

Economics of Software Freedom

or why our economy fails public goods

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Software freedom

- Use
- Study Free as in freedom
- Change
- Share

* the *official* 4 freedoms are use, study+change, share, share

Free Software is Public Goods

- Goods and services
- **Goods** provide utility separately from the time of production (or extraction)
- **Services** provide utility at the time of performance

Types of Goods

- Rivalrousness
- Excludability

Types of Goods

- ~~Rivalrousness~~ **Scarce**
- Excludability

Types of Goods

- ~~Rivalrousness~~ **Scarce vs Abundant**
- Excludability

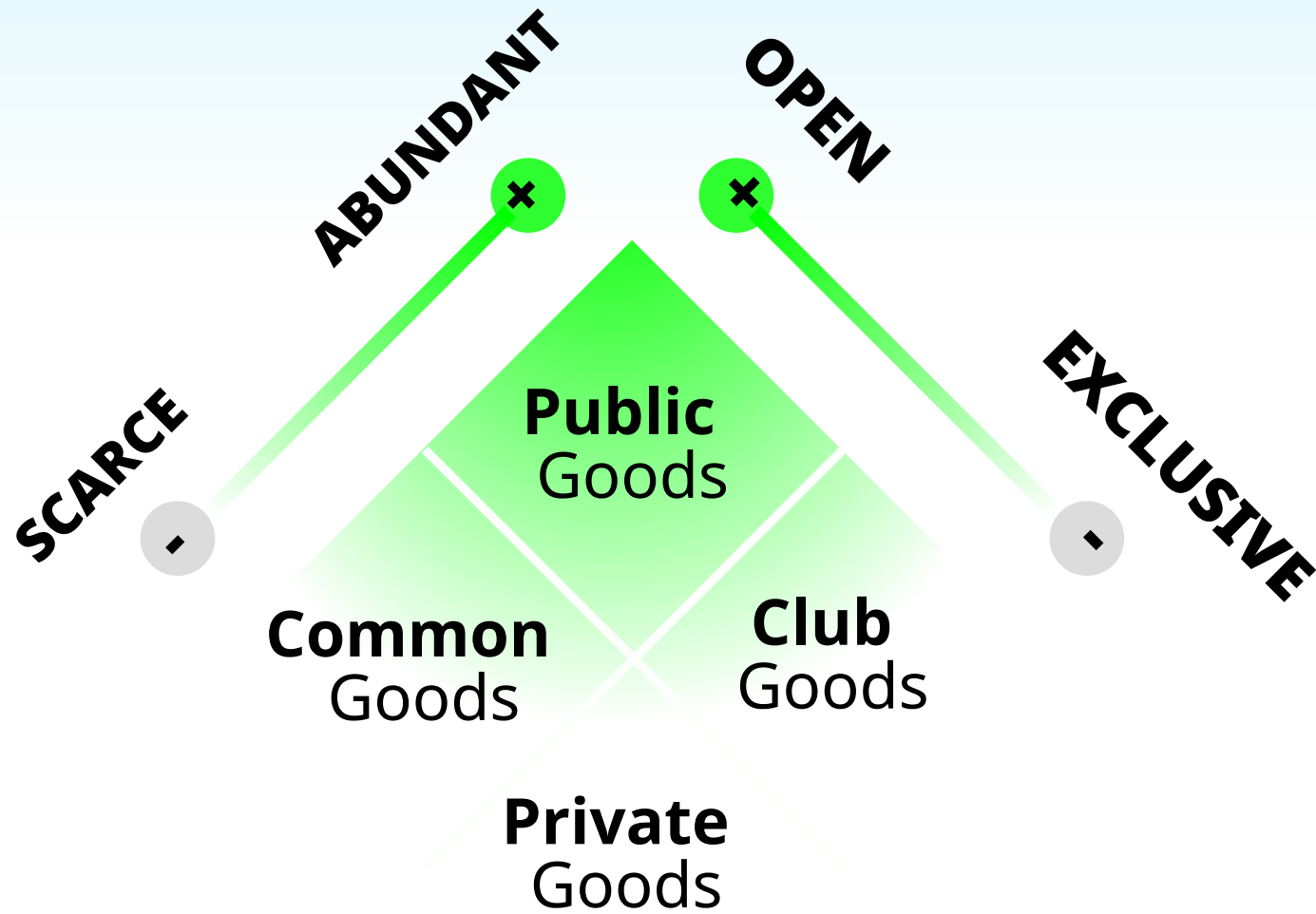
Types of Goods

- ~~Rivalrousness~~ **Scarce vs Abundant**
- ~~Excludability~~ **Exclusive**

Types of Goods

- ~~Rivalrousness~~ **Scarce vs Abundant**
- ~~Excludability~~ **Exclusive vs Open**

Types of Goods



Public Goods Dilemmas

- Who will support the work to have them?
- Free-riding
- Can we get enough support?
- How do we spread the burden fairly?
- Coordination problem

Not all-or-nothing

- Continuum
- Bicycle paths: public goods
- Roads for cars
 - Congestion
 - Noise, pollution
 - Wear-and-tear
 - Mix of commons and public goods

