrogate for former governmental or public monies. While this reliance on distributed networks is celebrated, there is very little attention paid to the balance of trade-offs and returns in this model. The excessive reliance on colleagues or ‘friends’ entails other dynamics in these tit-for-tat exchanges, which need to be unpacked with reference to affect, exploitation, and indebtedness. Relationships with people become even more entangled and, unlike money, which is anonymous, broker agency for artistic projects resulting in a negotiation of social relations. Will crowdfunding en masse lead to a new model for the distribution of wealth as is claimed or is it a commodification of one’s social relations?

Crowdfunding craze

Every country seems to have at least one national crowdfunding platform, at the moment of writing there are over 700 sites worldwide. In Denmark there is Boomerang[3], whilst in the Netherlands VoordeKunst[4] is more specific to cultural and art related activities. In the US the most visible platform is Kickstarter[5], which is also the world’s largest (and for-profit) funding platform for creative projects. USA Projects[6] is only open to artists, is a non-profit and offers limited ‘matching funds’ for every applicant. Indiegogo[7] is a worldwide platform where you can raise money for anything, including for-profit ventures, creative ideas or personal needs: facilitating clean water in rural parts of the world, partnering with microfinancing institutions or helping artists without insurance who need surgery. Indiegogo also has the option of ‘flexible funding’ where you can keep the money you raise, whether or not you meet the goal, whilst Kickstarter and VoordeKunst have an ‘all or nothing policy’. [8] The Spanish site Goteo.org[9], in contrast, only supports projects with social, cultural, scientific, educational, technological, or ecological objectives that generate new

we are supported by the enthusiasm and generosity of invisible people worldwide. are you invisible?
opportunities for the improvement of society and the enrichment of community goods and resources.

What all of these platforms share is their use of digital technologies that unite global networks, connecting projects with people and even monetary support in order to realize them. Instead of a few patrons donating large sums of money, micropatronage facilitates many patrons contributing small amounts through the Internet. Much like the buying of catalogue clothes or Amazon books, etc. online reward-based crowdfunding delivers the goods in the mail. As with other online purchases there is a service charge for the transaction, either Amazon Payments in the case of Kickstarter, or PayPal and banking services for other platforms. Just like other retailers, the crowdfunding platforms harvest a percentage – VoordeKunst and Kickstarter take 5% (the latter being profitable according to its founders).

In the past few years, there has been an increase in the demand for monetary remuneration of artistic projects via crowdfunding initiatives. Artists are pressured to ask their colleagues to support their artistic endeavours (financially and not just with a ‘like’). It is routine now, as a cultural practitioner to receive 2 or 3 emails in the course of a week or updates on various social media platforms asking for financial donations to support individual projects.[10] Are these social networks strong enough and contacts close enough so that they would each, so to speak, pay each other back? Statistics show that of the money that is contributed to a crowdfunding campaigns, 75% comes from an already known network and only 25% from random or unknown contributors.[11] In this reciprocal relationship would someone be able to divide up not only personal time but also personal wealth in order to produce their own works as well as supporting others’ artistic projects?

Crowdfunding: 7 hypotheses

The networks of support are cannibalistic. Facilitated by online technologies, crowdfunding draws on people’s own social networks to finance these artistic and cultural projects, yet the practitioner also needs to fulfill the crowd’s (and their network) requests. Concomitantly these online initiatives bring about a range of emotional and affective labour issues, quid pro quo, indebtedness or the repercussions of gifting. In an attempt to understand the link between digital technologies and new forms of remuneration in online contexts, the following hypotheses examine issues of value, affect and ethics that are all tied up in the monetisation of social relations:

1. Crowdfunding draws on notions of community, acts of volunteerism and the herd mentality for support.

What makes crowdfunding so attractive is that anyone can do it, if one has a posse (patrons) on social media to back it up, or in other words to finance it. Following the herd has always been part of human nature and nowadays crowdsourced activities, where groups of people come together to accomplish tasks, have been occurring offline as well as online. The crowd acting as patron is presently the motor of crowdfunding platforms. Closely converging with acts of volunteerism and ‘do gooding’ neighbourly support, the crowd has been the basis for many foundations of community help. In past decades U.S. volunteerism has fulfilled a certain percentage of incommensurable labour that keeps the economy going and provides community activities for retirees. Since 2010 the present UK policy ‘Big Society’ demands participation from the public in the form of time and unremunerated labour as the government withdraws from basic services that supported human life: healthcare, housing and education. Based on these models, crowdfunding “uses [the campaigner] to tap into a deep-seated belief in our culture that volunteering is an important social value,”[12] and draws on the neighbourhood[13] not only for time but also help in the form of financial support. Yet where does this financial support come from? Family plays a large role in continuing social reproduction and building financial capital. Many community members earn their income outside of the cultural sector at various businesses, offices, universities, the IT sector, in service jobs, management etc., and distribute their ‘surplus’ to crowdfunding campaigns.
2. **Crowdfunding is not a sustainable solution as a replacement model of public support for arts and culture.**

As the present financial crisis and initiation of austerity measures continue to force drastic reduction in state funding for the culture industry all across Europe, cultural organizations are now also being mandated by their governments to gather up private donations as well as crowdfund. [14] With less and less grant money and more and more art marketing of commodities, crowdfunding is viewed by governments as a viable alternative to grant-giving foundations. It is seen as part of the new fusion model where private/public partnerships have become the norm.

Public funding for culture is neither a solution nor do these grant proposals differ so much from actuarial applications for crowdfunding. These subsidy applications entail enormous amounts of preparation, bureaucracy and experience, years of previous ‘work’, along with a high risk factor. After labouring for free, the application appears before a board of paid ‘experts’ who decide the fate of the application and whether it gets funded- more likely not- effectively resulting in unpaid labour for the applicant. ‘Cultural gambling’ is perhaps not the solution to creative endeavour yet when weighing up the odds it might still provide more autonomy and higher financial return to the artist or cultural practitioner than crowdfunding. Supposedly its original appeal was the “one-to-one relationship with the artist, without layers of grant. And weren’t donors just a precursor to grants?” [15]

Workers in the ‘culture industry’ are now all being asked to crowdfund, both instead of, and in addition to, applying for state or governmental public funding because these forms of public monies no longer (or barely) exist. [16] Crowdfunding is now firmly part of cultural policy where this public support is considered to be ‘matched funds’ and positively encouraged. [17] In Europe crowdfunding is then seen as an ersatz, serving as a replacement for state responsibility regarding many types of cultural endeavour. Yet in this case taxpayers would be paying double, first with taxes that are distributed by how politicians see fit to spend them (i.e. diminishing support for culture, health care and education); then distributing taxpayers’ ‘surplus income’ through crowdfunding initiatives.

3. **The successful rhetoric of crowdfunding campaigns masks the fact that the financial reward not only fails to account for the free labour but also does not even pay for all of the costs incurred.**

Crowdfunding is now being advertised in the media as a solution to ‘interference’ by the state and as less of a tax burden for citizens because the cultural sector receives less money. In turn people feel more empowered because unlike their tax money, they have a choice in deciding what projects should be funded or not. To an outsider, crowdfunding looks fairer and even more logical under the conditions of present day financial capitalism. It is coined as the ‘democratization of cultural patronage’, [18] promoting the illusion of democracy and participation by allowing the funder to choose where s/he spends her money, instead of governmental control and authority. Yet, with this obfuscation, what is ignored is the invisible labour that goes into every crowdfunding project, in organizing the campaign on the crowdfunding platform (some even outsource the work to professional PR firms in the light of the considerable effort involved).

The investment of labour, materials and time involved in the production of works for the ‘reward-based’ crowdfunding model cannot be overlooked. Organizations, especially not-for-profits, also are being asked to crowdfund but many don’t have the staff, the resources or the volunteers to organize a campaign besides all the regular work involved in keeping the organization up and running. If a campaign included a decent paid wage for all of the people involved, it would end up losing much of the money raised. The actual costs of organizing, raising money and carrying out the campaign are therefore usually excluded or only paid if the project is successful (if the amount of funding requested has been raised). [19]
4. Crowdfunding campaigns make affective and unpaid labour invisible by reducing the process to questions of meeting various thresholds.

