

EMPOWERING LOCAL DREAMS

Crowdfunding's Role in Catalysing Local and
Rural Development in Spain

” A publication of the multi-stakeholder
working group Rural Crowdfunding -
Spanish strategic group (RuCF-SSG)
at EUROCROWD

- INSPIRING TOMORROW'S FINANCE -

WWW.EUROCROWD.ORG



Empowering Local Dreams: Crowdfunding's Role in Catalysing Local and Rural Development in Spain

Authors: Mauricio O'Brien, EURO CROWD. Javier Ramos, Universidad Camilo José Cela. Alfonso Egea, CIJA UAM - Centro de Investigación sobre la Justicia Administrativa. Caterina Cerdà, Simbiosis Hub.

Support: Miguel Iyanga, Marifé Gómez, Elisa Patriarca, EURO CROWD. Lucas Olmedo, UCC - University of Cork

Updated version 1.3 date 25 March 2024

Copyright © EURO CROWD (European Crowdfunding Network AISBL) 2024
All rights reserved.

We encourage the use of our own data, publications and multimedia products (sound, image, video, etc.) in line with our Use of EURO CROWD Material policy as set out in our terms and conditions which can be accessed here <https://eurocrowd.org/conditions/>

European Crowdfunding Network

SQ North, BD Roi Albert II 4
1000 Brussels, Belgium
info@eurocrowd.org
<https://eurocrowd.org/>



TABLE OF CONTENTS

EXECUTIVE SUMMARY	6
SECTION 1 - INTRODUCTION	12
Crowdfunding Advantages	13
Crowdfunding Risks and Challenges	17
SECTION 2 - REGULATION OF CROWDFUNDING AT THE EU LEVEL	20
SECTION 3 - LOCAL/RURAL DEVELOPMENT AT THE EU LEVEL	23
SECTION 4 - RURAL/LOCAL DEVELOPMENT AND UNPOPULATED AREAS IN SPAIN	28
Population Decline	30
Economic Consequences	31
Infrastructure challenge	32
Social and Culture	33
The population decline and the access of the financial services	34
SECTION 5 - SPANISH LEGISLATION FOR RURAL DEVELOPMENT AND UNPOPULATED/AREAS	36
Regional plans against depopulation	40
SECTION 6 - CROWDFUNDING IN SPAIN	45
SECTION 7 - CROWDFUNDING AND RURAL DEVELOPMENT IN SPAIN: FACTS AND FIGURES	48
Total Fundraising	49
Average per Campaign	49
Minimum and Maximum Fundraising	50
Average Investors per Campaign	50
Sector of Activity	50
Type of Platforms	51
Depopulated Areas	52
Origin of the project	53

Innovation	54
Type of Innovation	55
Overfunding	56
Population	57
SECTION 8 - IDENTIFYING CROWDFUNDING'S BEST PRACTICES IN RURAL/LOCAL DEVELOPMENT IN SPAIN	59
Investment in Digital Infrastructure	60
Support for Local Entrepreneurship	61
Promote Diversification in Agriculture	62
Investment in Rural Education	62
Healthcare access and Medical Services	63
Develop and Promote Sustainable Tourism Initiatives	63
Responsible Land Management and Environmental Protection	64
Address Housing Affordability, Improvement and Rehabilitation	65
Encourage Community-led Development Initiatives	66
Facilitating Regional Cooperation and Coordination among Neighbouring Rural Areas	67
Developing initiatives to attract remote workers and digital nomads to rural areas	67
Policies for Elderly	68
TENTATIVE CONCLUSIONS	71
Crowdfunding and some policy implications	72
ANNEX 1 + AUTHORS	76

List of Tables:

- Table 1: Indicative overview of the potential compatibility of crowdfunding with ESIF policy objective (2021-2027) 27
- Table 2: Rural Area (%) 39
- Table 3: Regional plans/laws on depopulation 41

List of Figures:

- Figure 1: Fundraising Allocation by Economic Sector 50
- Figure 2: Source of fundraising by Platform's Typology 51
- Figure 3: Fundraising allocation according to population 52
- Figure 4: Fundraising allocation according to the origin of projects 53
- Figure 5: Fundraising allocation in innovative projects 54
- Figure 6: Type of Innovation 55
- Figure 7: According to achieved goals of funding 56
- Figure 8: Distribution across various population brackets 58

Other:

- Map 1: Population distribution in Spain 31



About EUROCROWD

EUROCROWD, registered as the European Crowdfunding Network AISBL in 2013 in Belgium, is an independent, professional business network promoting adequate transparency, regulation and governance in digital finance while offering a combined voice in policy discussion and public opinion building.

We execute initiatives aimed at innovating, representing, promoting and protecting the European crowdfunding industry as a key aspect of innovation within alternative finance and financial technology, including crypto assets and distributed ledger technologies.

We aim to increase the understanding of the key roles that digital finance can play in supporting entrepreneurship of all types and its role in funding the creation and protection of jobs, the enrichment of European society, culture and economy, and the protection of our environment.

EUROCROWD maintains a dialogue with public institutions and stakeholders as well as the media at European, international and national levels.

EXECUTIVE SUMMARY

This report explores the multifaceted impact of crowdfunding on local and rural development in Spain. Utilizing a dataset of 418 crowdfunding campaigns, we analyse key data points and variables related to crowdfunding in the Spanish context.

It not only sheds light on the financial support channelled into local and rural development but also underscores the diversity, adaptability, and innovation characterizing crowdfunding rural initiatives in Spain.

Crowdfunding has emerged as a powerful catalyst for various aspects of project development and community engagement, presenting a myriad of advantages. Some of those advantages of crowdfunding stem from its ability to capitalize on projects, act as a catalyst for innovation, facilitate feedback-driven development, foster community engagement and trust, and contribute to the initiation of new infrastructures or the enhancement of existing ones.

However, despite its merits, crowdfunding is not without its challenges. Several important limitations deserve attention, mainly uneven distribution of resources, exclusion and disparities, dependency on donor and donor fatigue, risk of project abandonment, overemphasis on popular projects, competition for local donations and short-term focus.

The analysis also reveals that crowdfunding plays a significant role in spanning various sectors and types of platforms and highlights the potential for crowdfunding to drive innovation and address critical local challenges.

More specifically, the report uncovers a total fundraising amount of 17,400,781 euros across the campaigns, signifying substantial financial support for local and rural initiatives. This data showcases the financial viability of crowdfunding as a source of capital, particularly for projects operating outside traditional urban hubs.

These initiatives span numerous sectors, including agriculture, industry, and services, highlighting the versatility of crowdfunding in addressing local needs and opportunities. Similarly, crowdfunding platforms come in various forms, each catering to distinct project requirements.

The prevalence of reward-based crowdfunding (58.37%) is noteworthy, with lending (30.70%), equity (1.44%), and donation (9.59%) platforms also making a significant impact. This distribution reflects the choices available to project initiators, aligning platforms with their specific objectives.

Crowdfunding's impact is visible in projects with both internal (48.2%) and external (51.8%) origins. This mix highlights the interplay between locally generated and externally influenced development, showcasing crowdfunding's adaptability in fostering diverse initiatives.

The report reveals the prevalence of innovation in crowdfunding campaigns, with over 80% of the funded projects delivering varying degrees of inventive solutions. The environmental sector (37.37%) leads the way, demonstrating crowdfunding's potential to drive sustainability and eco-friendly projects. Additionally, art and culture (18.81%), education (10.57%), and digital services (5.41%) underscore the breadth of innovation occurring in local and rural Spain.

The mix of internal and external origins of the campaigns strikes a balance between preserving local traditions and embracing progress. Internal projects often focus on cultural preservation and traditional practices, while external projects might introduce technological advancements and new ways of doing things. This balance ensures that rural areas can evolve and adapt while retaining their unique identities and heritage.

The data also shows that over 23% of campaigns successfully exceeded their funding goals, illustrating the optimism and potential for projects to garner additional support. This overfunding capacity is indicative of the crowdfunding ecosystem's enthusiasm for local and rural development.

Summing up, crowdfunding has the power to transform local and rural landscapes in Spain, bridging resource gaps, fostering innovation, and empowering communities. However, it is also essential to consider the balance between external and internal projects, the distribution of resources, and the potential to sustain innovation over the long term.

Crowdfunding has become a driving force in local and rural development in Spain. Its continued evolution and impact on this country hold promise for a more dynamic and sustainable future, where communities are actively engaged in shaping their own destinies and addressing pressing local challenges.

In the realm of crowdfunding success, social trust emerges as a cornerstone. It reflects the confidence individuals place in the reliability and integrity of others within their social network, exerting a substantial impact on crowdfunding outcomes.

The dynamics of social trust within a creator's social network can be the deciding factor for a campaign's fate. To optimize this, project creators must prioritize transparency, communication, and credibility. These elements not only attract initial backers but also foster a supportive community, propelling the campaign toward its funding goals.

Considering the transformative impact of crowdfunding on rural development, Spanish legislation, mainly Law 45/2007 established a regulatory framework requiring coordinated action across administrative levels. The law outlined measures to address depopulation, focusing on economic diversification and rural development.

However, the framework lacked specific regulatory mechanisms to achieve these goals, relying on regional government initiatives for implementation. This constitutes a serious handicap. The law's provisions incentivized regional policies based on varying criteria for defining rurality, leading to the emergence of regional regulations specific to depopulation or rural development. Unfortunately, this decentralized approach has undermined the initial momentum generated by Law 45/2007, evident in the disappearance of references to it in recent regional regulations.

An analysis of specific regional measures against depopulation reveals that the approval of dedicated depopulation plans does not guarantee concrete actions, and the absence of specific plans does not indicate a lack of attention from regional governments. Plans share the common objective of reducing rural-to-urban migration, aligning with obligations in Statutes of Autonomy. Despite similarities in the breadth of measures across plans, they lack detailed budget allocations and criteria for resource distribution.

These plans follow a top-down approach, limiting local government participation. Despite their ambition, the plans may not shift the public management approach to rural development, as they often prioritize safeguarding regional competencies rather than active promotion. Two key deficiencies include a lack of explicit financial specifications for effective implementation and an overreliance on public administrations, potentially perpetuating rural development disparities. Acknowledging these pitfalls, crowdfunding emerges as an alternative, involving private or public-private initiatives to propose projects for the economic diversification of rural areas.

Given the socio-economic situation of rural areas in Spain and the constraints imposed by current legislation described above, a set of comprehensive policy implications has been outlined to foster this type of e-finance within these communities. These implications are designed to create an environment that encourages, supports, and harnesses innovation, driving positive change and sustainable growth.

More precisely, the report recommends the following set of policies orientation:

- **Capacity building and education programs**, mainly specialized courses and workshops in crowdfunding and finance to instil a culture pro entrepreneurship and empower community. These should be comprehensive, community-centered, and adapted to the unique needs of rural areas. By empowering individuals with the necessary skills, knowledge, and resources, these programs create a foundation for sustainable crowdfunding practices that contribute to local development and economic growth.

- Many individuals in rural areas may have limited financial literacy, making it challenging for them to understand crowdfunding as an investment option. Conduct financial literacy workshops and training sessions, covering basic concepts of crowdfunding, investment risks, and potential returns. Collaborate with local educational institutions, community centers, and NGOs for wider reach.
- Increase awareness among local authorities of crowdfunding as an alternative to traditional financial tools (i.e. grants, lending, public procurements).
- Promote coordination between the different territorial levels of Public Administration (e.g. local, regional and national) through crowdfunding campaigns.

- **Introduction of financial incentives**, subsidies, and innovation-focused grants to incentivize innovative projects, particularly in sectors like agriculture, environment and cultural preservation.

- Offering subsidies, tax breaks, or innovation-focused grants can encourage project initiators to explore innovative solutions in sectors such as agriculture, environment, and cultural preservation.
- Similarly, streamlining regulatory processes to encourage creative problem-solving, ensuring adherence to safety and quality standards while reducing bureaucratic hurdles.
- Investing in research and development (R&D) initiatives specific to rural needs can drive innovation. Establishing R&D grants or programs focusing on technology, sustainable practices, and cultural heritage within rural areas can fuel innovative solutions.

• **Pro-Entrepreneurship and measures to enhance the creation of firms.** Policies supporting entrepreneurship, access to startup funding, incubation facilities, and mentorship programs to fuel innovation in local businesses. In the same vein, Policies that foster a culture of experimentation, allowing room for trial and error, and learning from failures to encourage innovative thinking without excessive fear of failure.

- Encouraging Experimentation and Risk-Taking that foster a culture of experimentation and risk-taking within reasonable boundaries can drive regeneration and population. Supporting pilot projects, allowing room for trial and error, and learning from failures can encourage entrepreneurial thinking without excessive fear of failure.

• **Public-Private Partnerships** that facilitate cooperation and trust between public resources and private sector expertise to provide access to funding, technology, and networks, enhancing the innovative capacity of rural projects and businesses.

- The implementation of these policy stands to create an environment that nurtures creativity, collaboration, and exploration, driving meaningful and sustainable change in rural communities through crowdfunding and fostering a culture of innovation and entrepreneurship.
- New spaces that facilitate collaboration among various stakeholders, including government bodies, local businesses, educational institutions, and communities, can foster an ecosystem of innovation. Policies that encourage and support partnerships can lead to the sharing of resources, knowledge, and expertise, driving collective innovation effort.
- These partnerships can bridge the gap between public resources and private sector expertise. These partnerships can provide access to funding, technology, and networks, enhancing the innovative capacity of rural projects and businesses.
- Matching. In the context of Public-Private Partnerships (PPPs), “matching” typically refers to aligning the interests and contributions of both public and private entities to achieve common goals. Matchfunding involves combining public resources with private sector expertise and capital to create a synergistic collaboration that benefits both parties and, ultimately, the rural projects or businesses involved.

These four general policy orientations can be specified in the following set of best practices:

- Investment in Digital Infrastructure
- Support for Local Entrepreneurship and Supporting the Retail Sector
 - Address Housing Affordability
 - Finance Housing Improvement and Rehabilitation
- Promote Diversification in Agriculture, Encouraging new high value-added activities and Vertical integration in the food chain. Enhancing food security
 - Investment in Rural Education
 - Healthcare access and Medical Services,
 - Develop and Promote Sustainable Tourism Initiatives
- Responsible Land Management and Environmental Protection
 - Encourage Community-led Development Initiatives
- Facilitating Regional Cooperation and Coordination among Neighbouring Rural Areas for co-financed actions.
 - Developing initiatives to attract remote workers and digital nomads to rural areas.
 - Policies for the elderly

ACKNOWLEDGEMENTS

TO ALL THOSE OF YOU WHO PRECEDED

This report on Rural Crowdfunding does not just happen, from the team of EUROCROWD - European Crowdfunding Network together with the participating authors and the support received from universities, entities and platforms, we wanted to explore what has happened in a context such as the Spanish one, analysing the details of the campaigns themselves as well as the connection with a complex scenario such as “Empty Spain” and the development of the Spanish public political connections as well as the European ones.

The SSG working group wanted to delve into specific research based on data obtained from existing platforms in Spain –almost from their beginnings until the last quarter of 2023– breaking down barriers linked to the classic and monolithic conception that sometimes prevails in rurality while expanding the possibilities of participatory, digital and community funding from multiple angles and areas of study.

This publication is preceded by others related to civic crowdfunding in Europe (2021), by the CF4E-SIF working group [*Scaling Up Partnerships: A Blueprint For the Implementation Of Match-Funding Schemes Between Public Authorities and Crowdfunding Platforms*](#). And other publications such as [*Triggering Participation report*](#) (2018), and [*Crowdfunding and ESF opportunities: future perspectives for managing authorities*](#) (2020).

SECTION 1

INTRODUCTION

In the intricate mosaic of global economies, local and rural communities find themselves on the periphery, grappling with a unique set of challenges. Limited access to traditional financing, sparse job opportunities, and underdeveloped infrastructure can cast over the prospects of these regions. However, in this digital age, a groundbreaking phenomenon has emerged as a catalyst for transformative change: crowdfunding.

Crowdfunding, once a novel concept relegated to the realms of creative projects and entrepreneurial ventures, has evolved into a dynamic force that holds the potential to revolutionize the landscape of local and rural development. It is a financial paradigm shift, facilitated by online platforms, which empowers individuals, community groups, and aspiring entrepreneurs to rally the support of a global network of backers (Ramos & González)¹.

According to Ramos (2014)² crowdfunding is an alternative way of finance and exchange, where those seeking funding and those looking to invest can be matched. Creators and entrepreneurs can make use of these online crowdfunding platforms to expand the numbers of potential investors, who finance their online project via the Internet. Yet, crowdfunding is not just about raising money, but also about market testing, engaging potential customers and target groups and exploiting the advantages of community and proximity.

What makes crowdfunding especially remarkable is its ability to bridge the gap between development and reality, particularly in the context of local and rural areas. At its core, crowdfunding embodies a democratic ethos that transcends geographical boundaries, socio-economic disparities, and institutional barriers (Ramos & Gonzalez, 2016; Davis & Davis, 2021)^{3,4}.

It provides a platform where ideas can flourish, businesses can take root, and communities can thrive. In this multifaceted exploration, we will delve deeply into the symbiotic relationship between crowdfunding and local/rural development, shedding light on the myriad ways in which this innovative mechanism fuels progress (Schwartz,2012; Temelkov & Gulev, 2019)^{5,6}.

1.1. CROWDFUNDING ADVANTAGES

Some of its most advantages are related to Crowdfunding's capacity to capitalizing on projects, paving the way to innovation, bringing about feedback-driven development, fostering community engagement and trust and carrying out new infrastructures or improving old ones.

¹ Ramos, J. & González, A. (2020) La Financiación Participativa en datos, en Cuenca, M. (dir) Aspectos legales de la Financiación Participativa –crowdfunding– Tirant le Blanc, pp. 141-159. Valencia

² Ramos, J. (2014). Crowdfunding and the role of managers in ensuring the sustainability of crowdfunding platforms. *JRC Scientific and Policy Reports*, 85752.

³ Ramos, J. & González (2016)

⁴ Davis, M., & Davis, B. (2021). *Crowdfunding and the Democratization of Finance*. Policy Press

⁵ Schwartz, A. A. (2012). Rural crowdfunding. *UC Davis Bus. LJ*, 13, 283.

⁶ Temelkov, Z., & Gulev, G. (2019). Role of crowdfunding platforms in rural tourism development. *SocioBrains, International scientific refereed online journal with impact factor*, (56), 73-79

In local and rural areas, **access to capital** often proves to be the key player for economic advancement. Traditional avenues for securing funding, such as banks and venture capitalists, tend to be elusive, especially for early-stage projects and community-driven initiatives (Pérez & Egea, 2019)⁷.

Therefore, crowdfunding steps in as the great equalizer by facilitating access to capital (by its typology as donation, reward, lending or equity). Entrepreneurs, artists, and community leaders no longer need to navigate “traditional” financial systems to make their ideas and projects come true. Local entrepreneurs and startups can now tap into the support of their own communities and the world at large (Mollick & Robb, 2016; Pekmezovic & Walker, 2016)^{8, 9}.

Crowdfunding becomes a platform for launching or expanding local businesses, thereby stimulating economic activity and job creation, some of them highly innovative. This is another key characteristic of crowdfunding namely, to bring about *innovation*. Innovative ideas, which might otherwise languish with traditional funding, can find an opportunity on crowdfunding platforms. These ideas span a gamut of sectors, from sustainable agriculture and renewable energy to cultural preservation and tech startups (Eldridge, Nisar & Torchia, 2021)¹⁰.

Setting a basic comparison for Crowdfunding and, more traditional, community funding involve raising money to support community projects or initiatives. However, there are basic differences, such as:

- **Scale:** Crowdfunding is often understood for small-scale projects while community funding can be used for both small and large-scale community-based initiatives.
- **Type of financing:** Crowdfunding becomes a versatile toolbox (financial and non-financial), while community funding is more likely to be grants, donations and sponsorships.
- **Where the money comes from:** Crowdfunding involves raising funds from within a community –through digital platforms and social-media–, while community funding can rely on external sources.

Overall, both crowdfunding and community funding are linked due the importance of tools to support rural-communities projects with a direct connection to impact. Despite their similarities, their differences can enclose the contrast of what may be traditional or alternative –even a dichotomy among analog and digital finance–.

Whether a project chooses between community financing or community funding will depend on its specific needs, goals and, foremost the most important, the final support of different stakeholders.