Recognizing goods in the world

- Scarce or Abundant?
- Exclusive or Open?
- Freedoms as features
 - Access
 - Use
 - Study
 - Change
 - Share

FLO = Free/Libre/Open

Funding public goods

- Services
 - Custom development
 - Support
- Proprietary SaaS
 - Service as a Software Substitute
 - SaaS: Software as a Service
- Free software hosting

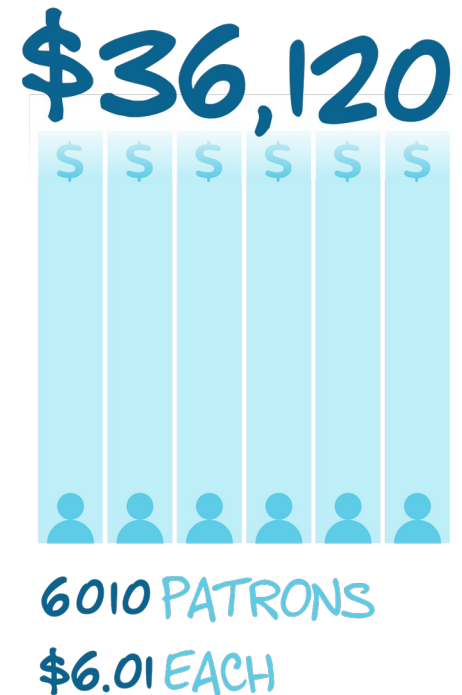
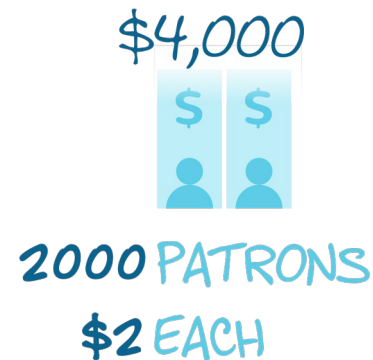
Funding public goods

- Taxes
- Donations
 - Business leagues
 - General public



- Crowdmatching

OUR PLEDGE:
IF YOU JOIN - WE'LL ALL
DONATE MORE!



Public goods investment

- No basis for profit
- No returns to investors
- Grants
- “Bootstrapping”

Competition

- Proprietary hardware and software
 - Features
 - Network effects
 - Advertising
 - Ignorance about free software

Free software needs

- Superior quality
- Marketing
- Getting proprietary software out of the way
 - Block ads
 - Defund
 - Free it
 - Discourage development

Public goods are economical

- Maximum social utility
- Synthesis and evolution
 - Over noise and duplication

A new public goods economy

Move from scarcity and exclusion
to open abundance

Thank you!

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