Although everyone gets to feel good revelling in the fact that they are participating in a ‘creative project’, these enjoyable activities are also shamelessly exploited. Tapping into the kindness and generosity of other people includes using the ‘users’ of the internet – including those who are ‘campaigning’ as well as the ‘backers’ themselves who decide how and where they distribute their surplus in the form of contributions. Frequently disregarded is the affective labour that has been generated by all the family, friends, neighbours and colleagues who have been solicited and coerced: “With crowdfunding, much like the ego-centricity of social media, we are asked to gather cash from the network, which is the same as gathering ‘friends’ and being ‘liked’.”[20]

As with many invitations we feel obliged to contribute, but this time the transactions are effectively monetizing our social networks. The crowdfunding platform “demands this social fabric, but only extracts from it, giving nothing of social value in return.” [21] In the case of money, the terms of exchange are fixed and commensurability is managed through anonymous exchange; using money to pay for goods and services where we do not know the parties involved. But with services rendered with colleagues or ‘friends’ or even family, other dynamics play a role in these intimate exchanges. Does crowdfunding really promote solidarity as it claims or is it rather a series of paybacks? Indebtedness surfaces and even though the debt is only temporary and resolved with reciprocity, one knows that gifting is never equal. With micro-donations money is no longer anonymous, and one knows who donated what, how much and for which type of reward. It becomes a continued negotiation of social relations.

5. Crowdfunding is a business model that monetises social networks.

Ultimately, it is not simply about the amount of funding for cultural practitioners generated from the ‘creative projects’ but also the crowdfunding platforms obtaining their network of friends, family and colleagues who support them. These social relations are in this way commodified and, ultimately, monetised. With the sharing of links, data, views and visits, the users are tracked and their interests and favourites are stored and like many other websites that collate personal data, are subsequently sold to third party profiteers. But it is the corporations who accrue revenue from social media whilst the crowdfunding platforms gain in symbolic capital and profit as middlemen. Their desire is that this network of backers who know the campaigner (75%) can be later harvested and made aware of other projects by visiting their sites and discovering more projects they can support to in turn become the unknown backers of other projects (25%). This network becomes the investor group of future projects, for both for-profit as well as for not-for-profit crowdfunding platforms. Not only does crowdfunding gather investors together, it makes potential campaigners out of them.

Collecting their cut of the private wealth from these networks as well as the members themselves is the goal of all crowdfunding platforms. Much like future investment, the numbers of investors add up and are able to keep investing in what could essentially be a fraudulent Ponzi or pyramid scheme. And like all true community endeavours this sense of belonging is supported by reciprocity: “The true product for sale on Kickstarter is not your art project, but your community and networks.”[22]

6. Crowdfunding data so far demonstrates that risky and experimental projects (such as artistic ones) are less likely to be supported.

Crowdfunding platforms serve as a potential partner for supporting the less traditional forms of art commodities and provide a means to finance artistic activities that do not receive public monies. However projects that are crowdfunded are usually those that are the most popular, much like Google’s Page Rank where the indexing of linking, views and hits is ranked higher. This imposes a restriction on artistic freedom, because the project we are supported by the enthusiasm and generosity of invisible people worldwide. are you invisible?
is now dependent upon popularity, not necessarily its content or value. The most successful crowdfunding campaigns are projects that are very popular, the artist already known with an extensive fan base.[23] More obscure projects would need a particular use-value for a specific interest group in order to be financed. If you want to develop a project for a niche culture or a small audience then you either have to attract an interest group who wants to see the project financed or rely on your own network (75%). Alternatively you might get lucky with the sway of the crowd (25%).

It is those projects that have higher risk for investors that do not get funded: the ones that question, shock, startle and perhaps scandalize the status quo, which can't be contained within a box and are not especially palatable to the general public. “Experimental projects, risky or critical, need more funding and are marginalized within the general context of crowdfunding platforms.”[24] Populist politics extends and ever-increasingly determines the radical potentials and subversive intentions of certain artistic and cultural activities.

Is ‘art’ really taking on new forms once crowdfunded? These conceptual ideas are similar to the artistic proposals in grant writing, only now (if they are popular enough) they are being financed by individual investors rather than the state. The ‘creative projects’ are being marketed as pre-purchases, with backers receiving a share of the artistic practice in the form of artifacts, the decision making or social capital.[25] Are these successful ‘creative projects’ art or rather examples of good ‘cultural entrepreneurship’, as is increasingly expected of artists and creative practitioners in neoliberal societies. It is an investment of time, energy, labour and creativity on the part of the campaigner to be geared toward the market; concomitantly the backer feels like a shareholder, an investor in a speculative ‘creative project’ where not only the material reward is the pay-off, but for some, the enticement of future backing of one's own crowdfunding campaign.