Therefore, **fostering community engagement and trust** is another key advantage that can be promoted with crowdfunding. Beyond mere financial transactions, crowdfunding fosters an ethos of community engagement

⁷ Pérez y Pérez, L., & Egea, P. (2019). About intentions to donate for sustainable rural development: an exploratory study. *Sustainability*, 11(3), 765.

⁸ Mollick, E., & Robb, A. (2016). Democratizing innovation and capital access: The role of crowdfunding. *California management review*, 58(2), 72-87.

⁹ Pekmezovic, A., & Walker, G. (2016). The global significance of crowdfunding: Solving the SME funding problem and democratizing access to capital. *Wm. & Mary Bus. L. Rev.*, 7, 347

¹⁰ Eldridge, D., Nisar, T. M., & Torchia, M. (2021). What impact does equity crowdfunding have on SME innovation and growth? An empirical study. *Small Business Economics*, 56, 105-120.

that can breathe new life into local and rural development. When community members actively contribute to a project's success, they become deeply invested in its outcomes and are more likely to support and nurture its growth (Hollow, (2013), Ramos & Gonzalez, (2016) Shneor & Torjesen, 2020)^{11, 12, 13}.

Here, the role of social trust is key. As highlighted by Shneor et al (2021)¹⁴ and Baah-Peprah & Shneor (2022)¹⁵, differences in social trust dynamics across markets can influence the effectiveness of reward campaign elements. Campaign design and promotional strategies should adapt to varying requirements for winning backer trust in each environment. An instrument to promote a campaign is directly linked with the communication planning, through formal media or digital networks, that should always be taken into account.

For instance, campaigns in High-Trust Societies (HTS) may demand less effort in developing cues for central route persuasion, but such investments are crucial in Low-Trust Societies (LTS). Nevertheless, even in HTS, these cues become essential for surpassing minimum goals. Social media engagement stands out as a universal factor critical for reward crowdfunding success, irrespective of social trust levels, serving as cues processed through both central and peripheral routes to persuasion.

Moreover, certain elements representing peripheral cues to persuasion are more prevalent in HTS, yet they correlate with campaign success in both HTS and LTS environments. As the crowdfunding landscape evolves, the recognition and utilization of social trust remain fundamental strategies for achieving crowdfunding success. Successful crowdfunding initiatives often evolve into long-term **community-driven efforts**, transcending their initial funding goals to become sustainable, locally managed projects. This amplifies the collective voice of communities, enabling them to run projects that resonate with their unique needs and aspirations.

This newfound empowerment leads to more tailored, community-driven solutions. This continuously builds a sense of ownership by inviting community members to become stakeholders, not just spectators.

When individuals actively contribute to a project's success through crowdfunding, they develop a profound sense of ownership and commitment to its outcomes. This newfound investment extends beyond financial support; it includes emotional and intellectual investment as well. As a result, community members are more likely to advocate for and protect the project, seeing it as an extension of their collective aspirations (Freedman & Nutting, 2016)¹⁶.

This favours the construction of an innovative-friendly environment from the ground up. When community members take an active role in shaping projects through crowdfunding, they can address specific local needs

¹¹ Hollow, M. (2013). Crowdfunding and civic society in Europe: a profitable partnership?. *Open Citizenship*, 4(1), 68-73.

¹² Ramos, J. & Gonzalez, B. (2016), Financing Social Activism: Crowdfunding and Advocatory Social Movements in times of crisis in Spain, ACM New York, pp. 47-60; (2016)

¹³ Shneor, R., & Torjesen, S. (2020). Ethical considerations in crowdfunding. *Advances in Crowdfunding: Research and Practice*, 161-182

¹⁴ Shneor, R., Mrzygód, U., Adamska-Mieruszewska, J., & Fornalska-Skurczyńska, A. (2021). The role of social trust in reward crowdfunding campaigns' design and success. *Electronic Markets*, 1-16.

¹⁵ Baah-Peprah, P., & Shneor, R. (2022). A trust-based crowdfunding campaign marketing framework: theoretical underpinnings and big-data analytics practice. *International Journal of Big Data Management*, 2(1), 1-24.

¹⁶ David M.F. & Matthew R.N (2016). 7-Step Crowdfunding Investment Plan. CROWDFINANCEHUB (Mar. 30) <http://www.financialpoise.com/crowdfundinginvestor/seven-steps/>

and challenges that may not be adequately addressed through conventional funding channels. This grassroots approach fosters innovation that is uniquely tailored to the community's context, enhancing its resilience and adaptability (Botto, 2017)¹⁷.

It follows from the above that crowdfunding's ability to foster community engagement is a transformative force in local and rural development. By actively involving community members in the process of creating, funding, and nurturing projects, crowdfunding goes beyond financial transactions to build a sense of ownership, collaboration, innovation, and social cohesion. The references provided offer valuable insights into the profound impact of crowdfunding on community engagement and its potential to breathe new life into local and rural development initiatives.

Feedback-Driven development is also characteristic of crowdfunding. Each campaign thrives on communication and feedback, so that creators and entrepreneurs engage with backers, gather input, and refine their projects based on real-time insights, fostering a culture of continuous improvement (Xu, 2018)¹⁸.

In this sense, successful campaigns are not merely financial transactions but rather interactive platforms for idea exchange. Creators, often entrepreneurs or small businesses, rely on the collective wisdom of backers to shape their projects. It enables creators to harness the power of community input for the betterment of their projects (Steinberg, S., & DeMaria, 2012)¹⁹.

This feed-back driven dynamics brings about active testing grounds for innovative ideas. Creators present their concepts to a diverse group of backers, each with unique perspectives and experiences. This diversity leads to a rich tapestry of feedback, offering creators real-time insights into what works and what doesn't. This invaluable feedback loop allows for rapid iteration and course correction, fostering a culture of continuous improvement. (Neiss, S., Best, J. W., & Cassady-Dorio)²⁰

In this context, engaging backers as collaborators is also key through the different phases of a campaign (prior launch, during when it is active and after it has been financed). The success of crowdfunding campaigns often hinges on the extent to which creators can engage their backers as collaborators rather than mere funders. By actively involving backers in decision-making processes, creators not only enhance the quality of their projects but also create a sense of ownership and community around their initiatives. This collaborative approach goes beyond the financial transaction, nurturing long-term relationships that can extend beyond the campaign's duration (Bennett, Chin, & Jones 2015)²¹.

Infrastructure development is one of the key aspects for rural development, yet it is often hampered by limited resources. Crowdfunding emerges as a potent tool for overcoming these challenges and limitations. It rallies community support to construct or improve vital facilities such as schools, healthcare centres, and cultural hubs. These projects bolster quality of life and foster collective well-being (Ramos, 2014)²².

¹⁷ Botto, R. (2017). *Crowdsourcing for filmmakers: Indie film and the power of the crowd*. Taylor & Francis.

¹⁸ Xu, T. (2018). Learning from the crowd: The feedback value of crowdfunding. Available at SSRN 2637699.

¹⁹ Steinberg, S., & DeMaria, R. (2012). *The Crowdfunding Bible: How to raise money for any startup, video game or project*.

²⁰ Neiss, S., Best, J. W., & Cassady-Dorion, Z. (2013). *Crowdfund Investing for Dummies*. John Wiley & Sons.

²¹ Bennett, L., Chin, B., & Jones, B. (2015). *Crowdfunding the future: Media industries, ethics, and digital society* (No. 98).

Peter Lang.

²² Ramos, J. (2014) op cit. (Ramos & Gonzalez, 2020)

Crowdfunding also upgrade technology infrastructure, such as high-speed internet access, unlocks new horizons for education, remote work, and entrepreneurship in rural areas²³. All this in parallel with supporting green initiatives like renewable energy projects and conservation efforts, aligning local development with global sustainability goals while generating jobs in environmentally friendly sectors in rural areas (Ramos & González, 2020)²⁴.

Transportation and accessibility also count. Crowdfunding can finance projects discarded by public administrations and private investors, from road repairs to bike paths, stimulate economic activity, create employment in construction and maintenance, and enhance overall accessibility. For example, promoters of the Arrelat match-funding programme for young social entrepreneurs²⁵ acknowledged that some of the projects were at too early a stage or didn't fully met the eligible criteria to be allowed access to LEADER funds but after the campaign other funding scenarios were set up.

Moreover, crowdfunding preserve heritage and reinforce sense of belonging. It can finance projects that safeguard historical and cultural heritage sites, preserving identity and attracting tourists, thereby boosting local economies, and creating job opportunities. The cases studied for this report show crowdfunding campaigns focused on environmental issues, art/culture education, digital services, housing and social inclusion, at different levels and scale.

1.2. CROWDFUNDING RISKS AND CHALLENGES

Yet, there are always two sides to every coin. While crowdfunding can have numerous positive impacts on local and rural development, it is not without its potential negative effects. Therefore, it is important to recognize that it should be part of a broader strategy that considers the potential negative consequences and works to mitigate them. Careful planning and collaboration with local communities and stakeholders can help ensure that crowdfunding efforts complement, rather than overshadow, other development initiatives.

Among the most important failures that can also occurs, we underline the following:

- Uneven Distribution of Resources,
- Exclusion and Disparities,
- Dependency on Donor and Donor Fatigue,
- Risk of Project Abandonment,
- Overemphasis on Popular Projects,
- Competition for Local Donations,
- Short-Term Focus,
- Reliance on Success Stories.

In regions with well-connected and affluent individuals, crowdfunding may concentrate resources and attention on a few high-profile projects, leaving other areas with fewer opportunities. For instance, a crowdfunding campaign for a tech startup in a major city might attract substantial investments while rural communities struggle to fund essential

²³ Braund, P., & Schwittay, A. (2016). Scaling inclusive digital innovation successfully: the case of crowdfunding social enterprises. *Innovation and Development*, 6(1), 15-29.

²⁴ Ramos, J. & González, A. (2020) La Financiación Participativa en datos, en Cuenca, M. (dir) Aspectos legales de la Financiación Participativa –crowdfunding– Tirant le Blanc, pp. 141-159 Valencia. (2020)

²⁵ <https://www.goteo.org/channel/arrelat-2022>

infrastructure projects. This uneven distribution of resources, that should be considered by public administration to compensate these risks, can also generate exclusion and regional disparities (Ordanini, et al. 2011)²⁶.

Moreover, crowdfunding campaigns often require access to the internet, financial literacy, and the ability to create persuasive pitches. These prerequisites may exclude individuals or communities with limited digital access or skills. In this scenario, some regions may be left behind in the crowdfunding boom, exacerbating existing disparities (Meoli, Rossi & Vismara, 2022)²⁷

Dependency on Donor Fatigue is also a challenge. In smaller communities, repeated crowdfunding campaigns may fatigue potential donors, leading to reduced contributions over time. If crowdfunding becomes the primary source of financing for local projects, this dependency on donor generosity can lead to stagnation or failure of critical initiatives (Ferreira, 2022)²⁸.

The Risk of Project Abandonment also exists. Crowdfunding campaigns often set ambitious funding goals. If these goals are not met, projects may be abandoned, leaving backers without any returns on their investments. In rural areas, this can lead to disappointment and skepticism about the viability of crowdfunding for local development (Ren, Raghupathi & Raghupathi, 2021)²⁹.

Crowdfunding platforms may also prioritize popular and trendy projects, which are more likely to attract backers. This Overemphasis on Popular Projects could overshadow less flashy but equally essential initiatives, such as rural healthcare facilities or educational programs, resulting in an unbalanced allocation of resources.

Although competition tend to be positive, certain competition for Local Donations may also be considered an externality. Crowdfunding campaigns may compete with local charities and nonprofits for donations, potentially diverting resources away from established organizations that have long been working towards rural development. This competition can hinder the efforts of these organizations.

Short-Term Focus may bring about misleading results. Crowdfunding campaigns often target short-term projects or initiatives with visible, immediate impacts to attract backers. This can detract from the pursuit of long-term, sustainable solutions, as they may not generate the same level of interest or financial support.

The success of one or a few high-profile crowdfunding projects in a region can create unworkable expectations and a high unrealistic Reliance on Success Stories are not always the best strategy. If subsequent projects fail to achieve similar success, it can lead to disillusionment and disappointment among local stakeholders, potentially discouraging further crowdfunding efforts (Cappa, Pinelli, Maiolini,, & Leone, 2021)³⁰.

²⁶ Ordanini, A., Miceli, L., Pizzetti, M., & Parasuraman, A. (2011). Crowd-funding: transforming customers into investors through innovative service platforms. *Journal of service management*, 22(4), 443-470.

²⁷ Meoli, M., Rossi, A., & Vismara, S. (2022). Financial literacy and security-based crowdfunding. *Corporate Governance: An International Review*, 30(1), 27-54.

²⁸ Ferreira, A. M. F. (2022). *Sustainable crowdfunding and backers: information processing and the role of social media fatigue* (Doctoral dissertation).

²⁹ Ren, J., Raghupathi, V., & Raghupathi, W. (2021). Exploring the subjective nature of crowdfunding decisions. *Journal of Business Venturing Insights*, 15, e00233.

³⁰ Cappa, F., Pinelli, M., Maiolini, R., & Leone, M. I. (2021). "Pledge" me your ears! The role of narratives and narrator experience in explaining crowdfunding success. *Small Business Economics*, 57(2), 953-973.

Once the potential and limitations of crowdfunding in local/rural areas have been analyzed, we delve into the world of crowdfunding campaigns in rural Spain. Our mission is to identify and analyze real-world examples and compelling case studies that allow us to confirm or deny some of the statements we have made previously about the potential and limitations of crowdfunding in rural areas to reshape their local landscapes and advance sustainable, locally-driven development.

Specifically, our analysis begins by pinpointing campaigns that have chosen rural villages as their target beneficiaries. We will meticulously examine these campaigns, including the funds invested, the types of businesses launched, the number of supporters, and other pertinent details. Through this investigation, we aim to shed light on the transformative effects of crowdfunding in rural Spain and its potential as a driving force behind local development.

SECTION 2

REGULATION OF CROWDFUNDING AT THE EU LEVEL

As it is reflected by the European commission: “The EU market for crowdfunding is underdeveloped compared with other major world economies. For many years, one of the biggest hurdles faced by crowdfunding platforms seeking to offer their services across borders has been diverging licensing requirements and the lack of common rules across the European Union”³¹.

It has been since the first consultation in 2013 that has evolved in time and interest to what its now the main legislative tool to regulate the crowdfunding sector at the EU, established the “Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers (ECSPR), commonly referred to as the European Crowdfunding Regulation³².

This has been a significant step toward creating a unified regulatory environment for crowdfunding within the EU. It aimed to foster innovation, protect investors, and facilitate the growth of crowdfunding as a viable financing option for businesses. For the most up-to-date information on the regulation and its implementation, it is advisable to refer to official EU sources or consult with legal experts specializing in financial regulation.

Its main key features are the following:

The main objective of the European Crowdfunding Regulation is to create a *single legal framework for crowdfunding services across the EU*. It aims to facilitate cross-border operations of crowdfunding platforms and promote investor protection while supporting the growth of crowdfunding as an alternative source of financing for businesses, especially small and medium-sized enterprises (SMEs).

The regulation establishes a framework for the authorization and supervision of crowdfunding service providers. Once authorized in one EU member state, these *providers can operate across the EU without needing additional authorizations*, thanks to a “passporting” mechanism.

The regulation includes provisions to protect investors in crowdfunding campaigns. Crowdfunding platforms are required to provide clear and comprehensible information to investors, including risk assessments and disclosures. Investors are also provided with a 14-day cooling-off period during which they can withdraw their investments.

It also defines crowdfunding service providers as entities that offer crowdfunding services to project owners and investors through electronic means. These services can include both lending-based crowdfunding (peer-to-peer lending) and equity-based crowdfunding.

Moreover, it establishes consideration of the risks associated with crowdfunding investments, by deeming appropriate to impose, in the interest of effective investor protection and the establishment of a market discipline mechanism, a threshold for the total amount of crowdfunding offers that a specific project promoter can make.

Consequently, this maximum amount should be set at 5,000,000 EUR, which is the threshold commonly used by most EU member states to exempt publicly offered securities from the obligation to publish a prospectus.

³¹ https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/financial-markets/crowdfunding_en

³² <https://eur-lex.europa.eu/EN/legal-content/summary/european-crowdfunding-service-providers-for-business.html>

Regulation also introduces maximum fundraising thresholds for crowdfunding campaigns. Depending on the type of project and issuer, these thresholds can range from €1 million to €8 million over a 12-month period.

Crowdfunding platforms are required to segregate investor funds from their own assets and have mechanisms in place to ensure the safekeeping of these funds. The regulation encourages cooperation and information sharing among national competent authorities responsible for supervising crowdfunding service providers. Platforms must provide investors with a clear exit strategy, allowing them to sell their investments to other investors or the project owner.

The European Securities and Markets Authority (ESMA) is tasked with developing regulatory technical standards to further specify certain aspects of the regulation, ensuring consistent application across the EU.

Extra info on the ECSPr:

Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (Text with EEA relevance)

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1503>

SECTION 3

LOCAL/RURAL DEVELOPMENT AT THE EU LEVEL

One of the main axis of local and rural development policies at the European Union (EU) is the aim to promote balanced and sustainable growth across all the different territories of the EU, with a special focus for regions, including those that are less economically developed or located in rural areas. In addition, combining local and rural development policies with crowdfunding requires careful planning, effective communication, and community engagement. When executed well, this approach can enhance the sustainability and inclusivity of development projects while fostering a sense of local ownership and pride.

The actual policies are guided by the principle of territorial cohesion under a fundamental premise to reduce disparities in economic development and living standards between different regions.

With the specificity of local and rural development policies at the EU level include a series of key elements: Cohesion Policy, European Structural and Investment Funds (ESIF), Rural Development Policy, LEADER approach, Smart Specialisation, Territorial Cooperation, Sustainable Development Goals (SDGs), Digitalization and Connectivity.

Starting from **EU's Cohesion Policy** is a major instrument for supporting local and regional development. It allocates a significant portion of the EU budget to investments in infrastructure, human capital, and innovation to boost economic and social development in less-developed regions. Therefore, the main financial instruments within this policy framework are the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion Fund.

ESIF funds, including the ERDF and ESF, provide financial resources to support projects in areas such as education, employment, entrepreneurship, innovation, and environmental sustainability. Local and regional authorities play a crucial role in designing and implementing these projects.

In this particular line of funding there is direct connection within the development of match-funding programs where managing authorities and crowdfunding industry develop trigger citizens engagement thanks to digital-fundraising tools, highlighting the mutual benefits of enhanced cooperation –which has been promoted by the European Investment Bank through FI-COMPASS³³ and different reports at the EU level as “Scaling Up Partnerships: A Blueprint For the Implementation Of Match-Funding Schemes Between Public Authorities and Crowdfunding Platforms” (Eurocrowd, 2021)³⁴ and “Triggering Participation: A Collection of Civic Crowdfunding and Match-funding Experiences in the EU” (Eurocrowd, 2018)³⁵–.

The **Common Agricultural Policy** (CAP) includes measures to support rural development in EU Member States. The European Agricultural Fund for Rural Development (EAFRD) is a key component of this policy, providing funding for initiatives that enhance the competitiveness of agriculture, promote sustainable land use, and improve the quality of life in rural areas. We must highlight that crowdfunding in Spain has been particularly impactful in the agricultural sector (37.41%) are connected to the primary sector.

³³ <https://www.fi-compass.eu/publication/how-tos/crowdfunding-and-esf-opportunities-future-perspectives-managing-authorities>

³⁴ <https://eurocrowd.org/blog/2021/06/24/new-report-guides-public-authorities-on-implementing-match-funding-with-crowdfunding/>

³⁵ https://eurocrowd.org/wp-content/uploads/2021/06/ECN_CF4ESIF_Report_Triggering-Participation_2018.pdf

The **LEADER** (Liaison Entre Actions de Développement de l'Économie Rurale) approach is a community-led local development initiative that empowers local actors, such as local action groups, to design and implement development strategies tailored to their specific rural areas. It emphasises bottom-up decision-making and encourages innovative and participatory approaches to rural development.

The crowdfunding perspective in combination with LEADER funds could be evaluated as a way that a solicitor could capitalise for investment prior the request of funds or a way to validate early-stage project to pursue an initial track record which could improve a potential evaluation.

But it could also mean for managing authorities a non-standard procedure which could help to reduce risks and even, under a systematised match-funding call opens to a broader public which could be aligned with specific parameters under a Local Action Group or Development Agency.

As for example Arrela't³⁶ a match-funding call biannually that works as a full program with specific focus on the Catalan Pyrenees region to support Young Entrepreneurs in addition to promote Social Enterprise. Matchfunding programs are partnership schemes in which public authorities play different roles, are highlighted in combination with different technical set-ups, for the actual allocation of public resources in combination with crowdfunded resources and in connection with the citizenship, promoters and stakeholders of the crowdfunding campaigns (Eurocrowd, 2021)³⁷. The case of Arrela't gives support for six projects, each edition, with 24.000€ fund as the contribution of the public authority which is simultaneous to the collection through crowdfunding. For each EUR raised from the crowd, the public authority provides an additional euro. The outcome of this mechanism is again a 50-50 co-financing of each project, but it encourages project owners to engage with the crowd (citizens) until the 100% of their target goal is secured –with outstanding results in their two editions³⁸–. The program is a extended collaboration of ARCA –Catalan regional network for rural development, which manage LEADER funds–, different municipalities and local action groups³⁹ in which all the project managed to raise funds successfully in both editions.

The EU encourages regions to identify their unique strengths and assets and develop strategies for “smart specialisation.” This involves concentrating resources on areas where a region has a comparative advantage, such as specific industries or research sectors, to foster innovation and economic growth.

The EU promotes cooperation between regions across borders through programs like Interreg as well. These initiatives facilitate the exchange of knowledge, best practices, and resources to address common challenges and promote sustainable development in border regions.

The EU aligns its local and rural development policies with the United Nations Sustainable Development Goals (SDGs). This integration ensures that EU funding and initiatives contribute to broader global objectives, including poverty reduction, environmental sustainability, and social inclusion. At the same time, at the european level,

³⁶ <https://www.goteo.org/channel/arrelat>

³⁷ <https://eurocrowd.org/blog/2021/06/24/new-report-guides-public-authorities-on-implementing-match-funding-with-crowdfunding/>

³⁸ <https://www.lavanguardia.com/local/lleida/20230228/8780819/matchfunding-pueblo.html>

³⁹ <https://www.desenvolupamentrural.cat/actualitat/noticies/tret-de-sortida-a-la-campanya-de-micro-mecenatge-del-matchfunding-arrela-t>

there is different examples of platforms as Goteo.org⁴⁰ civic crowdfunding and match-funding data connecting Sustainable Development Goals, considering the impact of tools such as civic crowdfunding, proves the importance to use transversal approaches that connect to social needs and problems relating to global challenges (Fuster, Senabre & Rodríguez, 2020)⁴¹

The EU emphasises the importance of digitalization and broadband connectivity for rural development. Investments in digital infrastructure and services are seen as essential for promoting economic opportunities, access to education and healthcare, and improving the quality of life in rural areas.

It has also been reflected in the **Rural Pact**⁴² to strengthen governance for EU within a transversal vision of rural areas and conceived the Rural Pact proposal⁴³ has been the Committee of the Regions, the European Economic and Social committee, the European Rural Parliament and networks under the common agricultural policy and cohesion policy. The Rural Pact Support Office include Crowdfunding as a potential funding tool to study in their communications⁴⁴.

The overarching goal is to create inclusive, sustainable, and prosperous communities across the European Union, while reducing regional disparities and fostering economic and social cohesion. It is clear that match-funding practices have increased in the European Union over the past years.

The flexibility of crowdfunding models and platforms has allowed for new partnerships with public administrations in a range of different organisational, political, social, and economic contexts (Eurocrowd, 2021). Therefore, it is crucial to empower the use of crowdfunding at different levels, even enhance the exponential combination with EU policies and funding.

For example specific actions exploring opportunities with ESIF promoted by FI-COMPASS for managing authorities⁴⁵, the specific rural focus in combination with specific regional strategies under LEADER focus as Catalan Pyrenees' Arrela't call, and the impact-driven projects connected to SDG's agenda – equity crowdfunding as Bolsa Social⁴⁶ or reward based match-funding as Goteo.org⁴⁷ in Spain – or why not even a specific focus Green Deal, Rural Pact or Social Economy Action plan.

The overarching goal is to create inclusive, sustainable, and prosperous communities across the European Union, while reducing regional disparities and fostering economic and social cohesion. These areas could be combined with crowdfunding at different levels, as for example specific actions exploring opportunities with ESIF promoted by FI-COMPASS for managing authorities⁴⁸.

⁴⁰ <https://www.goteo.org/>

⁴¹ <https://www.nature.com/articles/s41597-020-0472-0>

⁴² https://ruralpact.rural-vision.europa.eu/rural-pact_en

⁴³ https://agriculture.ec.europa.eu/system/files/2022-07/rural-pact-proposal_en.pdf

⁴⁴ <https://youtu.be/3SJKmcCmSWE?si=SXEdCLkDRzCwnkA>

⁴⁵ <https://www.fi-compass.eu/event/6868/webinar-crowdfunding-and-esf-opportunities-future-perspectives-managing-authorities>

⁴⁶ <https://www.bolsasocial.com/>

⁴⁷ <https://www.nature.com/articles/s41597-020-0472-0>

⁴⁸ <https://www.fi-compass.eu/event/6868/webinar-crowdfunding-and-esf-opportunities-future-perspectives-managing-authorities>

As final remarks, what **crowdfunding can bring to EU policies**:

- Identifying projects objectives and funding gaps very clearly
- Aligning properly initiatives with digital-fundraising platforms and EU actors
- Developing a full narrative of a project for its vision, goals and outcomes
- Design the right incentives for potential backers and stakeholders through rewards and attract investments
- Enhance the community-efforts thanks to a compelling strategy and communication plan
- Involving the local community and encourage active participation
- Start a full funding pipeline for a project, from initial capital to access EU Funds
- Ensuring compliance as reporting, transparency and accountability its mandatory
- Fosters a sense of transparency and accountability to maintain trust with backers and the broader community
- Match-funding could be developed in EU programs *ad hoc* by managing authorities
- Evaluation of the impact takes place almost automatically, as any digital platform there is a lot of information that can be studied in detail
- It can be an asset for direct citizens engagement and budgeting co-responsibility

○ ESF focus ○ ERDF focus ○ Multifund

POLICY OBJECTIVES	CROWDFUNDING MODEL			
	Donation	Reward	Lending	Equity
1 – A smarter Europe, innovative and smart economic transformation	Low	High	High	High
2 – A greener, low-carbon Europe	Low	Moderate	High	High
3 – A more connected Europe, mobility and regional ICT connectivity	Low	Low	Low	Low
4 – A more social Europe, implementing the European Pillar of Social Rights	High	High	High	High
5 – Europe closer to citizens, sustainable and integrated development of urban, rural and coastal areas through local initiatives	High	High	Moderate	High

Table 1 : Indicative overview of the potential compatibility of crowdfunding with ESIF policy objective (2021-2027).

Source: [ERDF proposal for a regulation](#), [CPR proposal for a regulation \(2018 version, for 2021-2027 period\)](#), [ESF Proposal for a regulation](#)

SECTION 4

RURAL/LOCAL DEVELOPMENT AND UNPOPULATED AREAS IN SPAIN

Spain, like many other countries, faces the challenge of addressing depopulation in its rural and unpopulated areas. This issue has significant economic, social, and environmental implications for the country. Therefore, addressing population decline in rural and unpopulated areas in Spain requires a holistic approach that combines economic development, investment in infrastructure and services, policies that incentivize rural living, and efforts to address the unique challenges faced by these regions (Pinilla & Sáez, 2017; 2021)^{49, 50}.

The Spanish population is more concentrated in the territory than that of other countries in our surroundings. The density, weighted by population, is very high in relation to Europe, both in urban and rural areas. This is due to both the high percentage of uninhabited territory in Spain, which represents an anomaly from a European perspective, and a greater population concentration within inhabited areas.

The urbanization rate in Spain in 2020 was in line with that of other developed countries⁵¹. According to the United Nations definition, the Spanish urbanization rate was slightly lower than that of countries like Japan, the United Kingdom, and the United States; slightly higher than that of countries like Germany and Italy, and almost the same as that of France and Greece (Banco de España/Bank of Spain, 2020)⁵².

Spain, like many other countries, faces the challenge of addressing depopulation in its rural and depopulated areas. This issue has significant economic, social, and environmental implications for the country. Therefore, addressing the decrease in the population in rural and depopulated areas of Spain requires a holistic approach that combines economic development, investment in infrastructure and services, policies that encourage rural life, and efforts to address the unique challenges faced by these regions.

According to the CIS Barometer, 2019, 88% of citizens considered the depopulation of rural areas in Spain a rather serious or very serious problem. In October 2020, this concern was reflected in the Recovery, Transformation, and Resilience Plan of the Spanish economy, which will guide the implementation of European funds until 2023, including as its first leading policy the so-called “urban and rural agenda, the fight against depopulation, and the development of agriculture” (Bank of Spain, 2021)⁵³.

On the other hand, the onset of the pandemic has accelerated the structural change process in two areas related to population geographical location decisions: digitalization and teleworking. According to the National Institute of Statistics (INE)⁵⁴, more than 30% of companies that have used teleworking and over 20% that have resorted to e-commerce during the pandemic will continue these practices in the future.

⁴⁹ Pinilla, V., & Sáez, L. A. (2017). Rural depopulation in Spain: genesis of a problem and innovative policies. *Centre for Studies on Depopulation and Development of Rural Areas (CEDDAR) Report*, 2.

⁵⁰ Pinilla, V., & Sáez, L. A. (2021). What do public policies teach us about rural depopulation: The case study of Spain. *European Countryside*, 13(2), 330-351.

⁵¹ Urbanization refers to the process of a country's population becoming more urban over time, with the percentage of people who live in cities growing more quickly than the percentage who live in rural areas. This results in a more urban society overall, which requires adaptation from both rural communities and urban dwellers. Urbanization is the primary process through which cities form and grow. (Source: <https://worldpopulationreview.com/country-rankings/most-urbanized-countries>)

⁵² https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesAnuales/InformesAnuales/20/Fich/InfAnual_2020-Cap4.pdf

⁵³ Report: “La Distribución Espacial de la Población en España y sus Implicaciones Económicas” Banco de España página 271, 2021

⁵⁴ INE: “El impacto del COVID-19 en trabajo. <https://www.ine.es/dynt3/inebase/es/index.htm?type=pcaxis&path=/COVID/ice/p01/&file=pcaxis&dh=0&capsel=0>

In this context, sustainable solutions aim not only to halt depopulation but also to revitalize rural areas and create more vibrant and resilient communities. We have identified five key characteristics of Spain's depopulated areas: population decline, economic consequences, infrastructure challenge, cultural and social impact, and land management.

4.1. POPULATION DECLINE

Many rural areas in Spain have experienced a significant decrease in their population over the years. Younger generations often migrate to urban centers in search of better job opportunities and services, leaving behind aging populations. The change in the urbanization rate on a national scale can be decomposed into two terms that reflect the evolution of urbanization rates and the population weights of each of the provinces.

The intraregional factor increases, for example, if a rural-urban migration process occurs within the same province. The interregional factor grows, for example, if a rural-urban or urban-urban migration process takes place from less urbanized provinces to more urbanized provinces (Gutierrez, Moral-Benito & Ramos, 2020)⁵⁵.

The intense depopulation in the rural areas of the interior is leading the territory to a slow and silent death. As the population declines, these services may become unsustainable. The analysis of the territorial model in Spain, and in a large part of Europe, reveals the existence of two opposing processes, one of concentration of population and activities in an increasingly reduced number of urban areas and another of decline or stagnation of most of our territory, especially our rural areas and small municipalities, 50% of which are at risk of disappearing in the coming decades (Ministerio de Transición Tecnológica, 2020)⁵⁶.

If we were to impose the map of the areas burned in the last years in the Iberian Peninsula with the map of the most depopulated areas, we would find a significant overlap. In Spain, 85% of the territory is rural, but it only houses 16% of the total population.

In the same vein, a 2022 study⁵⁷ suggests that Empty Spain accounts for 77% of Spain's surface area and 79% of the municipalities, but it concentrates 10.4% of the Spanish population and 8.4% of the country's GDP.

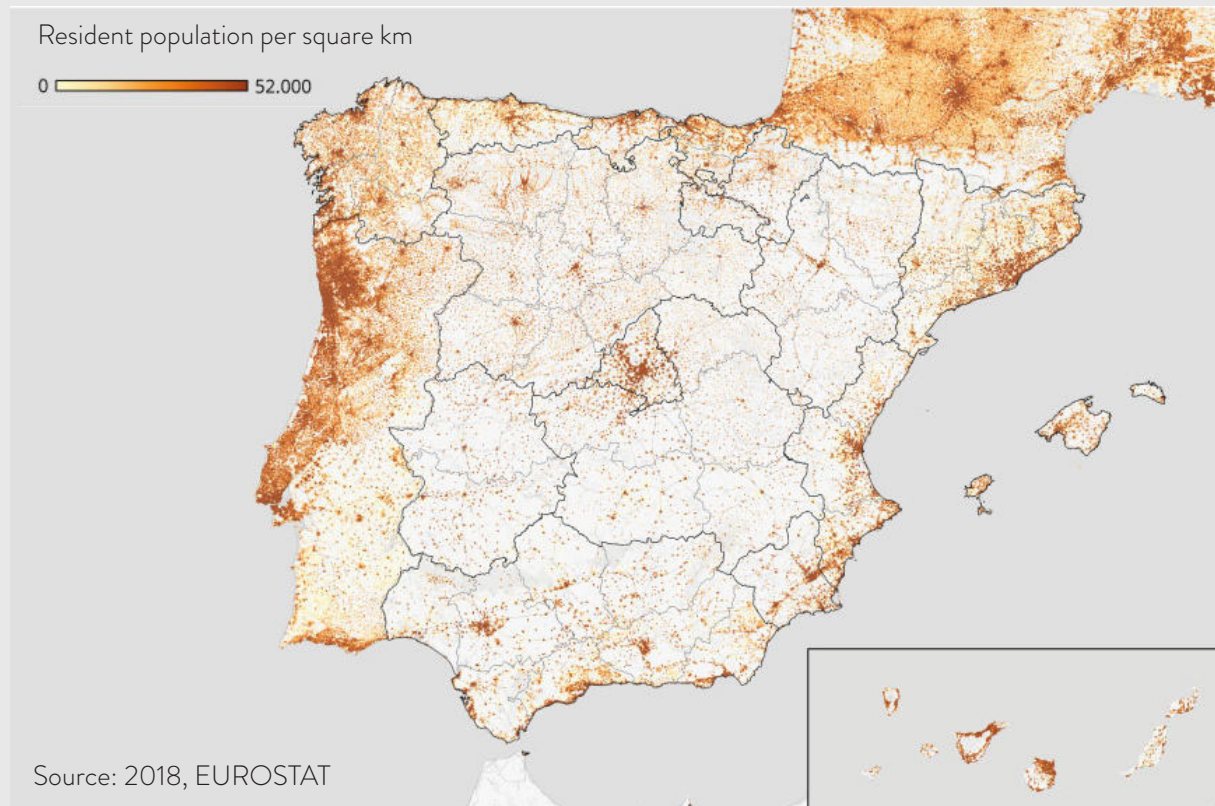
It should be noted that there is a group of municipalities with low economic activity for which data is not available because the National Institute of Statistics excludes them from its scope due to statistical secrecy. Although this is the case of 5,197 municipalities, it is estimated that their economic weight is low, since the municipalities in the sample concentrate 97.2% of Spain's GDP and employment.

⁵⁵ Gutiérrez, E; Moral-Benito, E y Ramos, R. (2020a). Tendencias Recientes de la población en las áreas rurales y urbanas de España <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSerias/DocumentosOcasiones/20/Fich/do2027.pdf>

⁵⁶ Ministerio de Transición Tecnológica y Reto Demográfico, Plan de Recuperación 130 medidas pág. 8. https://www.miteco.gob.es/content/dam/miteco/images/es/plan_recuperacion_130_medidas_tcm30-528327.pdf

⁵⁷ The results are based on the socioeconomic impact study of the food and beverage industry (2022), prepared by FIAB and Kreab following Leontief's input-output model and other sources of information described in said document. The extrapolation of the total results of the study to the municipal dimension has followed the statistical criteria described, taking into account the level of industrialization of each municipality - based on the data published by the DIRCE on industry companies by municipality - and the weight of the IAB in each autonomous community -INE and FIAB- <https://fiab.es/mapa-espana-vacciada/>

Spain's population has increased by around 38% from 1975 to 2021: from a country of 34.2 million inhabitants to a country of around 47.3 million, but this population increase is not felt equally in all areas:-



Map 1 : Population distribution in Spain

4.2. ECONOMIC CONSEQUENCES

This has important economic consequences, mainly significant limited economic opportunities. This limitation in rural areas often compel young adults to migrate to urban centres in search of better-paying jobs. Similarly, the lack of diversified industries and a heavy reliance on traditional sectors like agriculture can result in limited employment prospects.

People move to urban areas because their expectations and living conditions (access to electricity, drinking water, educational and health services, etc.) are greater. The inequalities between the urban and rural world in each country are sometimes greater than the inequalities between states⁵⁸.

As a result, depopulation can lead to economic stagnation in rural areas. As the working-age population shrinks, it becomes difficult to sustain local businesses and services, resulting in job losses and reduced economic activity. In same vein, infrastructure such as schools, healthcare facilities, and transportation

⁵⁸ Estudio Situación de la población Migrante en España, pagina 8 y 12 OIM y Ministerio de Inclusión, Seguridad Social y migraciones <https://spain.iom.int/sites/g/files/tmzbd1141/files/documents/Situacio%CC%81n%20de%20la%20poblacio%CC%81n%20inmigrante%20en%20las%20zonas%20rurales%20espan%CC%83olas.pdf>

networks in sparsely populated areas can be costly and inefficient. As the population declines, these services may become unsustainable.

4.3. INFRASTRUCTURE CHALLENGE

Infrastructure in Spain's depopulated areas represents a significant hurdle that contributes to the overall struggle of these regions. The inadequate or deteriorating infrastructure in these areas affects various facets of daily life, hindering economic growth, social well-being, and potential for development. Depopulated areas often suffer from underdeveloped or poorly maintained transportation networks. Inadequate road conditions, limited access to public transport, and the absence of efficient transportation links pose challenges for residents and local businesses.

Nevertheless, there is evidence suggesting that the population in Spain, (Comunidad Valenciana), experiences growth in tandem with improvements in the economic landscape. Surprisingly, public infrastructure does not exhibit a significant impact on the likelihood of population increase in these areas (Merino & Prat, 2020)⁵⁹.

Yet, if we disaggregate these public infrastructures into specific utility services, such as telecommunications, healthcare facilities or commercial infrastructure, evidence indicated that they tend to be deficient in depopulated areas. Sparse populations and geographic isolation make it financially unviable for service providers to invest in or maintain robust utility infrastructure. Similarly limited medical staff, and insufficient access to specialized services create challenges in providing healthcare to residents.

Finally, a lack of adequate commercial infrastructure, such as industrial parks, business centers, or logistical hubs, hampers economic development. Businesses might find it challenging to establish or expand due to insufficient or outdated infrastructure, which impacts job creation and economic diversity.

Education infrastructure also count. Schools in depopulated areas might face closures or amalgamations due to dwindling student numbers. This leads to reduced educational opportunities, longer travel times for students, and potential challenges in accessing quality education. The lack of educational infrastructure can hinder the development and retention of a skilled workforce in these regions.

Addressing these infrastructure challenges in depopulated areas necessitates comprehensive policies and investments in upgrading and maintaining transportation, utilities, healthcare, education, digital connectivity, and commercial infrastructure. Strategic interventions and incentives could attract private investments, encourage innovation, and make these regions more appealing for businesses and residents, ultimately fostering growth and sustainability in Spain's depopulated areas.

Other findings emphasize the interconnectedness of local administrative units, indicating that depopulation challenges cannot be addressed in isolation. Instead, a more holistic approach that considers the broader regional context and promotes collaborative policies among clusters of municipalities emerges as crucial (Alamá et al, 2021)⁶⁰.

⁵⁹ Merino, F., & Prats, M. A. (2020). Why do some areas depopulate? The role of economic factors and local governments. *Cities*, 97, 102506.

⁶⁰ Alamá-Sabater, L., Budí, V., Roig-Tierno, N., & García-Álvarez-Coque, J. M. (2021). Drivers of depopulation and spatial interdependence in a regional context. *Cities*, 114, 103217.

Far from irrelevant, these findings advocate for a paradigm shift in the approach to depopulation mitigation. Rather than focusing solely on individual municipalities, the emphasis should be on collaborative, cluster-based policies that recognize the symbiotic relationships among neighboring areas. This holistic strategy holds the potential to not only stem depopulation but also foster resilient, thriving communities across interconnected regions.