7. The distributed nature of funding facilitated by global technology networks offers a promise of support and subsidy that is disproportionately larger than the available corpus of anonymous private donations.

Drastic cuts to the public sector and funds for culture have led to an explosion of crowdfunding projects.[27] The people who initiate them are acutely aware of the high-risk potential of these projects because there isn’t enough public wealth available to finance all these projects. Moreover, the new model of micropatronage for the distribution of private wealth, to support the cultural sector, is riddled with a fundamental paradox: in order to seek financial support the cultural practitioner has to become a source of support for other stakeholders in the network. Our relationships with others then becomes even more entangled, with additional exchanges of money between colleagues that incite mutual support. Yet more often than not, financing is not reciprocated, and those supported do not like the project, the reward, are not interested or are cash-poor, indebted to the bank or unable to support others when called upon for a return.

The inherent trust implied in these networks builds relationships, in which one is mutually dependent on others. Where one once supported each other morally, with time and attention, a crowd of interest, one is now asked to finance the preproduction of the forthcoming goods, whether that be a film, a video, an installation, a community project or even more material production, such as publication or fabrication of a monument. The ‘creative project’ is pre-financed based on the trust contained within those social relations, the track record of the campaigner and whether it is considered to be a ‘good idea’. What about the results from this exchange? Would the social bonds be stronger because of mutual support? If money were part of the equation, would it then deepen the relationships with others? Would one need to stay in contact (like the mafia) in order to be ‘paid back’ for example or would this also only happen virtually, like the monetary transaction?

With regard to public funding for the arts, Kickstarter believes that it can be “wielded as a tool for public agencies to show that there is an incredible appetite for creative works in the public sphere.” They see the “enormous public outpouring a support for creative projects on Kickstarter sites and

we are supported by the enthusiasm and generosity of invisible people worldwide. are you invisible?
others as fodder for fighting for increased government support in the arts and culture sectors, as there is obviously an enormous appetite for creative engagement demonstrated through the explosive growth in this form of funding.“[28] Why would this private financial support of the general public encourage sustainability or incite increased governmental funding for ‘creative projects’? Rather it shows that as long as people, patrons and backers donate their surplus to crowdfunding campaigns there is less of a need for public monies to finance cultural production. The question remains then whether these backers are able and willing to support each other in terms of financial reciprocity.

**Funding the crowds**

*From ‘taxing’ our networks to tax deductions for the wealthy to governmental taxation for the campaigner.*

Throughout history a model of patronage has been developed where wealthy private benefactors have invested in and supported culture, through philanthropy, non-profit entities and donations to society. The same situation of social reproduction remains where the workers’ work is being privatised and turned into someone else’s private wealth and those with this money still decide what gets funded with their surplus. This redistribution of surplus has enabled patrons to support cultural projects as tax deductions and to finance many foundations for culture. Contributing to a crowdfunding campaign can be another viable means to avoid paying (more) tax.[29]

Philanthropy, although having the appearance of gifting, illicits control and censorship as well as reputation and attention with the recognition of the patron. The wealthy may use crowdfunding as a tax write-off, on condition that they don't receive anything in return, otherwise it would constitute a purchase. In contrast with reward crowdfunding they pre-purchase concepts and buy a reward as if shopping online. With digital transactions crowdfunding now enables the micropatron is to be rebranded as a donor, with their name appearing on the credits of the film, on the sides of the building, or on publicity materials, etc. Crowdfunding remains a micropatronage model without liberation.

As a campaigner, the money you receive with crowdfunding is subject to tax and depending on one’s status as a cultural entrepreneur, small business person, or freelancer, taxation occurs without the benefits of either employment or the ability to use the campaign as a tax-write-off. Therefore the money generated from the crowdfunding campaign is viewed as income.[30] One is taxed on the small amount one receives as the crowdfunding platform siphons off a percentage along with the transaction companies. The donations are also subject to taxation in certain instances as they are considered a purchase (when one receives a reward) and not a gift.