Moreover, the research implies that a nuanced understanding of the regional dynamics, including economic, social, and environmental factors, is essential for effective policy formulation. By recognizing the ripple effects of depopulation and acknowledging the shared destiny of municipalities within a cluster, policymakers can tailor interventions that address the root causes and promote sustainable growth.

4.4. SOCIAL AND CULTURE

The cultural dimension can be seen as an empowerment of the peripheries, a true reevaluation of the rural, and the way of life and values of inland Spain. The change in what is perceived as rural has transitioned from a view of the environment with images characteristic of the early 20th century (backward, old, conservative...) to the romanticization of life in the village during the last decade of the 21st century, offering a softened vision of the departure from the accelerated life of urban areas in search of mental peace and connection with nature. This narrative has been fostered in the post-pandemic era.

As a result of confinements, quarantines, risks of contagion, and, most importantly, teleworking, rural life has been presented as an oasis of peace and freedom. This romanticization of the rural has led to a revitalization of tourism in these areas, implying an improvement in economic expectations yet to be determined. Additionally, in rural areas, the reduction of communities in size has brought a greater sense of collectivity and civic responsibility. This is connected with feelings of belonging and evocation but also resentment and a sense of grievance that nourish the emotional aspect of the claims of the social and political movements of the empty Spain (Fundación Alternativas, 2022)⁶¹.

Land management in depopulated or underpopulated areas is a critical aspect of rural development and environmental sustainability, playing a fundamental role in the overall well-being of these regions. Neglected land management practices can have profound and far-reaching consequences that go beyond environmental degradation, exacerbating the challenges of rural decline.

Addressing the neglected land management is an integral part of reversing rural decline in depopulated areas. It involves not only environmental conservation but also economic and social dimensions. By adopting sustainable land management practices, rural communities can improve their resilience, protect their natural resources, and create opportunities for economic diversification.

Investments from the public and private sectors in land rehabilitation and conservation can contribute to a more sustainable and vibrant future for these regions while mitigating the harmful effects of environmental degradation.

⁶¹ Estudio multidisciplinar de la España vacía: retrospectiva y prospectiva. 2022 Pagina 75 https://fundacionalternativas.org/wp-content/uploads/2022/10/104_2022_EP_Espana-vaciada1.pdf

In Europe, the abandonment of land poses a serious threat to agricultural activity, one of the main drivers of the economy in rural areas. In Spain, about 10% of agricultural land presents a high or very high risk of abandonment, due, among other factors, to the lack of profitability or the absence of generational succession, which would imply a loss of around 2.3 million hectares, equivalent to almost three times the size of the Community of Madrid.

Therefore, the significant depopulation and rural aging, the abandonment of traditional agricultural uses, the low remuneration of forest products, the scarcity of forest uses, territorial chaos, climate change, and the absence of serious land management policies have dramatically transformed the landscape, making it highly inflammable. The landscape as a whole has become a powder keg ready to ignite (WWF, 2021)⁶².

4.5. THE POPULATION DECLINE AND THE ACCESS OF THE FINANCIAL SERVICES

In general, rural areas sometimes face specific challenges compared to urban areas in terms of access to financial services. This may be due to lower population density, less economic development and fewer bank branches in rural areas, which may affect the availability of financial services.

Traditional finance services also reflect a decline in the context of rural areas and in contrast with an accelerated period for digitalization and boost of fintech. The importance of knowing these contrasts should be highlighted because they point to a problem in the allocation of sufficient resources necessary and fundamental public services throughout the territory and to correct inter-territorial economic imbalances.

Regarding access to financial services, there is also a significant deficit in rural municipalities. According to information from the Bank of Spain, 59% of rural municipalities did not have a bank branch in Spain, 59% of rural municipalities did not have a bank branch in 2020. In addition, the availability of time series shows a substantial increase in this percentage, which is a substantial increase in that percentage, which stood at 48% in 2008 (Jiménez & Tejero, 2018).

The closure of bank branches in rural areas can be a sign to add in the context of rural areas as it has a profound impact on access to financial services for habitants, local communities, entrepreneurs and rural SMEs. This phenomenon is not unique to Spain; it is observed in many countries and is often due to a variety of reasons. The consequences of it in rural areas, may fall on how rural residents may face difficulties in accessing basic banking services. This can include opening accounts, obtaining loans and conducting financial transactions.

The limited access to funding through traditional banking services could also limit the economic development meaning that there are fewer business opportunities and less perceived need for banks to maintain branches in those areas. The closure of bank branches has direct consequences on access to finance and financial services for people in rural areas, undermining essential principles for local prosperity.

By contrast digitalization of finance, due or after COVID, may counterbalance presentiality through a transition period and changes in consumer behaviour yet, based on the data studied for this report, in the context

⁶² Paisajes Cortafuegos” de WWF. https://wwfes.awsassets.panda.org/downloads/wwf_informeincendios_2021_paisajes_cortafuegos.pdf

of the use of crowdfunding by rural projects maybe proof that community funding and crowdfunding can be connected easily through community-driven efforts, strong engagement and the feeling of being trust-worthy. Nevertheless, the crowdfunding values of democratizing access to finance are not new because it relies on a digital platform-service interconnected to a glocal perspective –which are the principles of the sharing economy causing a seismic shift in the structure of retail and service businesses (R. Miller, D., 2016⁶³)– and the its now fully regulated by ECSP. Also, expands the visibility of rural projects in social-media as it amplifies the collective voice of communities, enabling them to run projects that resonate with their unique needs and aspirations as they fundraise.

⁶³ R. Miller, D. (2016) First Principles for Regulating the Sharing Economy, University of Idaho College of Law https://digital-commons.law.uidaho.edu/cgi/viewcontent.cgi?article=1085&context=faculty_scholarship

SECTION 5

SPANISH LEGISLATION FOR RURAL DEVELOPMENT AND UNPOPULATED/AREAS

The most widespread way of addressing depopulation and encouraging the maintenance or return of population to rural areas has been through fiscal incentives (differentiated taxation)⁶⁴.

The option of using fiscal incentives allows regional and local governments to modulate their use according to the intensity with which the phenomenon of depopulation manifests itself in the territory and to limit the resources invested compared to other actions that require greater material and human resources (investment in infrastructure, provision of public services).

However, the impact that these fiscal incentives have had is not conclusive, showing differences depending on the territory and methodology used (Murciego et al. 2018 and 2021).

In conjunction with these fiscal measures, legislation has been passed to produce a more general regulatory and programmatic framework on rural development. This was the case with Law 45/2007 of December 13th for the sustainable development of rural areas. In the Spanish context, there is no specific constitutional competency relating to rural development and in Law 45/2007 the lawmakers used as its basis the State's competencies over the coordination and planning of economic activity (article 149.1.13a Spanish Constitution).

Law 45/2007 encompasses a broad spectrum of provisions (e.g. promotion of economic activity, infrastructures, environmental planning, employment) and creates an environment for the design of public policies in rural areas based on coordination between territorial Administrations.

To do this, Law 45/2007 starts with the diagnosis of the unequal development of rural and urban areas and the need to achieve greater integration (cohesion) through sustainable development, the coordination of the activities of the different administrations and the facilitation of complementarity between rural and urban areas. Rural areas are defined in the law as *“the geographical space formed by the aggregation of municipalities or local entities defined by the competent administrations that have a population of less than 30,000 inhabitants and a density of less than 100 inhabitants per km²”* (Article 3).

In this scenario, the territorial Administrations are entrusted, within the framework of their competencies, with the development of “sustainable rural development programs”. The content of these programs is delimited by the objectives established in Article 2, aimed mainly at promoting the diversification of the economy, the promotion of adequate public services and the guarantee of equal opportunities with special attention to people at risk of exclusion and the adoption of measures to meet the needs of those population groups that require priority attention and which, according to Article 7 of the law, correspond to women, youth, the older-adults group and people with disabilities.

One of the planning elements contained in the regulatory framework consists of the classification of territories or areas based on certain criteria such as depopulation, economic diversification, income levels or difficulties in territorial cohesion (Article 10). However, Law 45/2007 does not contain substantive or procedural normative elements to achieve the objectives.

⁶⁴ This differentiated taxation corresponds to different instruments of both own taxes and surcharges on transferred taxes. An up-to-date compilation of the measures as of January 2022 can be found at <https://www.hacienda.gob.es/Documentacion/Publico/PortalVarios/FinanciacionTerritorial/Autonomica/Capitulo-IV-Tributacion-Autonomica-2021.pdf>

The regulatory framework also raises economic diversification in a limited way, restricting rural economic activity to the agri-food industry, rural tourism, heritage conservation and sustainable development (Article 20). This specialization of the economic production system in rural areas does not seem to be aligned with promoting diversity adapted to the characteristics of each territory and based on the choices of local communities.

Law 45/2007 replaces the specification of tools to achieve those objectives (i.e. contractual or conventional formulas designed to facilitate the law's objectives and simplification of administrative procedures, among others) with an superimposed newly created structure (Interministerial Commission for Rural Development, Council for Rural Areas, Table of Rural Development Associations).

The regulatory framework relied on the adoption of sustainable rural development programs, which would serve as policy instruments. Within these programs, subject to central government approval, the mechanisms for financing the various envisaged measures would also be delineated.

In this regulatory context and through Royal Decree 752/2010, of June 4, the first Sustainable Rural Development Program (PDRS, hereinafter) was approved for the period 2010-2014 in application of Law 45/2007[1]⁶⁵. In this first (and only) PDRS it was considered that up to 84.5% of the territory of the Autonomous Communities corresponded to rural territory, equivalent to an area of 504,753.39 km². Regional differences are notable with Autonomous Communities that exceed 90% (Castilla y León, Aragón, Castilla-La Mancha and Navarre) and others where less than half of their area is considered rural (Canary Islands, Community of Madrid and Region of Murcia), which determines, as noted above, a territorial vision of the depopulation process. A general view to these figures reveals that only 17% of municipalities are considered urban, although they concentrate more than 80% of the population (*see Table 1, page 42*).

These figures accounted for the relevance of a specific regulatory framework for rural areas⁶⁶. However, the effectiveness of this regulatory framework was subject to the development of these sustainable rural development programs (PDRS) with a multi-year nature. In turn, the preparation, and mainly, the execution of these plans required collaboration and coordination between different territorial levels of the Administration. This operating scheme has had several consequences.

First, the difficulty and lack of continuity in the approval of rural development plans. Second, the lack of development by the competent Administrations of these programs, which have been replaced by the progressive application of regional regulations, which already represents a breach of one of the principles that supported the law and that was collaboration between Administrations.

⁶⁵ In the first PDRS 2010-2014 a series of actions or measures were established grouped into 5 strategic axes: (1) Economic activity and employment, (2) Basic infrastructure and equipment, (3) Services and social welfare, (4) Environment and (5) Non-territorial actions. The measures in each of these axes corresponded to the policies and specific objectives specified in the articles of Law 45/2007. Thus, in relation to the axis of economic activity and employment, it contained Art. 16 Support for territorial agriculture Art. 17 Promotion of economic activity in rural areas (regional incentives) Art. 20 Economic diversification Art. 22 Job creation and maintenance. Subsequently, these measures were to be the subject of a so-called Zone Plan where the competent administrations would adapt the measures to the characteristics and needs of each territory.

⁶⁶ These figures are close to those obtained from different methodologies Colino, José & Pleite, Federico & Losa, Antonio & Martínez-Paz, José & Pérez Morales, Alfredo & Albaladejo-García, José Antonio. (2022). Las Zonas Rurales De La Región De Murcia. Consejo Económico y Social de la Región de Murcia. Colección Estudios no44

AUTONOMOUS COMMUNITY	RURAL AREA (%)
Castilla y León	96.5
Aragón	95.2
Castilla-La Mancha	91.1
Navarra	90.6
La Rioja	89.4
Asturias	85.9
Extremadura	85.9
Galicia	84.5
Cantabria	83.5
Andalucía	79.6
Cataluña	78.4
Comunidad Valenciana	68.5
País Vasco	62.4
Canarias	51.9
Murcia	48.1
Madrid	47.7
Baleares	38.6
TOTAL	84.5

Table 2 : Rural Area (%)

Third, rural development has been linked to financing. Therefore, the definition of specific measures for boosting rural development is not locally-driven but largely imposed top-down by upper administrative layers that control financial resources.

In summary, Law 45/2007's regulatory framework necessitated coordinated and sustained action between different administrative levels. The specification of many measures depended on such cross-level collaboration.

For instance, one axis aimed at reversing depopulation involved creating incentives for economic diversification under Article 20, which did not prescribe means but rather objectives:

- Encouraging new high value-added activities and vertical integration in the food chain.
- Enhancing food security.
- Establishing specific operational programs prioritizing rural areas in European Union co-financed actions.
- Supporting the retail sector and modernizing public commercial facilities in rural areas.
- Promoting rural tourism.
- Creating tailored support programs for local rural development initiatives per the European Union's LEADER approach.

However, this programmatic nature was not balanced by specific regulatory frameworks to achieve these aims. Instead, the PDRS simply reproduced the objectives, leaving their realization dependent on regional government initiative.

In addition, the provisions of Law 45/2007 generated an incentive for the territorialization and planning of policies based on different criteria for defining rurality (population density, aging, infrastructure endowment, economic diversification) that were contingent in the different territories (Autonomous Communities).

In this context, regional regulatory frameworks referring specifically to depopulation or more broadly to rural development have emerged, which have undermined the momentum generated by Law 45/2007⁶⁷. References to Law 45/2007 as a guiding framework have even disappeared from the most recent regional regulations.

6.1. REGIONAL PLANS AGAINST DEPOPULATION

The attention of public authorities to rural development has continued, although not necessarily based on Law 45/2007's framework. Instead, it has been driven by regional legislation and policy documents from regional executives, alongside the growing prominence of depopulation on the political agenda.

The territorial nature of depopulation has led to divergent developments in regulatory frameworks among the Autonomous Communities. *See Table 2 –Page 44–* shows the current diversity of regional government initiatives related to depopulation.

A first look at regional measures reveals that interest in depopulation has only recently emerged in most Autonomous Communities. Although some have enacted depopulation measures over 20 years, most regional depopulation programs and laws remain under study or parliamentary processing. Consequently, there is considerable heterogeneity in the development of regional actions, from draft plans and strategies to regulatory texts delineating specific territorially-zoned actions or no depopulation-specific measures at all.

However, approving a dedicated depopulation plan does not guarantee implementation of concrete actions. Similarly, lacking a specific plan or regulations on depopulation does not imply a total lack of attention from the regional government. In the latter case, it should be underlined that the initial approach to depopulation and demographic challenges affecting different territories originated not from depopulation-specific plans and laws, but from regional territorial planning regulations and other sectoral regulations or action plans related to areas like housing and employment.

Regardless of their developmental stage, these regional depopulation plans share certain similarities as well as differences. A common objective among the plans and regulations is reducing, if not reversing, migratory flows from rural to urban areas to achieve demographic equilibrium across the territory. Regional governments present depopulation plans as mechanisms to fulfil obligations assumed in their Statutes of Autonomy – not just correcting economic and social imbalances between municipalities but also territorial disparities –.

⁶⁷ Examples of regional laws on rural development or agriculture include: Asturias (Law 4/1989 on Agricultural Planning and Rural Development); La Rioja (Law 3/2000 on Rural Development); Castilla-La Mancha (Law 4/2004 on Agricultural Holdings and Rural Development); Galicia (Law 12/2008 amending prior laws on regional development and rural management); Navarre (Regional Law 17/2003 on Rural Development); and Basque Country (Law 7/2022 on Rural Development).

AUTONOMOUS COMMUNITY	PLAN/LAW
ANDALUSIA	Strategy against the demographic challenge in Andalusia (July 2019, in development)
ARAGON	Law 13/2023, of March 30, on the revitalization of rural Aragon
ASTURIAS	Demographic Plan of the Principality of Asturias 2017-2027 (October 2017).
CASTILLA LEÓN	Law on demographic revitalization of the Community of Castile and Leon (in process; creation of the Demographic Revitalization Council of Castile and Leon by Decree 32/2022, of July 14, of the Board of Castile and Leon for the participation and collaboration of the institutions, individuals and social agents of Castile and Leon in the planning, design, execution, monitoring and evaluation of the policies and actions carried out by the Administration of the Community of Castile and Leon in terms of population and demographic revitalization)
CASTILLA-LA MANCHA	Law 2/2021, of May 7, on Economic, Social and Tax Measures against Depopulation and for the Development of Rural Areas in Castilla-La Mancha
CANARY ISLANDS	Program to combat depopulation in rural areas of the Canary Islands Housing Plan 2020-2025 (July 2021).
CANTABRIA	Law 5/2022, of July 15, on Territorial Planning and Urban Planning of Cantabria.
CATALONIA	Various plans: Plan to rehabilitate housing and curb rural depopulation, Oportunitat500
COMUNITAT VALENCIANA	Law 5/2023, of April 13, comprehensive measures against depopulation and for territorial equity in the Valencian Community
EXTREMADURA	Law 3/2022, of March 17, on measures in the face of the demographic and territorial challenge of Extremadura.
GALICIA	Law 5/2021, of February 2, on demographic momentum in Galicia
BALEARIC ISLANDS	Absence of specific legislation or planning on depopulation
LA RIOJA	Strategy against the demographic challenge and depopulation in La Rioja: balance, social cohesion and mainstreaming. A responsibility of all (2020)
MADRID	2021 plan for economic support for municipalities at risk of depopulation (September 8, 2021)
MURCIA	Strategy to Combat Depopulation and Improve Quality of Life in Rural Areas of the Region of Murcia (in development)
NAVARRRE	Regional Law 17/2003, of March 17, on rural development in Navarre.
BASQUE COUNTRY	Law 10/1998, of April 8, on Rural Development.

Table 3 : Regional plans/laws on depopulation

In addition, these plans show similarities in relation to the broad spectrum of measures and areas of action to address depopulation:

- Education and training
- Infrastructure
- Information and communication technologies in rural areas
- Public housing
- Transport
- Gender equality
- Regional incentives for the development of economic activities and entrepreneurship
- Environmental protection and use of natural resources
- Policies for the elderly
- Culture and tourism
- Social participation

This breadth in the design of areas of action contrasts with the lesser detail or specification of the budget allocation for the execution of the measures or the criteria for distributing economic resources. From an institutional and governance perspective, the definition of these plans and regulations has followed a top-down approach with limited participation of local governments in the initial stages.

Despite the ambition of regional depopulation plans, the process of territorializing rural development policy into a territorial planning framework does not guarantee a shift in the public management approach to rural development.

First, the transition from the national to the regional administrative level involves more planning exercises than actively promoting associated rural development objectives like economic diversification. As planning initiatives, these regional plans seem more a formal reflection of competencies than a specification of public management mechanisms (e.g. citizen participation, public-private partnerships, regulatory vehicles to manage rural areas).

Second, despite resulting from a territorialization of rural policy, the plans' content does not substantially differ across regions. This homogenization also stems from the plans being more about distributing competencies than public management. The increasing proliferation of these plans is indicative of a prioritization of safeguarding regional government competencies rather than actively promoting strategic public management.

These characteristics unveil two significant deficiencies inherent in regional plans designed to advance rural development objectives. Firstly, most of these plans lack explicit financial specifications essential for the effective implementation of their proposed measures, thereby casting doubt on the feasibility of their execution.

Secondly, these plans predominantly entrust development initiatives exclusively to public administrations, failing to confer upon local-level entities and non-institutional private actors a more influential role in the promotion of rural development.

Consequently, there exists a substantial risk that regional depopulation plans may inadvertently perpetuate existing rural development disparities, primarily altering the institutional sphere of government responsibility without fundamentally reshaping the overarching approach.

Bearing in mind those pitfalls, crowdfunding represents an alternative to the traditional institutional planning approach. Crowdfunding initiatives involves promoting private or public-private initiatives to identify and propose projects aimed at the economic diversification of rural areas.

As a rural development instrument, participatory financing has several highly favourable characteristics:

- Promoting locally-defined initiatives strengthens community roots and identification with projects.
- Enabling the diversification of economic activity creates opportunities across a range of sectors and projects mitigating the over-reliance on specific industries emphasized in regional and national plans, such as tourism and heritage sectors.
- Distributing risk management promotes accountability and shared responsibility for project risks among various actors, including the public sector. Additionally, crowdfunding mechanisms offers a decentralized control mechanism where all participants in a crowdfunding campaign collectively monitor.
- Complementing public investment allows implementation in regions and local entities where governmental action is limited by resource constraints, and therefore, balancing financing disparities between local entities helps address uneven capacities.
- Stimulating public-private collaboration, which fosters partnership and exchange of organizational resources and values.
- Generating an independent financing source avoids reliance on availability of public resources exclusively.
- Allowing to overcome geographic constraints on funding. Traditional government or philanthropic funding sources are often restricted to administrative jurisdictions.

However, crowdfunding campaigns can attract support from individuals across regions, countries and even globally. This allows rural initiatives that span multiple jurisdictions or lack a clear territorial funding authority to still achieve fundraising success. By incentivizing collaboration across administrative boundaries, crowdfunding thus opens up new possibilities for ambitious rural projects that extend beyond local geographies and bureaucracies.

The borderless nature of online crowdfunding networks allows rural entrepreneurs and organizations to tap into a worldwide pool of potential backers. (10) Crowdfunding enables the decoupling of projects from constrained public funding cycles. By decoupling project financing from institutional constraints, crowdfunding gives rural areas more autonomy and flexibility⁶⁸.

Crowdfunding mechanisms are only contemplated exceptionally as a financing mechanism through territorial administrations and their public companies and autonomous bodies⁶⁹. Despite this, identifying participatory financing as a tool to promote entrepreneurship or boost science and innovation would warrant further development given its potential contribution to diversifying the rural economy.

Additionally, there are also some limitations when it comes to public authorities leveraging crowdfunding. Firstly, there is an absence of tailored regulations or even soft law at the European or national levels to guide public

⁶⁸ Navarro et al. (2022) Ayuntamientos y captación de fondos europeos. Madrid: Instituto de Derecho Local. Universidad Autónoma de Madrid. (https://www.idluam.org/blog/wp-content/uploads/2023/05/2022_Informe-Policas-Publicas_CI-Y-FONDOS-EUROPEOS_VF.pdf)

⁶⁹ Law 7/2019, of March 29, on support and promotion of entrepreneurship and self-employment in Aragon; Law 8/2023, of April 20, on science, technology and innovation in La Rioja.

crowdfunding efforts. The lack of a specific policy framework creates uncertainty around how crowdfunding aligns with existing public funding tools like grants, funding programs and public procurement⁷⁰. Without clear guidelines, public administrators may be hesitant to embrace crowdfunding.

Secondly, crowdfunding mechanisms do not fit neatly into the standard categories of subsidies and public tenders which are the main instruments public authorities use to provide financial support. Unlike traditional public grants and procurement, crowdfunding more closely resembles financing programs driven by companies, foundations and other entities of the public sector. In these cases, rural projects focused on the economic diversification of a specific territory rarely represent an incentive for equity investment or financing operations of regional or national-level entities. Crowdfunding offers a more locally-focused alternative tailored both to the specific needs of rural communities or the available resources of the community.

Thirdly, another major difficulty for the implementation of civic crowdfunding by local governments is the lack of knowledge about this mechanism and its possibilities. As González-Azcárate, Cruz-Maceín and García-Rodríguez (2021) point out, matchfunding was a tool that was virtually unknown to the interviewed municipal policymakers. This lack of understanding regarding the operation and benefits of civic crowdfunding poses a key barrier to its adoption by local and regional governments.

Under such circumstances, public authorities must also contend with regulations on public procurement that exert a strong pull towards traditional funding mechanism. While crowdfunding has disruptive potential, conservative public procurement frameworks inhibit experimental approaches by risk-averse public managers. Stronger political and legal guidance is needed to clarify how crowdfunding can be integrated into public funding mixes while respecting Spanish and European rules on competition and contracting.

To further encourage the adoption of civic crowdfunding by public authorities, it is necessary to develop comprehensive guidelines covering the entire process from platform setup to investment and oversight. guidance is needed on issues such as how to integrate crowdfunding with procurement policies, how to ensure transparency and accountability, and how to align campaign choices with strategic priorities. Guidelines could also provide legal clarification around crowdfunding, as many local governments are unsure about the legality of matching private funds with public money. Detailed technical guidance on creating and managing a civic crowdfunding platform could likewise assist public administrators.

By developing governance guidelines, higher levels of government can give local and regional authorities the confidence to pioneer civic crowdfunding as an innovative public financing mechanism aligned with sustainable development goals. Similar guidelines already exist in the field of public procurement, such as those around social procurement⁷¹

⁷⁰ The scope of public procurement law as defined in LCSP/2017 applies to all entities considered part of the public sector. This wide ambit means public bodies in rural areas face legal uncertainties in attempting to utilize crowdfunding, which operates outside the structures of public tenders and contracts. The attractive force of public procurement legislation entrenches the status quo of subsidies and tenders, making it difficult for public administrators to employ permitted innovations like crowdfunding.

⁷¹ https://commission.europa.eu/funding-tenders/tools-public-buyers/social-procurement_es.

SECTION 6

CROWDFUNDING IN SPAIN

The year 2022 marked a significant milestone for crowdfunding in Spain, witnessing a record-breaking increase in fundraising, surpassing 80 million euros. This growth, following a dip in 2020 attributed to the Covid-19 pandemic, highlights the sector's resilience. The positive trend is supported by data indicating increased consolidation and professionalization, with a notable convergence between the number of funded campaigns and average fundraising per campaign (Ramos & Gonzalez, 2023)⁷².

Real estate platforms played a substantial role, contributing nearly half of the total fundraising, showcasing competitiveness through diverse investment opportunities. While the sector's evolution appears promising, there's a recognition that Spain lags behind similar economies like France, Germany, and Italy, partly due to the need for improved financial and entrepreneurial education.

European legislation has been adopted since 2020, promoting regulatory convergence. Positive aspects include investor protection, transparency, and a uniform EU framework. The first platform with a ECSP licence in the continent is "Spain based", Crowdcube, registered in April 2022⁷³. However, challenges such as excessive bureaucracy, uneven sectoral impact, and limited adaptability of regulations persist. Sponsorship from public and private entities remains crucial for sector development.

In 2022, the crowdfunding sector in Spain witnessed significant growth, raising a total of €300,966,947. This marked a remarkable 34.37% increase from the previous year, representing the most substantial annual boost since 2015. Real estate platforms played a dominant role, contributing €136,573,394—an impressive 113.03% surge. Following closely were investment platforms, securing €77 million. However, platforms relying on loans and rewards encountered challenges, experiencing a decline in fundraising.

The sector demonstrated signs of professionalization, marked by a 26.42% decrease in the number of campaigns. Notably, there was a nearly twofold increase in the average fundraising per campaign, rising from €17,741 to €33,113. Despite facing obstacles throughout the year, the crowdfunding sector responded positively, shaping its future trajectory in Spain.

Real State platforms emerged as the fundraising leader, accentuating a concentration of funds among a select few platforms, prompting concerns about the sustainability of others. Despite these challenges, crowdfunding contributed to job creation, estimated between 6,000 and 30,000 positions, underscoring the sector's significant economic impact.

Cumulative data suggests a remarkable and substantial growth in cumulative crowdfunding fundraising in Spain, rising from €17.1 million in 2013 to €300.97 million in 2022, a 1662.07% increase over a decade. However, despite this impressive growth, there is a recognition that it remains insufficient.

In the analyzed period of 2016-2022, the accumulated amount reached €1,197,592,272. While substantial, the sector faces the challenge of achieving this level of fundraising in a single year rather than over nine or seven years. The report highlights the great challenge for the sector is to increase the current fundraising tenfold.

⁷² Ramos, J. & González, A. (2023) Crowdfunding in Spain. An increasingly solid a professionalised market. Annual Report. (PDF) Crowdfunding in Spain 2022 An increasingly solid and professionalized market Annual Report (researchgate.net)

⁷³ <https://www.esma.europa.eu/document/register-crowdfunding-services-providers>

Over the past years (2016-2022), the crowdfunding industry in Spain has shown significant variability in fundraising volumes across different categories. Investment and Real Estate financing models demonstrated substantial growth, while Loans, Rewards, and Donations exhibited fluctuations.

Investment crowdfunding experienced a remarkable 167.14% growth since 2015, showcasing sustained expansion and heightened investor confidence in participative investment projects.

Real Estate crowdfunding demonstrated the most significant growth, with a 113.03% increase in 2022. However, variations in figures may be attributed to changing dynamics in the real estate market and investment opportunities in this sector. Loans crowdfunding showed fluctuations over the years, with a general downward trend since 2018. Nevertheless, fundraising in this category increased by 110.57% since 2015.

Rewards crowdfunding displayed moderate variability, experiencing a 3.51% decrease in 2022, reaching a total of €24,801,080. However, since 2015, fundraising in this category has grown by only 8.10%. Donations crowdfunding exhibited continuous growth, with a 6.84% increase in 2022, reaching a total fundraising of €33,894,121. Since 2015, fundraising in this category has increased by 92.73%.

The Code of Good Practices played a pivotal role in governing the sector, effectively addressing concerns related to delinquency, scams, and non-compliance. Additionally, a notable trend in the emergence of vertical platforms was observed. These personalized-use platforms focus on specific sectors or localities, contributing to the diversification and innovation of crowdfunding in Spain.

The report emphasizes the need for continued consolidation, professionalization, and the involvement of both public and private institutions. While surpassing 1 billion euros is a feasible goal, strengthening project evaluation and addressing challenges will normalize crowdfunding use in Spain. Despite obstacles, the overall outlook for 2022 is optimistic, showcasing the sector's potential for growth and solidification in the future.

SECTION 7

CROWDFUNDING AND RURAL DEVELOPMENT IN SPAIN: FACTS AND FIGURES

Crowdfunding has emerged as a dynamic force in Spain, transforming the landscape of rural development by mobilizing resources for innovative projects and fostering community engagement. We delve into the compelling facts and figures that underscore the significant impact of crowdfunding on rural development in Spain.

The facts and figures surrounding crowdfunding for rural development in Spain paint a compelling picture of empowerment, innovation, and community engagement. With a total fundraising amount of 17,400,781 euros, an average campaign size of 27,949 euros, and an inclusive range from 2,080 to 2,000,000 euros, crowdfunding is driving positive change in rural areas.

Moreover, the average of 141 investors per campaign underscores the depth of community involvement and the transformation of local aspirations into tangible projects. Crowdfunding is not merely a financial mechanism; it is a catalyst for rural development, enabling communities to shape their own destinies and create sustainable, vibrant futures.

Total Fundraising:

One of the most remarkable figures in the realm of crowdfunding for rural development in Spain is the total fundraising amount, which stands at a significant **17,400,781 euros**. It is a substantial sum which demonstrates the financial support that rural projects have received through crowdfunding campaigns and the access to finance. This sum also represents an ostensible achievement and underscores the profound transformation of how rural initiatives are funded in the country. It is not merely a financial statistic but the empowerment of rural communities and individuals who have taken the initiative to shape their local landscapes and drive positive change in their own backyards.

Traditionally, rural areas have faced challenges in accessing adequate funding for their development projects. Crowdfunding has changed this dynamic, offering a means for individuals and communities to raise substantial sums that can be invested in projects ranging from agricultural innovations to rural infrastructure improvements. This figure also reflects a growing sense of ownership and responsibility among rural residents. They no longer wait for external entities to intervene; instead, they can now actively shape their projects. This empowerment extends beyond fundraising, as communities take on the responsibility of project management, execution, and long-term sustainability. Even a comparison with the Social Economy as this is not so different from the cooperative movement that can be traced back to the 19th Century and which has had and still has a very strong presence in rural areas and is key for rural development. Configuring crowdfunding as one of the myriad of tools, mechanisms for community rural development.

Average per Campaign:

The average amount raised per crowdfunding campaign is **27. 949 euros**. This figure highlights the flexibility of crowdfunding as a financing mechanism, catering to the diverse needs of rural entrepreneurs and communities. The figure transcends mere numbers and resonates with the projects that are strengthening local entrepreneurship. Furthermore, technological innovations are being nurtured in these regions, bringing digital solutions to age-old challenges. This diversity underscores the flexibility of crowdfunding as a financing mechanism that caters to the diverse needs of rural entrepreneurs and communities.

The figure exemplifies how crowdfunding strengthens local entrepreneurship by providing flexible and tailored financing options. The diverse range of projects that benefit from this figure reflects the adaptability of crowdfunding in addressing the unique needs and aspirations of rural communities. As rural entrepreneurship continues to flourish through crowdfunding, it paves the way for a more dynamic, self-sustaining, and economically vibrant future in these regions –as it is seen in the match-funding program Arrela't in the Catalan Pyrenees–.

Minimum and Maximum Fundraising

Crowdfunding's inclusivity is evident in the minimum and maximum fundraising figures. The minimum fundraise for a rural project is as accessible as **2,080 euros**, allowing even modest initiatives to find support. On the other end of the spectrum, the maximum fundraise in a single project reaches an impressive **2,000,000 euros**, demonstrating the potential for crowdfunding to support ambitious, large-scale rural development endeavors. This wide range accommodates projects of all sizes and aspirations.

Average Investors per Campaign:

Community Engagement and Support. A particularly noteworthy statistic is the average number of investors per crowdfunding campaign, which stands at **141 backers**. This figure underscores the essence of crowdfunding in fostering community engagement and grassroots support. It signifies that rural communities are actively participating in the development of their regions by contributing both financially and emotionally to projects they believe in. Crowdfunding transforms investors into stakeholders, building a sense of shared ownership and commitment.

Sector of Activity:

One classical breakdown of economic activity crowdfunding in Spain has been particularly impactful in the Primary sector –agriculture– (37.41%), and Tertiary –services– (36.69%) followed by Secondary –industry– (25.90%). This distribution reflects the breadth of sectors benefiting from crowdfunding in local and rural areas.

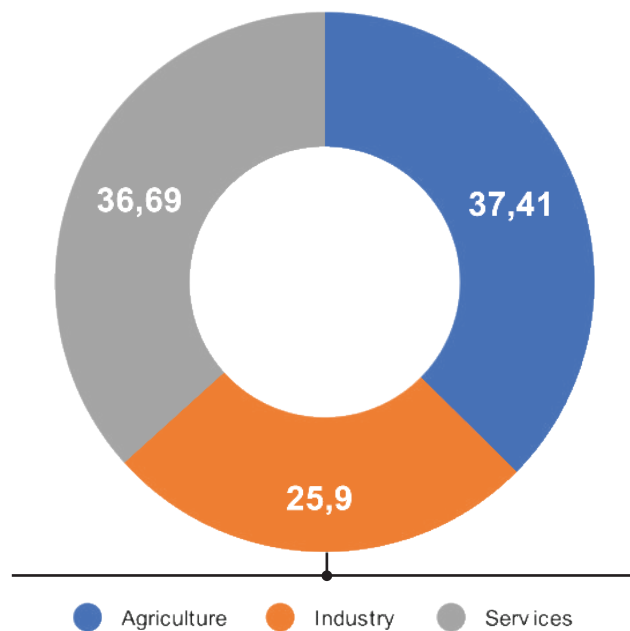


Figure 1 : Fundraising Allocation by Economic Sector

This distribution exemplifies the adaptability and impact of crowdfunding, catering to the unique needs of local and rural communities. The support for agriculture initiatives reflects the commitment of these communities to harnessing crowdfunding as a powerful tool for growth and for preserving the agrarian way of life while modernizing and ensuring its long-term sustainability.

The services sector's substantial representation in crowdfunding encompasses a wide spectrum of services, including tourism, hospitality, healthcare, education, and technology. The prevalence of services in crowdfunding illustrates the adaptability and the wide range of opportunities available for those seeking to develop their communities and generate economic activity.

The industrial sector's presence in crowdfunding highlights the potential for innovation in traditional rural industries. Whether it's a small artisanal workshop seeking funds to expand or a tech startup operating in a rural area, crowdfunding has become an efficient economic tool for rural entrepreneurs and innovators. This sector's representation underscores how crowdfunding supports local industries, fosters innovation, and drives economic growth.

Type of Platforms⁷⁴:

Reward-based crowdfunding dominates the landscape, constituting 58.37% of the campaigns, followed by lending (30.70%), equity (1.44%), and donation (9.59%). The prevalence of reward-based platforms reflects the appeal of tangible benefits to backers.

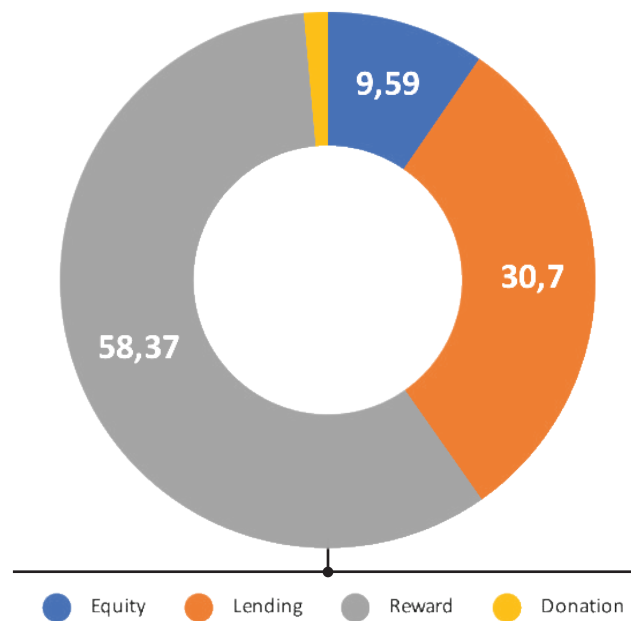


Figure 2 : Source of fundraising by Platform's Typology

⁷⁴ In a generic description it is established four types depending on which is based on the purpose of the project and platform funding model: Donation as a solidary support to a social cause, Reward based on money in exchange for a product, service or experience, Lending understood as the principles of a money loan with an interest rate and Equity which is a market investment for shares in a company or idea. There's differentiation on what may be considered non-financial and financial tools (overseen under ECSP).

The prominence of reward-based crowdfunding in Spain's crowdfunding landscape demonstrates the enduring appeal of tangible benefits and the connection between backers and project creators. It has become a dynamic platform for introducing innovative products, fostering engagement, and supporting local creativity and entrepreneurship. As reward-based crowdfunding continues to flourish, it underlines the enduring attraction of direct, tangible rewards for backers, transforming them into active participants in the projects they support.

Lending-based crowdfunding, often referred to as peer-to-peer (P2P) lending or crowdlending, is particularly attractive because it allows project initiators to secure loans without the need for traditional financial institutions. It empowers individuals and small businesses in rural areas to access much-needed capital, fostering entrepreneurship and local economic growth.

However, equity-based crowdfunding barely reaches 1% of the total fundraising, which means that there is still a long way to go in the promotion and use of this type of platforms, since it plays a pivotal role in providing capital for startups and growing businesses in rural Spain. This type of crowdfunding enables entrepreneurs to raise equity capital from a diverse set of investors, helping them expand their ventures and create job opportunities. It also offers backers the potential for financial returns based on the success of the project.

Donation-based crowdfunding (9.59%) contributes to local development without expecting tangible or financial rewards, motivated by the desire to support a cause, project, or individual. In rural and local contexts, this form of crowdfunding often fuels community initiatives, charitable projects, and cultural preservation efforts. It represents the altruistic side of crowdfunding, where backers are driven by their commitment to local and rural development.

Depopulated Areas:

Nearly 49.40% of the campaigns or projects are linked to or applied in depopulated territories in Spain, indicating a substantial focus on rural and less-populated regions. This statistic not only reflects the commitment of crowdfunding to the revitalization of such areas but also a shift in the locus of control over local development.

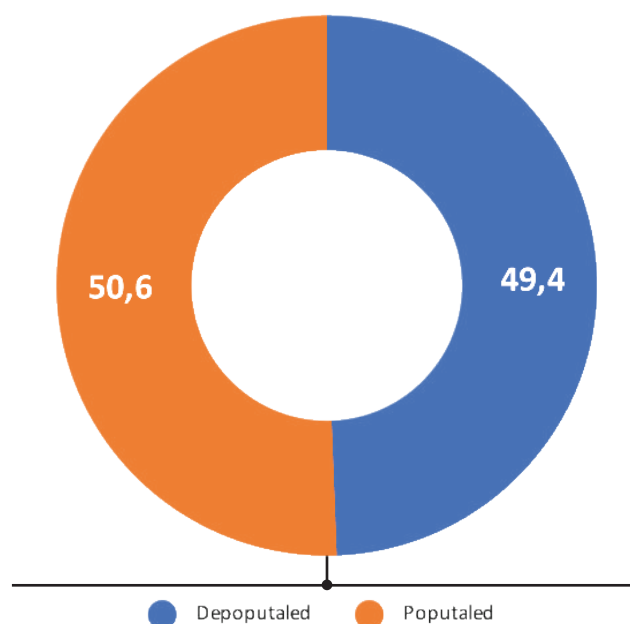


Figure 3 : Fundraising allocation according to population

Depopulation remains a pressing concern in many rural areas, leading to a decline in economic activity and a loss of cultural heritage. Crowdfunding campaigns in these areas are combating this trend by breathing new life into these regions. By providing opportunities for economic growth and cultural preservation, crowdfunding plays a vital role in stemming the tide of depopulation.