*A new model for the distribution of wealth?*

As crowdfunding sites (700+) continue to mushroom worldwide they are clearly a force to be reckoned with. Many of these platforms include the previously mentioned types of crowdfunding: donation, lending, equity and reward. Debt crowdfunding is also expanding with growth in 2012 and with more expected in years to come. The legal framework for all types of crowdfunding will be most likely be passed into legislation in the U.S. and Europe in the 2013. Crowdfunding platforms are becoming more and more international, harvesting money from people all over the world, with free API technology made available to make it even easier for groups of people to charge and collect money for any activity. In 2012, the amount of donations from platforms has doubled, even tripled and 2013 promises to see an increase as the trend of crowdfunding spreads as even more people find it an acceptable means to raise money from their networks for their causes. Yet the statistics show that the ratio of 75% known and 25% unknown funders has remained the same.[31]
Instead of being just another model that redistributes surplus perhaps there are alternatives to support cultural production that can be developed from crowdfunding. A future scenario might include a financial model in which the amount that we contribute to the crowdfunding campaign is a certain percentage of collective authorship in the project that will be financed. In this collaborative endeavour, the audience (those who contribute financial support) obtain distributed ownership of the works that are financed. If crowdfunding is made successful with the financial support of the multitude, shouldn’t we also be speaking of co- or multi-authorship? In its current form, the campaigner ostensibly retains authorship yet the platform owners retain property rights over the online campaign. If the commons are fronting the cash why are the commons not reaping the benefits?

By breaking down the system of private property and looking at crowdfunding projects where communal good is supported by the community, for the community and of the community, we come across some examples of ‘alternative crowdfunding’. Now, more than ever, shared authorship and collective agency is what makes things happen. Producers and users are coming in much closer contact with one another and in the process the relations between ‘artist’ and ‘audience’ are shifting. Perhaps eventually the ‘donors’ who support the projects might join in the production. [33] Crowdfunding projects are not usually released with a free license, but there could be projects designed to fulfill these criteria, as ‘crowdfunding the commons’ where the “results can be shared, reused, remixed, copied, replicated in whatever form.”[35] Therefore, “crowdfunding is a promising field because it can address many of the dynamics that underlie the crisis of the cultural economy and its transformation from a commodity to a commons-based environment.”[36] This is the premise of goteo.org, a “social network for co-financing and collaborating with creative projects that further the common good.”[37] In other words, it follows the principle that “those who use the platform to raise money should control the platform, collectively, and share in the benefits generated.”[38] In order to reach a ‘technical democracy’ the manner in which ‘hybrid forums’ and civic engagement play a crucial role is key: offline in the public aspect of confrontation and discussion, along with the organization and execution of the project, and online with the collating of funds to facilitate it.[39]

Crowdfunding in its present form is not a self-sustaining model. The campaigner is unremunerated for most of their labour and paid substandard wages for the production of the project. Networks are of the highest value and tapped into by the campaigner and harvested by the platform. Financing is sought from patrons (workers) who decide to spend their surplus income as funders. The funders do not end up with financial returns for their investment nor do they have a share in the authorship. At the same time, personal relationships are commodified by an exchange of money that was previously not required between these networks of people. As Dmytri Kleiner points out, “[a]s such, it can never grow beyond the level of the retained income workers can sustainably divert from consumption, at the expense of workers’ savings. This means, that crowdfunding cannot directly have a significant effect on the social distribution of wealth unless what it funds is itself something that itself directly challenges political or economic power.”[41]

As technology enables an even quicker flow of capital the state is no longer held accountable, and it is increasingly private bodies, either individual or corporate, who decide what will be financed and for how much. Developing new cultural economies in our increasingly neo-feudalistic societies means looking beyond micro-networked patronage models such as reward-based crowdfunding and instead focusing on shared authorship and collective returns. That is the future, if one wants to be remunerated for cultural endeavour that isn’t exclusively market driven.