With crowdfunding, local initiatives take center stage, driven by the communities themselves. These initiatives range from initiatives aimed at boosting agriculture and agri-tourism to those focused on preserving cultural heritage, infrastructure development, and entrepreneurial ventures. Crowdfunding ensures that the people who know their communities best are the ones leading the charge for their development. This can play a key role in fostering population in depopulated communities.

Origin of the project:

This variable identifies those projects that are conceived, born and developed in the very territory where the funds raised will be used versus those projects that are conceived outside the territory.

The distinction between projects with external and internal origins lies in the locus and entities involved in conceiving and initiating the fundraising campaign. External Projects are those initiated by individuals, companies, or public entities that are not affiliated with the community targeted for the fund utilization. Conversely, Internal Projects are conceived, designed, and launched by individuals, businesses, or public administrations within the very community or geographical area of focus. This distinction is pivotal in understanding not only the origin but also the inherent connection and commitment of the project to the community it aims to benefit. External Projects bring external perspectives and resources, potentially contributing to the diversification and enrichment of the community. Meanwhile, Internal Projects signify a self-sustaining drive within the community to address its specific needs, fostering a sense of local empowerment and ownership in the fundraising endeavour.

Approximately 51.8% of the campaigns have external origins⁷⁵, while 48.2% originate internally. This highlights the mix of local and externally driven projects funded through crowdfunding in rural areas.

The data reveals an interesting and almost balanced split, which highlights the intricate mix of local and externally driven projects funded through crowdfunding, each with its own set of implications and benefits.

The fact that over half of the campaigns have external origins emphasizes the role of crowdfunding as a bridge

⁷⁵ This distinction between projects with internal and external origins plays a crucial role in understanding the dynamics of crowdfunding in rural areas. It essentially tells the story of whether the seeds of a project are sown within the community it aims to benefit or if they are brought in from outside.

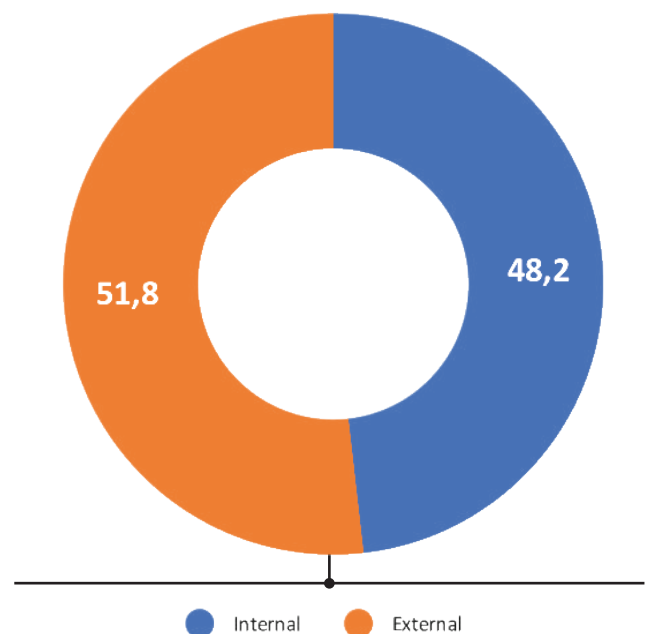


Figure 4 : Fundraising allocation according to the origin of projects

between rural areas and external sources of innovation and support. It brings fresh perspectives, novel ideas, and external expertise to local communities.

External projects may be initiated by entrepreneurs, organizations, or individuals from outside the rural area who recognize the untapped potential and opportunities within these regions. These external initiatives can inject new life into local economies, introduce innovative approaches, and attract investments from beyond the community. On the other hand, nearly half of the campaigns with internal origins represent the community's intrinsic drive and commitment to shaping its own destiny. These are projects that are not just conceived locally but are also nurtured and developed within the community. They often stem from a deep understanding of the local challenges, traditions, and aspirations. Internal projects showcase the resilience and resourcefulness of rural communities, highlighting their ability to generate ideas and innovate from within. They strengthen community bonds, reinforce local identity, and ensure that the benefits of crowdfunding remain deeply rooted in the community.

The nearly equal distribution of campaigns with internal and external origins represents a dynamic ecosystem where local and external influences converge, creating opportunities for innovation, collaboration, and community development. Crowdfunding acts as a bridge that connects the local with the global, ensuring that the best of both worlds can be harnessed to drive rural and local development.

Innovation

The role of 'Innovation' as a parameter in crowdfunding campaigns warrants a more in-depth qualitative examination, focusing on projects that seek to achieve innovation through various avenues:

- by implementing new products, services, or procedures that really find a successful application.
- by improving business with new procedures, use of technology, automation, improving quality or defining new ways of satisfying the customer.
- by aligning other criteria or positive impact related to specific positioning related to social or sustainable innovative solutions

The statistic revealing that 86.1% of funded projects introduce some form of innovation serves as a precise indicator of crowdfunding's transformative influence. It underscores the platform's dynamic nature and, more significantly, its pivotal role in instigating positive change across diverse projects. This prevalence of innovation speaks to crowdfunding's ability to foster creativity, drive progress, and promote adaptability.

Whether it's a small agricultural venture implementing sustainable farming practices or a technology startup introducing groundbreaking solutions in a rural area, crowdfunding empowers project initiators to think creatively and bring fresh ideas to life. It often addresses local challenges specific to their regions.

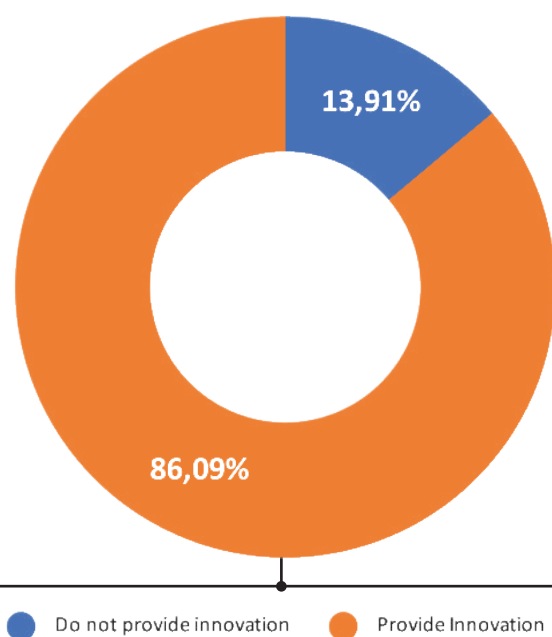


Figure 5 : Fundraising allocation in innovative projects

They leverage inventive approaches to overcome obstacles related to depopulation, limited resources, or economic stagnation. In doing so, these campaigns help rural areas adapt to changing circumstances and seize new opportunities.

A significant portion of the innovative projects funded through crowdfunding is focused on environmental sustainability. These campaigns work to protect and preserve natural resources, implement eco-friendly practices, and combat the effects of climate change. Yet, Innovation is not limited to technology or agriculture; it also extends to the preservation of cultural heritage. Many campaigns are dedicated to safeguarding local traditions and customs. By introducing innovative approaches to cultural preservation, crowdfunding helps ensure that the rich tapestry of rural cultures remains intact and vibrant.

It follows from all this that crowdfunding often drive economic growth in rural areas. They foster the creation of new businesses, job opportunities, and increased economic activity. By thinking outside the box, project initiators contribute to the resilience and prosperity of their communities.

Type of Innovation:

Another secondary parameter associated with the Economic Sector and Innovation of rural campaigns pertains to the pursuit of specific focuses, particularly in connection with innovative initiatives related to environmental projects (37.37%) and art/culture (18.81%). Other noteworthy categories encompass education (10.57%), digital services (5.41%), housing (3.35%), and social inclusion (2.84%), all of which play a significant role in promoting innovation in rural areas through crowdfunding. The diverse array of innovative endeavors showcased here illustrates the profound impact of crowdfunding on local development.

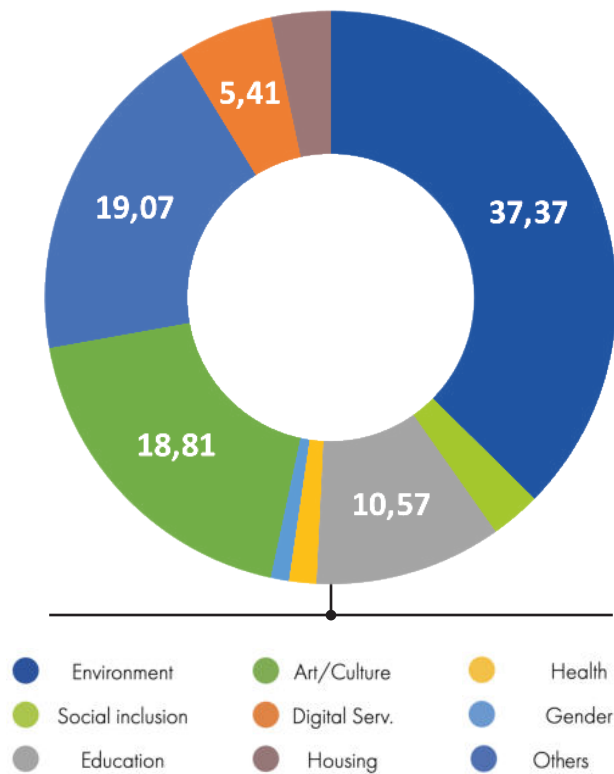


Figure 6 : Type of Innovation

The substantial prevalence of crowdfunding campaigns focused on environmental projects speaks to the growing importance of sustainability and eco-consciousness in rural and local development. These campaigns often target initiatives that aim to protect and preserve natural resources, combat climate change, and promote responsible land and resource management. They contribute to the long-term health and sustainability of rural environments. Art and Culture (18.81%) and Education (10,57%) play a pivotal role in fostering fundrising in rural areas. It underscores the commitment to nurturing knowledge and skills in rural communities. These initiatives often support educational programs, schools, and training centers.

Digital Services (5.41%) reflects the increasing need for technology-driven solutions in rural and local areas. These initiatives often focus on digitizing local businesses, introducing e-commerce platforms, or offering tech-based services that can improve the quality of life and economic prospects in these regions.

Housing (3.35%) address the vital need for shelter and housing in rural areas. They might focus on affordable housing initiatives, renovating historical buildings, or creating sustainable housing solutions. These campaigns contribute to improving living conditions and fostering a sense of community in rural regions

Social Inclusion (2.84%): Crowdfunding projects dedicated to social inclusion emphasize the importance of creating a more inclusive society. These initiatives often support programs that address social issues, promote diversity, and ensure that vulnerable populations have equal access to opportunities in rural areas.

Overfunding:

A significant portion of the campaigns (76.26%) did not exceed their funding goals. However, 23.74% of campaigns successfully achieved overfunding, exceeding their initial targets. This suggests a degree of optimism and potential for projects to garner additional support.

This balance between campaigns that met their targets and those that exceeded them highlights both the challenges and the considerable potential that crowdfunding offers for projects to garner additional support.

Overfunding provides project initiators with a unique opportunity to scale their initiatives and expand their impact. The additional funds can be channeled into broader or more ambitious aspects of the project. It allows for increased reach, better implementation, and the potential to bring about more significant change in the community. As an example, how a fundraising campaign for a community theatre, La Benéfica⁷⁶, aiming for an “ambitious” minimum of 94.185€ and a secondary goal to 130.111€ ended with 136.425€ thanks to 1767 backers to start their activity.

⁷⁶ <https://en.goteo.org/project/la-benefica>

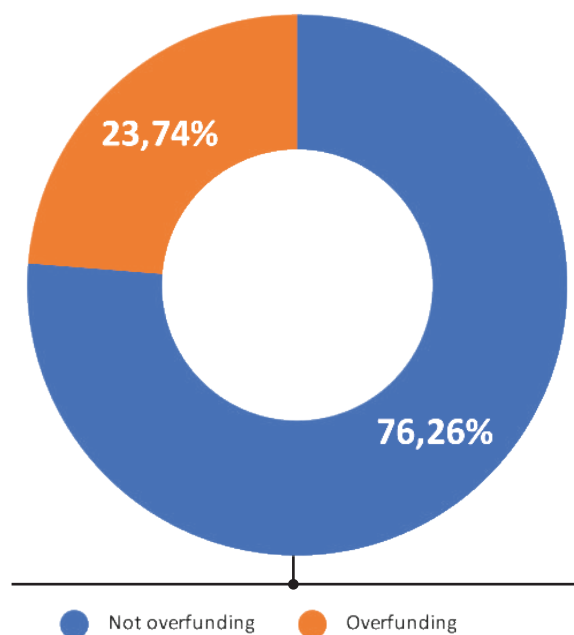


Figure 7 : According to achieved goals of funding

It also demonstrates that crowdfunding is not merely a one-time transaction but can be a continuous process. Even after achieving initial goals, campaigns can continue to attract support, thereby ensuring their long-term sustainability and the realization of new phases or objectives. This can occur as how could a community or collective use crowdfunding more than just once, as for example a music festival Reina Loba promoted by local cultural association did campaigned for five editions on a row (2015-2019)⁷⁷.

When campaigns surpass their goals, it signals that they have earned the support and trust of their backers, who are willing to invest not only in the project but also in its potential for success. The interplay between campaigns that met their funding goals and those that achieved overfunding reflects the multifaceted nature of crowdfunding in rural and local development.

It highlights the significance of both setting achievable goals and the potential for campaigns to garner additional support when the community believes in their mission. Crowdfunding, as a financing mechanism, not only enables projects to take flight but also has the capacity to drive them even further, ensuring that their impact resonates deeply within the communities they serve.

Population

The distribution of the sample population across various categories highlights the potential of crowdfunding to drive local development initiatives tailored to the unique needs of each demographic. It is evident from the data that crowdfunding has the potential to address the unique needs of each demographic, with a pronounced impact on smaller communities.

Analysing the breakdown of crowdfunding allocations in Spain, a striking pattern emerges. Most funds find their way to villages with populations ranging from 5,000 to 10,000 inhabitants, constituting a substantial 21.77% of the sample. Conversely, the less common destination for crowdfunding funds is cities boasting populations exceeding 100,000 inhabitants.

Sample distribution

- 1 to 100 inhabitants: **5,98%** of the sample
- 101 to 250 inhabitants: **5,02%** of the sample
- 251 to 500 inhabitants: **5,98%** of the sample
- 501 to 1,000 inhabitants: **12%** of the sample
- 1,001 to 2,500 inhabitants: **16,27%** of the sample
- 2501 to 5,000 inhabitants: **7,42%** of the sample
- 5,001 to 10,000 inhabitants: **21,77%** of the sample
- 10,001 to 25,000 inhabitants: **10,53%** of the sample
- 25001 to 50,000 inhabitants: **7,42%** of the sample
- 50,001 to 100,000 inhabitants: **4,78%** of the sample
- Over 100,000 inhabitants: **2,83%** of the sample

A more detailed examination of the data reveals a nuanced distribution across various population brackets. Small towns with populations ranging from 1 to 2,500 inhabitants account for 16.27% of the sample, showcasing the

⁷⁷ <https://en.goteo.org/discover?q=reina+loba&location=&latitude=&longitude=&category=>

impact of crowdfunding on these more intimate communities. As we move up the population scale, towns with 10,001 to 25,000 inhabitants capture 10.53% of the sample, demonstrating a noteworthy presence of crowdfunding in mid-sized locales.

When we aggregate the data, a compelling narrative emerges. A substantial 45.25% of the sample comprises small towns with populations ranging from 1 to 2,500 inhabitants, emphasizing the significance of crowdfunding in addressing the needs of these communities. Furthermore, towns with populations from 2,501 to 10,000 inhabitants represent a significant 29.19% of the sample.

In essence, a staggering 74.44% of the sample represents villages and tiny towns with populations below 10,000 inhabitants, illustrating the widespread impact of crowdfunding on local development initiatives. This aligns seamlessly with the overarching objective of our analysis—to delve into how crowdfunding acts as a catalyst for local development, particularly in the context of small towns and tiny villages.

The data paints a compelling picture of the adaptability of crowdfunding in catering to the diverse needs of communities across varying population sizes, showcasing its potential as a potent force for positive change in Spain's local development landscape

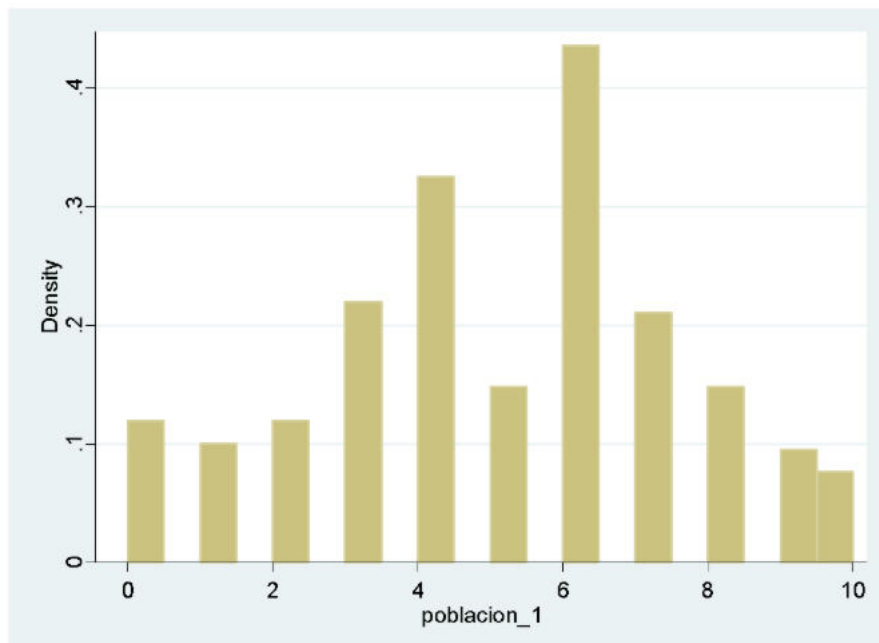


Figure 8 : Distribution across various population brackets

Central tendency measures

Mean: 9.748 inhabitants

Mean Deviation: 7,597.17

Mode: “5,001 to 10,000 inhabitants“ is the midpoint of the range with the highest percentage, being the midpoint of 5,500 inhabitants.

Standard Deviation: 20.505 inhabitants

SECTION 8

IDENTIFYING CROWDFUNDING'S BEST PRACTICES IN RURAL/LOCAL DEVELOPMENT IN SPAIN

Following a thorough examination of the crowdfunding landscape, encompassing both its potential and limitations, and a nuanced evaluation of the capacities and constraints within Spain's rural terrain, coupled with a comprehensive understanding of crowdfunding dynamics, it is imperative to delineate a set of best practices poised for effective support through targeted financing campaigns.

This strategic alignment of analysis is designed to harness the strengths and tackle the challenges intrinsic to rural development and crowdfunding initiatives.

By strategically implementing these best practices through crowdfunding campaigns, we aim to not only mitigate depopulation challenges but also foster sustainable development, resilience, and a renewed sense of community within Spain's rural landscapes.

Therefore, confronting the significant challenge of depopulation in Spain necessitates a proactive approach. Thus, we propose the following best practices to address and combat depopulation through crowdfunding campaigns:

- Investment in Digital Infrastructure
- Support for Local Entrepreneurship
- Promote Diversification in Agriculture
- Investment in Rural Education
- Healthcare access and Medical Services
- Develop and Promote Sustainable Tourism Initiatives
- Responsible Land Management and Environmental Protection
- Address Housing Affordability, Improvement and Rehabilitation
- Encourage Community-led Development Initiatives
- Facilitating Regional Cooperation and Coordination among Neighbouring Rural Areas
- Developing initiatives to attract remote workers and digital nomads to rural areas.
- Policies for Elderly

8.1. INVESTMENT IN DIGITAL INFRASTRUCTURE

Mainly, aiming to improve broadband internet access in rural areas to facilitate remote work, online education, and e-commerce is a key instrument of development nowadays. This can make rural living more attractive and create job opportunities, especially in depopulated areas. This strategic investment in rural broadband capabilities represents a transformative shift, rendering previously isolated regions as hubs of innovation and connectivity (Fernandez & Peek, 2023; Garashchuk, Castillo & Rivera)^{78, 79}.