Disrupting Business

Art & Activism in Times of Financial Crisis
Data Browser 05
Edited by Tatiana Bazzichelli & Geoff Cox

we are supported by the enthusiasm and generosity of invisible people worldwide. are you invisible?
A welfare state is the concept of government in which the state lays a key role in the protection and promotion of the economic and social well-being of its citizens. It is based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those unable to avail themselves of the minimal provisions for a good life. The general term may cover a variety of forms of economic and social organization. See [1]. In this article I am in particular referring to the recent history of the Netherlands, where I live and work. However, since 2010 many welfare states of Europe implemented austerity measures because of the ‘financial crisis’ leading to drastic cuts for health, education, public transportation and culture along with the destabilization of the euro. Yet the governments have bailed out many banks and have even nationalized them.

There are four different types of crowdfunding: reward-based, donation-based, equity-based and lending-based crowdfunding. The focus within the cultural sector is reward-based in which a non-financial reward, or ‘perks’, usually a limited edition print, or a cultural artefact, is manufactured in exchange for monetary contributions. See [2].

The regulation of these sites is constantly in flux. Presently the strategy with the ‘all or nothing’ policy is to have a ‘micro-patron’ waiting in the wings in the 11th hour when the goal has not been reached to bail out the campaigner at the last minute in order to obtain the financial goal.

References

[1] A welfare state is the concept of government in which the state lays a key role in the protection and promotion of the economic and social well-being of its citizens. It is based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those unable to avail themselves of the minimal provisions for a good life. The general term may cover a variety of forms of economic and social organization. See http://www.britannica.com/EBchecked/topic/639266/welfare-state. In this article I am in particular referring to the recent history of the Netherlands, where I live and work. However, since 2010 many welfare states of Europe implemented austerity measures because of the ‘financial crisis’ leading to drastic cuts for health, education, public transportation and culture along with the destabilization of the euro. Yet the governments have bailed out many banks and have even nationalized them.

[2] There are four different types of crowdfunding: reward-based, donation-based, equity-based and lending-based crowdfunding. The focus within the cultural sector is reward-based in which a non-financial reward, or ‘perks’, usually a limited edition print, or a cultural artefact, is manufactured in exchange for monetary contributions. See http://en.wikipedia.org/wiki/Crowd_funding


[8] The regulation of these sites is constantly in flux. Presently the strategy with the ‘all or nothing’ policy is to have a ‘micro-patron’ waiting in the wings in the 11th hour when the goal has not been reached to bail out the campaigner at the last minute in order to obtain the financial goal.
According to Kickstarter statistics, the average crowdfunding campaigns are between $1000 and $10000, and ‘rewards’ or ‘perks’ are offered in return, the type dependant on the amount of the donation. Assuming one would support 8 projects a month at $50 per each project, one would pay out $400 a month. If one were to pay out $4800 a year for two years one would spend $9600 on others’ projects. Let’s say one wants to put a project on Kickstarter and one is asking $9600 from all contacts, colleagues, neighbours, friends and family. Could one trust those who one supported to contribute in return? Would all (192 people) also pay $50 for one’s own project?

This information is well hidden and not publicized. The 75% to 25% proportion was announced by VoordeKunst on January 22, 2013; and Kickstarter shows similar stats (albeit cryptically) in their “Best of Kickstarter 2012”. See http://www.kickstarter.com/year/2012..


Lewis Winter, a designer in Melbourne, Australia, has given financial support to 373 projects. He says: “I think Kickstarter helps people do something a lot of us have forgotten how to do — ask our neighbors for help.” Available at http://www.nytimes.com/2011/08/07/magazine/the-trivialities-and-transcendence-of-kickstarter.html?pagewanted=4&_r=0

For instance, see http://www.mondriaanfonds.nl/Nieuws/item/Nieuwe_regelingen/; http://www.mondriaanfonds.nl/Nieuws/item/Mondriaan_Fonds_voordekunst/; http://www.mondriaanfonds.nl/Activiteiten/Alternatieve_financiering/.


In the European Union millions of Euros earmarked for culture are even being distributed to certain organisations in the Netherlands so that they can organise seminars to teach cultural practitioners how to crowdfund! See http://www.cultuur-ondernemen.nl/nieuws/agenda/-/asset_publisher/GV8h/content/crowdfunding-1. In the US, Kickstarter has now started working with “private foundations, arts councils, and city governments to wrap their minds around what Kickstarter can mean to them as a ‘complement’ for their ongoing efforts.” (Email exchange on October 24, 2012, with Stephanie Pereira, director art programme at Kickstarter).