The imperative to cultivate robust digital connectivity in rural landscapes has gained prominence due to its transformative potential in facilitating remote work, fostering online education, and catalysing the growth of e-commerce. The significance of this investment is underscored by its capacity not only to bridge the digital

⁷⁸ García Fernández, Cristina, and Daniël Peek. "Connecting the Smart Village: A Switch towards Smart and Sustainable Rural-Urban Linkages in Spain." *Land* 12, no. 4 (2023): 822.

⁷⁹ Garashchuk, A., Castillo, F. I., & Rivera, P. P. (2023). Depopulation of eu lower-income regions: can Digitalisation via Broadband access reduce it?. *Revista de economía mundial*, (64), 41-59

divide but also to reshape the very fabric of rural living, generating a spectrum of opportunities that extend far beyond the technological realm (Yu & Fleming, 2022)⁸⁰.

The ramifications of such an initiative extend far beyond mere access to the digital realm; it fundamentally alters the socioeconomic dynamics of rural living by attracting residents seeking a higher quality of life, attracting a new wave of settlers and invigorating communities.

The strategic investment in rural digital capabilities is essential for driving development in the modern era. A well-established digital infrastructure acts as a linchpin for attracting businesses, entrepreneurs, and remote workers, thereby fostering economic growth and job creation. In depopulated areas, this infusion of economic activity has the potential to breathe new life into communities, making them not only economically viable but also attractive places to live and work (Care et al, 2018)⁸¹.

The transformative potential of enhanced digital connectivity positions rural regions as not just recipients of technological advancements but as active contributors to innovation and connectivity on a global scale. Crowdfunding understood as a part of the sharing economy boom or seen as a mere IT platform for fundraising has an unquestionable direct impact on the digital shift that also happens in rural areas in Spain.

8.2. LOCAL ENTREPRENEURSHIP

In the same vein, support for Local Entrepreneurship is also key for rural/local development, mainly by providing financial incentives and support for local entrepreneurs and startups in rural areas may encourage the development of businesses that cater to local needs and markets (Alamá-Sabater, Budí, Roig-Tierno & García-Álvarez, 2021)⁸².

It is crucial to cultivate an environment that nurtures and sustains entrepreneurial initiatives. This involves not only providing financial support but also offering mentorship, access to resources, and networking opportunities for aspiring business owners. Empowering local entrepreneurs can spark a wave of innovation, creating a diverse array of businesses that address the unique requirements of the community (Marchesani, F., & Masciarelli, 2021)⁸³.

Moreover, by incentivizing and supporting local entrepreneurship, we stimulate economic growth within these areas. These businesses not only meet local demands but also contribute to job creation, instigating a positive domino effect that invigorates the local economy.

Ultimately, backing local entrepreneurship in rural regions is not just about financial support; it's about investing in the backbone of the community. It's about fostering an ecosystem where creativity, innovation, and local solutions flourish, paving the way for sustainable development and prosperity in these areas. This is especially

⁸⁰ Yu, S., & Fleming, L. (2022). Regional crowdfunding and high tech entrepreneurship. *Research Policy*, 51(9), 104348.

⁸¹ Care, S., Trotta, A., Carè, R., & Rizzello, A. (2018). Crowdfunding for the development of smart cities. *Business Horizons*, 61(4), 501-509.

⁸² Alamá-Sabater, L., Budí, V., Roig-Tierno, N., & García-Álvarez-Coque, J. M. (2021). Drivers of depopulation and spatial interdependence in a regional context. *Cities*, 114, 103217.

⁸³ Marchesani, F., & Masciarelli, F. (2021). Crowdfunding as Entrepreneurial Investment: The Role of Local Knowledge Spillover. In *Exploring Innovation in a Digital World: Cultural and Organizational Challenges* (pp. 92-108). Springer International Publishing.

pertinent for social entrepreneur (Hussain, DiPietro & Rosati, 2023)⁸⁴, reinforce in crowdfunding campaigns and match-funding programs.

8.3. DIVERSIFICATION IN AGRICULTURE

Promote diversification in agriculture to create more job opportunities and income sources in rural areas is important as well. Encourage sustainable and niche farming practices is also crucial to foster rural development.

Embracing sustainable and niche farming practices stands as a critical pillar in fostering rural development. Sustainable agriculture methods, such as organic farming, permaculture, or agroforestry, not only preserve the environment but also ensure the long-term viability of farming practices. These methods promote soil health, water conservation, and biodiversity, safeguarding the ecosystem while providing a platform for sustainable, ongoing production (Yang, Wan, Tang & Feng, 2020)⁸⁵.

Furthermore, the cultivation of niche or specialty crops adds a distinctive dimension to the agricultural sector. By focusing on unique, high-value crops or specialized products, rural farmers can tap into niche markets, both locally and internationally. This not only elevates the economic prospects for local agricultural businesses but also fosters a sense of community pride as they contribute to regional specialties.

The promotion of diversification empowers farmers to explore innovative techniques, embrace new markets, and reduce dependency on traditional, sometimes volatile, crop cycles. This, in turn, creates a more robust, adaptable, and prosperous agricultural landscape within rural regions, bolstering the foundations of their economic growth. Investing in alternative models could be seen as high-risk under a traditional perspective by a funding body but embraced by a wider community of backers or investors that maybe engaged.

8.4. REVITALIZE AND INVEST IN RURAL EDUCATION

Revitalize and invest in rural education to ensure that schools remain open and offer quality education constitute a high attracting incentive to bring people into rural areas and attract families to stay in rural areas and prevent the closure of schools.

Enhancing the quality of education in rural areas involves various aspects. Adequate funding for schools is fundamental to maintain up-to-date facilities, provide necessary resources, and offer a comprehensive curriculum. Additionally, investing in qualified teachers and educational staff not only improves the quality of instruction but also fosters a sense of stability and commitment within the community (Brauer, 2021)⁸⁶.

Ensuring schools remain open and are centers of quality education provides families with a compelling reason to settle in rural areas. The presence of reliable educational institutions not only meets the immediate needs of local families but also serves as an attractive feature for newcomers. The assurance of a strong, consistent education

⁸⁴ Hussain, N., Di Pietro, F., & Rosati, P. (2023). Crowdfunding for Social Entrepreneurship: A Systematic Review of the Literature. *Journal of Social Entrepreneurship*, 1-24.

⁸⁵ Yang, F., Wan, A., Tang, X., & Feng, W. (2020, November). Research on influencing factors and value classification of agricultural crowdfunding project financing performance. In *2020 International Conference on Management, Economy and Law (ICMEL 2020)* (pp. 24-31). Atlantis Press.

⁸⁶ Brauer, J. (2021). Community-Led Crowdfunding Fosters Rural Prosperity and Resiliency. In *Community Owned Businesses: International Entrepreneurship, Finance, and Economic Development* (pp. 166-184). Routledge.

system becomes a pivotal factor for families contemplating a move, contributing to the sustainability and growth of rural communities.

By preserving and revitalizing rural education, communities establish themselves as places that value knowledge, growth, and opportunity. This, in turn, not only retains existing residents but also entices new individuals and families, creating a vibrant and diverse demographic that becomes the bedrock of a thriving rural society. Preventing school closures is more than maintaining educational infrastructure; it's about securing the heart of these communities, ensuring a promising future for generations to come and reinforcing the social connections at many levels.

8.5. HEALTHCARE ACCESS

Similarly, healthcare access *plays a key role in encouraging people to move to rural areas* and addressing the needs of an aging population. Explore telemedicine options and the potential of other digital tools to supplement in-person care constitutes a worthy incentive for families to move to rural areas.

The integration of telemedicine into rural healthcare systems not only expands the scope of available medical services but also bridges the geographical gaps, offering timely and accessible healthcare to remote areas. This innovation opens the door to a broader range of specialized medical consultations and treatments without the constraints of physical distance. Additionally, the incorporation of digital tools, such as health monitoring apps or wearable devices, contributes significantly to preventive care and ongoing health management.

By actively exploring and promoting telemedicine and digital healthcare options in rural settings, families are presented with a crucial incentive. It ensures they have reliable and convenient access to healthcare services, thereby fostering a sense of security and well-being. This not only appeals to prospective residents but also supports the retention of current inhabitants, especially an aging population that may require regular medical attention.

Moreover, the adoption of telemedicine and digital healthcare tools doesn't merely supplement in-person care; it revolutionizes the healthcare landscape in rural areas. It addresses the challenges of limited resources and healthcare professional shortages, ultimately improving the overall quality of healthcare services available to residents. This initiative serves as an attractive feature for individuals and families looking to settle in rural areas, as it assures them that their healthcare needs can be met efficiently and effectively. By investing in these digital healthcare solutions, rural communities pave the way for a more robust and inclusive healthcare system, creating an environment that supports the well-being and longevity of its residents (Suasih, Budhi, & Wijaya, 2021)⁸⁷.

8.6. SUSTAINABLE TOURISM INITIATIVES

Develop and promote sustainable tourism initiatives in rural areas to attract visitors and create jobs. This can include ecotourism, cultural heritage tourism, and outdoor activities.

Supporting and promoting sustainable tourism initiatives in rural areas stands as a key driver for attracting visitors and generating employment opportunities. These efforts encompass a broad spectrum of possibilities, including

⁸⁷ Suasih, N. N. R., Budhi, M. K. S., & Wijaya, P. Y. (2022). Inclusive crowdfunding scheme as capital source alternative for rural agriculture in Indonesia. In *IOP Conference Series: Earth and Environmental Science* (Vol. 977, No. 1, p. 012053). IOP Publishing.

ecotourism, cultural heritage tourism, and various outdoor activities, thereby harnessing the unique characteristics and natural beauty of rural regions (Khairuddin & Ishak)⁸⁸.

Embracing sustainable tourism practices ensures that the influx of visitors contributes positively to the preservation of the environment and local culture. Ecotourism, for instance, focuses on highlighting the natural wonders of a region while promoting conservation efforts and minimal ecological impact. Visitors are encouraged to engage with the environment responsibly, fostering an appreciation for the area's natural resources and biodiversity (Chan, et al. 2022)⁸⁹.

Cultural heritage tourism, on the other hand, accentuates the distinct traditions, history, and local customs of rural communities. It offers visitors a chance to immerse themselves in the rich tapestry of a region's heritage, from culinary experiences to historical landmarks, fostering a deeper understanding and appreciation for local culture. Outdoor activities further enrich the tourism landscape by leveraging the natural offerings of rural areas. Hiking, birdwatching, adventure sports, and other outdoor pursuits not only attract visitors seeking recreational activities but also create job opportunities in guiding, hospitality, and related services.

By developing and promoting these sustainable tourism initiatives, rural areas can effectively diversify their economies. It not only draws in visitors seeking authentic and nature-centric experiences but also generates employment within the local community. The creation of new jobs and business opportunities, such as eco-lodges, local artisan shops, or guided tour services, contributes to the economic development and sustainability of rural regions (Wang & Law)⁹⁰.

Furthermore, these initiatives do not just benefit the economy; they also nurture a sense of pride and community engagement. They encourage locals to actively participate in preserving their heritage and environment while showcasing the distinct and appealing features of their region to the world.

Sustainable tourism endeavors thus serve as a catalyst for growth, encouraging the flow of visitors and stimulating economic vitality while fostering a profound appreciation for the unique offerings of rural areas. Visibility of local initiatives could start by raising awareness of existing cultural assets which many times fall into oblivion, shadowed by mainstream tourism communication campaigns or underfunded due scarce financial resources of small municipalities and crowdfunding could change this empowering more participatory and coherent scenarios.

8.7. RESPONSIBLE LAND MANAGEMENT AND ENVIRONMENTAL PROTECTION

Implement strategies for responsible land management and environmental protection in unpopulated areas encompass a range of initiatives, including reforestation programs and measures aimed at preventing and mitigating the impact of wildfires.

⁸⁸ Khairuddin, N. K., & Ishak, M. S. I. (2022). Exploring Crowdfunding Potential for Supporting Community-Based Tourism in Malaysia. *International Journal of Islamic Business*, 7(2), 1-12.

⁸⁹ Chan, J., Sciacca, A., Gao, X., Coles, A. M., Roskam, H., Debryne, D. & Brinkman, M. (2022). Financing the circular economy in the tourism sector: how can tourism SMEs use crowdfunding to finance circular solutions? *Interr. EU. 2 Seas Programm. 2014. Mers Zeeen 37082-SCIACCA-Financing-the-Circular-Economy-in-the-Tourism-Sector.pdf* (gre.ac.uk)

⁹⁰ Wang, Z., Li, H., & Law, R. (2017). Determinants of tourism crowdfunding performance: An empirical study. *Tourism analysis*, 22(3), 323-336.

Reforestation programs play a vital role in restoring and maintaining the health of natural ecosystems in unpopulated areas. By replanting trees and vegetation, these initiatives aim to replenish forests, combat deforestation, and enhance biodiversity. Beyond mere tree planting, these programs also focus on the nurturing and sustainable growth of diverse flora, aiming to create resilient and thriving ecosystems (Hörisch, 2015)⁹¹.

Wildfire prevention measures are equally crucial, particularly in unpopulated areas where the risk of uncontrolled wildfires can cause significant environmental damage. Implementing preventive strategies such as controlled burns, firebreaks, and public awareness campaigns regarding fire safety and prevention helps reduce the risk of catastrophic blazes. Additionally, investing in early detection technology and swift response systems aids in containing and extinguishing wildfires before they escalate (Kubo, et al. 2021)⁹².

By prioritizing responsible land management and environmental protection in unpopulated areas, we not only safeguard the natural landscape but also contribute to mitigating the impacts of climate change. Maintaining healthy ecosystems and preventing devastating wildfires not only protects the environment but also maintains essential habitats for wildlife and contributes to overall biodiversity (Adhami, Giudici & Anh 2017)⁹³.

Furthermore, these initiatives have far-reaching benefits for surrounding communities, even if they're not directly populated areas. Healthy forests contribute to clean air and water, support local economies (such as through timber and ecotourism), and act as carbon sinks, aiding in the fight against global climate change.

Therefore, implementing strategies for responsible land management and environmental protection in unpopulated areas is crucial for the conservation of natural resources and the promotion of sustainable ecosystems. It is an investment in the preservation of our environment and the well-being of both present and future generation.

8.8. HOUSING AFFORDABILITY, IMPROVEMENT AND REHABILITATION

Addressing housing affordability issues in rural areas to make it easier for people to move to or remain in these regions is decisive for fostering rural development. Addressing housing affordability issues in rural areas is a fundamental step toward making these regions more accessible and attractive for both current residents and individuals considering a move. Implementing strategies to enhance housing affordability not only supports existing communities but also encourages new residents to settle and invest in rural areas (Pickering, 2017)^{94, 95}.

One key approach involves the development of affordable housing initiatives tailored to the specific needs and economic realities of rural communities. This might encompass the construction of reasonably priced homes,

⁹¹ Hörisch, J. (2015). Crowdfunding for environmental ventures: an empirical analysis of the influence of environmental orientation on the success of crowdfunding initiatives. *Journal of cleaner production*, 107, 636-645.

⁹² Kubo, T., Veríssimo, D., Uryu, S., Mieno, T. and MacMillan, D., 2021. What determines the success and failure of environmental crowdfunding?. *Ambio*, 50, pp.1659-1669.

⁹³ Adhami, S., Giudici, G., & Anh, H. P. N. (2017). Crowdfunding for green projects in Europe: success factors and effects on the local environmental performance and wellbeing. URL: <http://www.crowdfundres.eu/wp-content/uploads/2017/11/Crowdfunding-for-green-projects-in-Europe-2017.pdf>

⁹⁴ Pickering, S. (2013). Our House: Crowdfunding Affordable Homes with Tax Credit Investment Partnerships. *Rev. Banking & Fin. L.*, 33, 937.

⁹⁵ Montgomery, N., Squires, G., & Syed, I. (2018). Disruptive potential of real estate crowdfunding in the real estate project finance industry: A literature review. *Property Management*, 36(5), 597-619.

subsidies or grants to facilitate home ownership, or the revitalization of existing properties to make them more affordable and appealing (Borrero-Domínguez et al. 2022)⁹⁶

Moreover, supporting infrastructure development—such as improving roads, utilities, and access to essential services—bolsters the overall attractiveness of rural living, enhancing the value proposition for potential residents. Access to amenities like healthcare facilities, schools, and shopping centers can significantly influence housing choices and community sustainability.

Encouraging public-private partnerships can also play a pivotal role in addressing housing affordability. Collaborations between local governments, private developers, and non-profit organizations can lead to innovative housing solutions, enabling the creation of affordable housing projects and community-driven initiatives.

Furthermore, incentivizing and supporting home improvement programs for existing residents can revitalize neighbourhoods and increase property values without pricing out current inhabitants. This approach helps maintain the social fabric of rural communities while also enhancing the visual appeal and functionality of the housing stock (Montgomery et al. 2018)⁹⁷.

By addressing housing affordability issues, rural areas become more inclusive and appealing, fostering a diverse and vibrant community. It not only retains current residents by offering more stability and opportunities but also attracts new individuals seeking a better quality of life. Investing in affordable housing solutions, alongside supporting infrastructure and community development, lays the groundwork for sustainable growth and a thriving rural society.

8.9. ENCOURAGE COMMUNITY-LED DEVELOPMENT INITIATIVES

Encourage community-led development initiatives where local residents have a say in the decisions that affect their communities is also key since empower local leaders and organizations. Encouraging community-led development initiatives represents a profound commitment to empowering local residents by allowing them a significant voice in decisions that shape their communities.

By fostering these initiatives, we not only honor the wisdom and insight of those who intimately understand the needs of their locale but also cultivate a sense of ownership and pride among community members.

Empowering local leaders and organizations is fundamental to this approach. It involves providing support, resources, and opportunities for community members to take charge and actively participate in the planning, execution, and evaluation of projects that directly impact their lives. This might involve facilitating training programs, workshops, and access to information necessary to bolster leadership skills and community organization.

Moreover, this approach encompasses creating platforms and channels for open dialogue, encouraging active participation, and ensuring that diverse voices are heard. Engaging in transparent and inclusive decision-making processes allows for a more comprehensive understanding of the community's needs and aspirations.

⁹⁶ Borrero-Domínguez, C., Cordon-Lagares, E., & Hernández-Garrido, R. (2020). Sustainability and real estate crowdfunding: Success factors. *Sustainability*, 12(12), 5136.

⁹⁷ Montgomery, N., Squires, G., Syed, I., Montgomery, N., Squires, G., & Syed, I. (2018) Disruptive potential of real estate crowdfunding in the real estate project. *Property Management*. Vol. 36 No. 5, pp. 597-619

Supporting community-led development also entails providing access to funding, grants, or other financial resources that enable local initiatives to take root and flourish. This financial support acts as a catalyst for community-driven projects, from infrastructure improvements to social programs, promoting self-sufficiency and sustainability within the community.

By fostering a culture of community-led development, we enable residents to take charge of their own destinies. This approach not only results in more effective, locally-tailored solutions but also builds a stronger sense of cohesion and belonging within the community. It empowers individuals to become active stakeholders in the development of their neighbourhoods, ultimately leading to more resilient, vibrant, and self-sustaining communities.

8.10 FACILITATING REGIONAL COOPERATION AND COORDINATION

Facilitating regional cooperation and coordination among neighbouring rural areas is a pivotal strategy to effectively pool resources and address shared challenges collectively. By fostering collaboration, these regions can leverage their strengths and unite in tackling mutual issues, ultimately creating a more cohesive and resilient network of communities.

Encouraging regional cooperation involves establishing platforms for regular communication and collaboration among local governments, community leaders, and various stakeholders across neighbouring rural areas. This shared dialogue facilitates the identification of common challenges and the development of joint strategies to address them.

Pooling resources is a significant outcome of regional cooperation. By combining efforts, these areas can access a larger pool of resources, whether financial, infrastructural, or human, allowing for more ambitious projects and comprehensive solutions that might not have been feasible individually. Sharing resources enables cost-effective solutions and maximizes the impact of initiatives aimed at collective betterment.

Furthermore, regional coordination fosters knowledge sharing and the exchange of best practices. Communities can learn from each other's successes and challenges, adapting proven strategies to fit their specific circumstances and needs. This cross-pollination of ideas and experiences strengthens the collective capacity to innovate and solve problems effectively.

Addressing shared challenges together not only enhances the efficiency of solutions but also promotes a sense of solidarity among rural areas. Challenges such as infrastructure development, economic growth, environmental conservation, and social services can be more effectively managed through collective efforts and shared responsibilities.

Ultimately, facilitating regional cooperation and coordination among neighbouring rural areas creates a unified front that is better equipped to face the complexities of contemporary challenges. By working together, these areas can build a more sustainable and prosperous future, ensuring the well-being and advancement of the entire region.

8.11. DEVELOPING INITIATIVES TO ATTRACT REMOTE WORKERS AND DIGITAL NOMADS

Developing initiatives to attract remote workers and digital nomads to rural areas represents a forward-thinking strategy to leverage the growing trend of remote work. This approach not only benefits the remote workforce seeking alternative living environments but also revitalizes and sustains rural communities.

One crucial aspect of this initiative involves promoting the unique lifestyle and amenities of rural areas. Emphasizing the natural beauty, tranquillity, and quality of life in these regions can be a powerful draw for remote workers seeking a change from urban settings. Highlighting outdoor activities, community events, and cultural experiences specific to rural locales can be enticing to those seeking a well-rounded lifestyle beyond work.

Offering infrastructure to support remote work is essential. Ensuring high-speed internet access, co-working spaces, and other necessary facilities for a seamless remote working experience is crucial. Creating hubs or shared workspaces equipped with modern technology can attract remote workers seeking a professional environment while enjoying the perks of rural living.

Incentivizing remote work by collaborating with local businesses and offering discounts or special packages to remote workers can be attractive. Providing support for housing, healthcare, and educational resources might also sway remote workers considering a move to rural areas.

Additionally, organizing community integration programs and networking events to welcome and connect remote workers with locals can facilitate a sense of belonging and foster a thriving community. Encouraging engagement and participation in local activities helps integrate newcomers into the social fabric of the area.

By developing initiatives to attract remote workers and digital nomads, rural areas stand to benefit from a diverse influx of talent and perspectives. This not only contributes to the economic growth of these communities but also enriches the social and cultural tapestry of rural living. Embracing the trend of remote work and adapting to the needs of this workforce can position rural areas as attractive and competitive alternatives for remote professionals seeking a change in scenery and lifestyle.

8.12 POLICIES FOR ELDERLY

Integrating policies for the elderly into crowdfunding strategies for local and rural development reflects a holistic and concerned approach. It not only addresses immediate needs but also contributes to the overall resilience and sustainability of the community.

The following examples showcase how policies related to crowdfunding can be tailored to address the specific needs of the elderly in local and rural development, promoting a more inclusive and age-friendly community.

Elderly-focused healthcare initiatives, such as mobile health clinics, regular health check-ups, or telemedicine services constitute a cornerstone in the promotion and implementation of policies for elderly. Ensure that these services are easily accessible in rural areas is the first step in promoting these policies.

A collaborative approach involving government bodies, healthcare providers, and local communities is indispensable. By working together, stakeholders can create a sustainable healthcare ecosystem that not only meets the immediate needs of the elderly but also adapts and evolves to address the changing health landscape in rural areas.

The promotion of elderly-focused healthcare policies requires a multifaceted strategy, with a strong emphasis on accessibility in rural areas. By embracing mobile health clinics, routine check-ups, and telemedicine services,

investors and policymakers lay a solid foundation for a healthcare landscape that is not only comprehensive but also tailored to the unique needs of elderly populations in rural settings.

Finally, educational Programs for Healthy Aging are also key. Allocate funds for educational programs that focus on healthy aging, nutrition, and well-being for the elderly population could include workshops, seminars, or online resources that empower seniors with knowledge to lead healthy and active lifestyles.

Age-friendly infrastructure development also matter. It stands as a cornerstone in fostering environments that prioritize the well-being and inclusion of elderly residents. Beyond mere physical structures, this encompasses a comprehensive reevaluation and enhancement of community spaces to ensure they cater to the unique needs of an aging population.

This could include not only the construction of ramps, accessible public spaces, modifications to existing structures to accommodate the mobility needs of elderly residents but also, modifications to existing structures that consider the changing mobility needs of elderly residents. This may involve retrofitting homes and public buildings with features like grab bars, non-slip surfaces, and ergonomic design principles to facilitate independent and safe living for the aging population.

Yet, these physical infrastructures should be complemented with innovative solutions such as smart technologies and sensory enhancements to create environments that are seamlessly inclusive for the elderly. By embracing this holistic perspective, communities can truly create environments where elderly residents not only navigate their surroundings with ease but also thrive socially, emotionally, and culturally.

Finally, age-appropriate Housing Projects are another crucial pillar of age-friendly infrastructures. Some examples points to the construction of senior-friendly housing or retrofitting existing structures to accommodate aging in place.

Elderly entrepreneurship support is also characteristic of these policies. While a significant portion of the elderly population is already retired, relying on pensions and various public aids, it's crucial to recognize the unique dynamics at play, particularly in rural areas. Unlike urban settings, where retirement often marks a withdrawal from economic activity, the connection of elderly individuals in rural regions to agriculture and specific services challenges the conventional concept of retirement.

In these rural landscapes, the idea of ceasing economic activity after retirement takes on a different hue. Many older individuals, deeply rooted in their communities, find avenues to contribute significantly to the local economy. This distinctive circumstance calls for forward-thinking policies, especially in the realm of entrepreneurship, to harness and amplify the economic potential of the elderly in these rural settings.

Rather than viewing retirement as a conclusion, these policies recognize it as a juncture for new beginnings. By fostering an environment conducive to entrepreneurial ventures, older individuals can continue to play pivotal roles in sustaining economic activities within their communities. This could involve providing seed funding or mentorship programs to encourage the establishment of businesses led by elderly individuals.

Summing up, the multifaceted strategies presented above collectively underscore the importance of comprehensive and inclusive development in rural areas. Investing in digital infrastructure, supporting local entrepreneurship, diversifying agriculture, revitalizing education, improving healthcare access, and promoting sustainable tourism are foundational pillars that fortify these regions. Moreover, addressing housing affordability, advocating for community-led development, facilitating regional cooperation, and attracting remote workers all contribute to a holistic approach toward rural advancement.

The overarching theme woven through these strategies is the empowerment of rural communities. Whether it's providing resources, enabling local decision-making, encouraging collaboration, or attracting a diverse workforce, the goal remains consistent: to bolster self-sufficiency, inclusivity, and sustainability within rural areas.

By nurturing these multifaceted initiatives, rural regions not only address current challenges but also lay the groundwork for a prosperous and resilient future. Empowering local residents, businesses, and leaders in decision-making processes and development initiatives can pave the way for a more vibrant, connected, and sustainable rural landscape. The culmination of these efforts contributes to fostering stronger economies, vibrant communities, and a higher quality of life for both current and prospective residents in rural areas. Demonstrating rural areas can regain their sovereignty embracing new economic models –more cooperative, inclusive, collective–, reinforcing alternatives and go beyond actual urban-centric positioning, rules and regulations.

TENTATIVE CONCLUSIONS

Crowdfunding has emerged as a powerful tool for local and rural development in Spain. The data of more than 430 campaigns underscores the diversity of projects funded, with a strong focus on agricultural and environmental initiatives. The prevalence of reward-based crowdfunding platforms and the high number of scarcely populated areas benefiting from campaigns suggest the tangible impact of crowdfunding on these regions. Moreover, crowdfunding has supported internal and external projects, reflecting the dynamic nature of local and rural development in Spain.

While crowdfunding can have a transformative effect on local and rural development, challenges such as resource distribution, sector diversity, and the balance between internal and external projects must be considered. The positive potential for overfunding underscores the optimism and support that crowdfunding can bring to local initiatives.

This report provides a foundational understanding of crowdfunding's impact on rural development in Spain, highlighting both its achievements and areas for further exploration and improvement. The comprehensive dataset and analysis demonstrate the evolving landscape of crowdfunding's role in shaping local and rural Spain.

Several key takeaways emerge from the information:

Crowdfunding has proven to be a powerful tool in financially empowering local and rural initiatives. The substantial fundraising amount signifies a shift in how rural projects secure funding, with communities and individuals taking the lead in shaping their local landscapes.

Its influence extends across a diverse range of economic sectors, with agriculture, services, and industry standing out prominently. This demonstrates the versatility of crowdfunding, as it caters to the unique needs and aspirations of local communities, fostering innovation and economic growth.

Crowdfunding's effectiveness is not limited to a single platform. The prevalence of reward-based, lending, equity, and donation platforms highlights the adaptability of crowdfunding, allowing project initiators to choose the best fit for their ventures.

The significant presence of campaigns in depopulated territories in Spain underscores crowdfunding's pivotal role in addressing the challenges of rural areas. It breathes new life into these regions by providing resources and support for economic growth, cultural preservation, and innovation.

The focus on various types of innovation, from environmental sustainability and cultural preservation to education and social inclusion, illustrates the broad impact of crowdfunding on local development. It caters to multifaceted needs, ensuring that rural communities can thrive in a rapidly changing world.

The existence of overfunding indicates optimism and the potential for projects to garner additional support. It highlights the trust and confidence that backers place in crowdfunding initiatives and the dynamic, ongoing nature of the crowdfunding process.

Therefore, crowdfunding has emerged as a transformative and inclusive force in local and rural development in Spain. It empowers communities to take charge of their own destinies, fostering innovation, resilience, and economic growth.

The data reflects not only the challenges that these communities face but also the considerable potential that crowdfunding offers for driving positive change. As crowdfunding continues to evolve and diversify, it remains a vital and dynamic catalyst for shaping vibrant and self-sustaining rural regions.

CROWDFUNDING AND SOME POLICY IMPLICATIONS

The substantial fundraising amounts, diverse sectors benefiting from crowdfunding, and the prevalence of campaigns in depopulated territories signify its broad impact. This dynamic financing mechanism has transformed the way projects secure funding, promoting local entrepreneurship, cultural preservation, environmental sustainability, and community development.

It follows from the above that policymakers should focus on cultivating supportive ecosystems that encourage and facilitate crowdfunding in rural areas. This includes providing educational resources, fostering technological infrastructure, creating policies that reduce regulatory barriers to access funding through crowdfunding platforms and direct financial support, both public and private, to those projects that fit well to the development objective set up by the community (match-funding). Initiatives aimed at capacity building, including training programs, workshops, and mentorship opportunities, can enhance the ability of local communities to effectively utilize crowdfunding. Educating project initiators on campaign planning, financial management, and marketing strategies can significantly impact the success of rural crowdfunding ventures.

This educational program should include understanding target audiences, setting realistic funding goals, devising communication strategies, and creating compelling narratives. Workshops and mentorship programs focused on campaign strategy development can significantly improve the effectiveness of crowdfunding efforts.

Education in financial literacy is also vital for project initiators. Training programs that cover budget planning, financial forecasting, and effective fund allocation ensure that campaign creators have a clear understanding of their financial needs and how to manage funds effectively. This knowledge is essential for successful crowdfunding and long-term project sustainability.

Providing workshops on leveraging social media, storytelling, and engaging content creation can equip project initiators with the skills necessary to reach and resonate with potential backers. Understanding how to effectively communicate the value and impact of their projects is crucial.

Education on the legal and regulatory aspects of crowdfunding is also key in the framework of education. Workshops or guidance on compliance with financial regulations, tax implications, and legal requirements in initiating and running crowdfunding campaigns are necessary to ensure project creators operate within the legal framework.

In the same vein, familiarizing project initiators with the functionalities and best practices of various crowdfunding platforms is essential. Training sessions can guide them on how to navigate platforms, optimize their project pages, leverage analytics, and effectively engage with backers. Understanding the nuances of different types of crowdfunding (reward-based, equity-based, lending, etc.) and choosing the most appropriate platform for their specific project is key.

These educational efforts should not only focus on the theoretical aspects but also provide practical training and real-life case studies to offer hands-on experience. Partnering with established crowdfunding platforms, industry experts, and successful campaigners can enrich the learning experience and provide valuable insights. By investing in educational resources and capacity-building programs, local communities can harness the full potential of crowdfunding to drive impactful and sustainable development in rural areas.

Governments can foster an environment that nurtures and supports innovation in rural and local development through crowdfunding by creating an ecosystem that encourages creativity, collaboration, and exploration, ultimately driving meaningful and sustainable change in rural communities. Policies that incentivize and support innovative projects are a second crucial aspect linked to policy implications.

They can foster a culture of innovation, particularly in sectors like agriculture, environmental sustainability, and cultural preservation. Financial and regulatory support for ventures that focus on technological advancements and sustainable practices in rural areas can stimulate growth and resilience.

To achieve these objective, public authorities can introduce:

- Capacity building and education programs, mainly specialized courses and workshops in crowdfunding and finance to instil a culture pro-entrepreneurship and empower community.
- Incentives for innovation, research and development support.

- Pro-Entrepreneurship and measure to enhance the creation of firms.
- Public-Private Partnerships that facilitate cooperation between public resources and private sector expertise to provide access to funding, technology, and networks, enhancing the innovative capacity of rural projects and businesses.

To accomplish these objectives, local engagement and community networks are crucial. Encouraging local engagement and community networks is vital. Policies that encourage collaborative efforts between local businesses, community organizations, and municipalities can bolster the success of crowdfunding campaigns. Promoting partnerships that bridge internal and external project origins can enhance the overall impact of crowdfunding on rural development.

Moreover, strategies focused on combating depopulation should be a key policy consideration. We have provided boosting best practices to cope with these challenges:

- Investment in Digital Infrastructure
- Support for Local Entrepreneurship and Supporting the Retail Sector
- Address Housing Affordability
- Finance Housing Improvement and Rehabilitation
- Promote Diversification in Agriculture, encouraging new high value-added activities and vertical integration in the food chain. Enhancing food security
- Investment in Rural Education
- Healthcare access and Medical Services,
- Develop and Promote Sustainable Tourism Initiatives
- Responsible Land Management and Environmental Protection
- Encourage Community-led Development Initiatives
- Facilitating Regional Cooperation and Coordination among Neighbouring Rural Areas for co-financed actions.
- Developing initiatives to attract remote workers and digital nomads to rural areas.
- Policies for the elderly

Regarding the role of public authorities and legislation on fuel these best practices, there is a long way to go. Recognizing the transformative potential of crowdfunding in rural development, Spanish legislation, particularly Law 45/2007, established a regulatory framework that necessitated coordinated efforts across administrative levels.

However, a significant drawback lies in the absence of specific regulatory mechanisms within the framework to achieve these outlined goals, relying instead on regional government initiatives for implementation. This limitation has proven to be a substantial obstacle. Unfortunately, this decentralized approach has diluted the initial impetus provided by Law 45/2007, evident in the diminishing references to it in recent regional regulations.

An analysis of specific regional measures against depopulation reveals that the approval of dedicated depopulation plans does not necessarily translate into concrete actions. Conversely, the ab-

sence of specific plans does not imply a lack of attention from regional governments. These plans generally share the common goal of mitigating rural-to-urban migration, aligning with obligations outlined in Statutes of Autonomy.

Operating within a top-down framework, these plans limit local government participation. Despite their ambitious aims, these plans may not fundamentally alter the public management approach to rural development, as they tend to prioritize safeguarding regional competencies over active promotion.

Two significant deficiencies are evident in these plans: a lack of explicit financial specifications for effective implementation and an overreliance on public administrations, potentially perpetuating existing rural development disparities.

Crowdfunding and match-funding policies can open a deeper debate on the management of resources empowering corresponsibility and self-sustainability as concepts that may also seem to be related to issues of self-governance and autonomy in rural areas, tackling disparities of perception urban-rural, peripheral or urban-centric impositions at many levels.

In various contexts, discussions around rural sovereignty might involve the ability of rural communities to make decisions about their own affairs, resources, and development without undue interference from external forces. This could also encompass EU strategic aspects such as local governance, economic development, land use, and cultural preservation and also embracing innovative way to finance it as crowdfunding.

ANNEX 1

AUTHORS BIOS

Mauricio O'Brien

Graduate in Arts and Design from the University of Southampton and Postgraduate in “Social Innovation and Entrepreneurship” from the UNED. He is currently a consultant in crowdfunding, design and communication and entrepreneurship, specialising in social entrepreneurship in rural areas. Mauricio has worked as a trainer, advisor and mentor in many programmes to support business creation for the City Council of El Prat de Llobregat, City Council of Gijón, City Council of Vitoria, Regional Government of Biscay, Government of León, Government of La Rioja, EMEA, IVACE, REDr, COCEDER, Fademur and Barrabés among others. Member of trainers community of TechCamp, a public diplomacy program hosted in the Bureau of Educational & Cultural Affairs (ECA) at the U.S. Department of State.

He has more than 20 years of experience in Design and ICT and working with academic institutions of higher education, coordinator and co-director of the Master “Design and Architecture” (2004- 2015) at Elisava - School of Design and Engineering of Barcelona. Professor of “Crowdfunding and matchfunding strategies” in the Master’s Degree in Fundraising for NPOs and Chair of Competitive Social Transformation at the Complutense University (Madrid), as well as having taught at universities such as Pompeu Fabra, Menéndez Pelayo University, Mondragon Unibertsitatea, University of Coruña, University of Oviedo, University of Cork and IED Istituto Europeo di Design.

He has specialised in crowdfunding since 2015, was co-director of the Goteo.org platform and is currently Head of Territorial Development and Training at Eurocrowd.org - European Crowdfunding Network and member of the General Assembly at AEIDL.eu - European Association for Innovation in Local Development. CEO-Founder at Federación de ideas (2009-2017) - Design & Communication Studio and since January 2024 co-founder and member of NANOMA cooperative, focused on Strategic Design for Social Innovation. He has participated in different European projects in areas such as energy communities, cultural and creative industries, rural development and social entrepreneurship.

Javier Ramos-Díaz

Has a doctorate in Social Sciences from the European University Institute of Florence, complemented by another one from the Juan March Foundation for Studies and Research- Madrid. I have served as a professor and researcher at esteemed international institutions, including the ZDA of the University of Zurich, Pompeu Fabra University in Barcelona, Complutense University of Madrid, the German Cooperation Center-Bonn, and the University of the Republic-Uruguay, among others.

Currently, I hold the esteemed position of senior professor, specializing in Entrepreneurship and Economics, at Camilo José Cela University - Madrid. Among my areas of academic specialization, I have made significant contributions to understanding the dynamics of entrepreneurial ecosystems and new entrepreneurship models, offering a comprehensive perspective on integral or Triple Bottomline entrepreneurship. My insights extend to exploring innovative forms of financing, particularly in the realms of Fintech, especially Crowdfunding, where I dissect the evolving landscape of financial technologies and the democratization of funding through digital platforms.

Furthermore, my academic repertoire includes a profound understanding of the Political Economy of the European Union, where I worked in the European Parliament for eight years. I navigate the intricate intersection of politics and economics within the EU framework, that also encompasses the broader context of globalization.

Alfonso Egea

Associate Professor at the Department of Political Science and International Relations- Autonomous University of Madrid. Doctor fellow at Juan March Institute. Director of the Research Center on Administrative Justice – Autonomous University of Madrid (<https://cija-uam.org/>).

He has been researcher in the International Integration Studies (Trinity College Dublin) and senior researcher for Europe at Fundación Alternativas. He has developed his academic career at Trinity College Dublin, Dublin City University, American University, NYU and Syracuse University. Before joining Autonomous University of Madrid, he was legal advisor at the Secretary of State, Ministry of Justice (Spanish Government).

Recent publications: La evaluación de la actividad administrativa desde la revisión judicial: Una comparación entre los niveles territoriales de la Administración. Revista Española de Ciencia Política, 2023, no 62, pp. 41-66 (<https://doi.org/10.21308/recp.62.02>); How Does Case Law Shape Civil Law Systems? An Analysis of Spanish Administrative Courts. Liverpool Law Review, 2023, pp. 1-23 (<https://doi.org/10.1007/s10991-023-09325-x>.)

Caterina Cerda

- Political scientist, graduated from the University of Los Lagos - Chile.
- Cultural manager
- Expert in International Development Cooperation and Humanitarian Action
- Twenty-two years of experience in the formulation of development and human rights projects in Spain, Latin America and West Africa.
- Senior researcher at Simbiosis-Hub.

NOTES



” **27 markets, 1 licence and 1 network.**
The making of history.

We have been working hard to harmonise
capital market rules for tradeable securities
and loan based crowdfunding...

Our members are prepared.

Are you?

Join us!



INSPIRING TOMORROW'S FINANCE -

WWW.EUROCROWD.ORG