For example, in the Netherlands, VoordeKunst is now partnered with the Mondriaan Funds, whose new policy (as of January 1, 2013) includes a personal contribution of €3500 for project subsidies, including money raised from crowdfunding.


John Hopkins (2012). See http://www.mail-archive.com/nettime-l@mail.kein.org/msg01310.html

we are supported by the enthusiasm and generosity of invisible people worldwide. are you invisible?
MacPhee, *Who’s the Shop Steward on Your Kickstarter?*

According to Kickstarter (2012), Amanda Palmer is the highest successful music campaigner so far ($1,192,793) although afterwards she didn’t pay local musicians while on tour (see [http://www.newyorker.com/online/blogs/culture/2012/10/amanda-palmers-kickstarter-scandal.html](http://www.newyorker.com/online/blogs/culture/2012/10/amanda-palmers-kickstarter-scandal.html)); Whoopi Goldberg ostensibly needed funds ($73,764) for her documentary *I Got Somethin’ to tell You* (see [http://www.kickstarter.com/projects/1085942094/whoopi-goldbergs-documentary](http://www.kickstarter.com/projects/1085942094/whoopi-goldbergs-documentary)).

Caparrós, *Experiencias de crowdfunding en el estado Español y Cataluña*, 16.

Jason Eppink’s ‘Kickbackstarter’, is an art project in which he rounded up donations as a Kickstarter campaign to enable him to decide which campaigns he deemed worthy. This ‘creative project’ was not accepted by Kickstarter as a campaign, though his website is a clone of Kickstarter’s. See [http://kickbackstarter.com](http://kickbackstarter.com).

MacPhee, *Who’s the Shop Steward on Your Kickstarter?*


Email exchange with Stephanie Pereira, director art programme at Kickstarter, October 24 (2012).


A successful campaign requires hard work and in some cases, on time investment, fees and taxes imposed on results mean that many users would reconsider whether to use this mechanism to make future projects. See Caparrós, *Experiencias de crowdfunding en el estado Español y Cataluña*, 17.

According to Kickstarter, in 2012: 2,241,475 (up 134% from 2011) people pledged $319,786,629 (up 221% since 2011) and $274,391,721 was collected (up 238% from 2011). Of which 570,672 people backed two or more projects; 50,047 people backed ten or more projects; 452 people backed 100 or more projects. The most popular pledge amount is $25. Successful project average: $5487. Music had the most funded projects: 5,067. Games had the most money pledged at 83,000,000. Art had 3,783 projects launched, of which 1837 were ‘successful’ with $10,477,939 pledged by 155,782 people. Available at [http://www.kickstarter.com/year/2012](http://www.kickstarter.com/year/2012).

For example, see Indiegogo’s Property Rights statement: “Except for your User Content, the Service and all materials therein or transferred thereby, including, without limitation, software, images, text, graphics, illustrations, logos, patents, trademarks, service marks, copyrights, photographs, audio, videos, music, and User Content (the "Indiegogo Content"), and all Intellectual Property Rights related thereto, are the exclusive property of Indiegogo and its licensors.”.

[34] Axel Bruns, *Blogs, Wikipedia, Second Life and Beyond, from production to produsage* (New York: Peter Lang, 2008)


[36] Stalder, *Crowdfunding the Commons*.

[37] Stalder, *Crowdfunding the Commons*.

[38] MacPhee, *Who’s the Shop Steward on Your Kickstarter?*.

[39] Organisations such as Brickstarter are attempting to improve upon the Kickstarter model with a social economy. The voices of the people contained within the platform gather together and use tools to form collaborative proposals, communities are involved in the experience and can follow the progress of the project as well as participate. That the involvement of citizens in everyday decision-making about their environment is likely to result in outcomes that are more inclusive, holistic, faster, scalable, and better, as they are decisions “owned” by the citizens. In other words, sustainable. Dan Hill, Conversation with Rodrigo Araya (2012), Tironi Asociados, Chile. Available at http://brickstarter.org/conversation-rodrigo-araya-tironi-asociados/.


[42] In regard to the general direction of patronage, investment and funding regarding the arts the figure of the High Net-Worth Individual is ever-increasing as are private trusts. See https://en.wikipedia.org/wiki/High-net-worth_individual

Source URL: http://northeastwestsouth.net/crowdfunding-monetizing-crowd