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Three provocations for civic crowdfunding

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The rapid rise of crowdfunding in the past five years, most prominently among US-based platforms such as Kickstarter and IndieGoGo, has begun to attract the attention of a wide range of scholars, policymakers and practitioners. This paper considers civic crowdfunding – the use of crowdfunding for projects that produce community or quasipublic assets – and argues that its emergence demands a fresh set of questions and approaches. The work draws on critical case studies constructed through fieldwork in the United States, the UK and Brazil, and a discourse analysis of civic crowdfunding projects collected from platforms by the author. It offers three provocations to scholars and practitioners considering the practice, questioning the extent to which civic crowdfunding is participatory, the extent to which it addresses or contributes to social inequality, and the extent to which it augments or weakens the role of public institutions. In doing so, it finds that civic crowdfunding is capable of vastly divergent outcomes, and argues that the extent to which civic crowdfunding produces outcomes that are beneficial, rather than harmful to the public sphere, will be determined by the extent to which the full range of stakeholders in civic life participate in the practice.

Keywords: crowdfunding; e-Democracy; urban studies

The emergence of crowdfunding since 2008 has begun to attract the attention of a wide range of scholars, policy-makers and practitioners, spurred by the success of US-based platforms such as Kickstarter and IndieGoGo. As the crowdfunding industry evolves, it is developing a range of specialist sub-genres and platforms, catering to interests as diverse as politics, scientific research, consumer products and manufacturing. This paper considers civic crowdfunding – the use of crowdfunding for projects that produce community or quasi-public assets – and argues that its emergence demands a fresh set of questions and approaches.

Scholarly analyses of crowdfunding to date have centered on fields such as investment finance and Computer-Supported Co-operative Work (CSCW). Belleflame (2010) frames crowdfunding as a novel means of market testing and price determination in uncertain circumstances, while Mollick (2013) notes that the primary contribution made by crowdfunding is to provide funding for projects without the involvement of traditional financial intermediaries, thereby theoretically opening up a wide range of new opportunities for entrepreneurship. Best et al. (2013) suggest that this fact alone makes crowdfunding an exciting prospect for new business in the developing world, where conventional financing may be challenging. The extent to which crowdfunding behaves in a fundamentally different way than existing capital markets, however, has

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been brought into question by entrepreneurship scholars. Agrawal et al. (2013) observe that the distribution of funding among crowdfunding projects bears striking resemblances to existing venture capital funding flows, while Kuppuswamy and Bayus (2013) suggest that within campaigns, donor behavior exhibits trends such as 'herding' (the tendency of donors to flock to campaigns that appear likely to succeed) that are common to other financial markets. Meanwhile, CSCW-aligned scholars such as Gerber and Hui have focused on the process of operating a crowdfunding campaign as labor, and concluded that crowdfunding often renders invisible certain forms of work, leading to labor conditions that campaign creators rarely anticipate and may ultimately be exploitative (Hui et al., 2014).

While these inquiries have begun to build a framework for understanding the dynamics of the fundraising process and the labor of campaigning, they typically treat all projects on a platform as broadly equivalent, and make little distinction among individual categories, such as projects that provide a community service rather than a consumer product. Furthermore, there is not yet substantial work on the sociopolitical context and broader implications of crowdfunding. These questions are necessarily more pressing and contested when crowdfunding is applied to civic projects. The sub-field of 'civic crowdfunding' as an application of the model is yet to be defined by academic researchers. The use of the term can be traced to 2012, and is used by platforms such as Spacehive and Neighbor.ly (Davies, 2014a). Civic crowdfunding projects themselves are defined by Davies (2014a) as 'crowdfunded projects that provide services to communities'. This definition is based on conceptions of civic that focus on the outcomes or products of civic behavior rather than cognitive or sociological conceptions of civic. Davies also draws on work by Almond and Verba (1963), who suggests that a 'civic culture' is one that supports participation in collective activities, and Briggs (2008) who proposes a metric of 'civic capacity' determined by a group's ability to collectively pursue a common goal. In the case of civic crowdfunding projects, the goods produced are expected to be goods that can be consumed equally by members of a community, regardless of their contribution to the production of the good (the crowdfunding campaign itself). Therefore, the expected output of a civic project is, in classic economic terms, a public good or a common pool resource. As Davies observes, the term 'public good' is a heavily contested concept, and it is worth bearing in mind these debates in assessing the contribution that civic crowdfunding makes, or does not make, to the public sphere. We should note, for instance, Williams' (1995) observation that public goods may be constructed in ways that reflect the interests of power holders, and Calhoun's provocation that in order for goods to be considered truly public, they must be agreed upon through a process of deliberation (Calhoun, 1998). This paper will consider who the predominant actors are in civic crowdfunding projects, and the extent to which the process allows for deliberation.

This paper uses a mixed-methods case study approach to highlight and analyze critical cases in civic crowdfunding. The three provocations outlined below were developed from Davies' (2014a) observation that the most prominent themes in civic crowdfunding discourse are notions of participation, social equality and redistribution, and the role of government. From this observation I developed the three provocations outlined below, and used a dataset of 1223 projects originally collected by Davies (2014a) to select critical cases. The projects in this dataset were drawn from the four English-language websites that specialize in projects catering to community or civic needs (Citizinvestor, IOBY, Neighbor.ly and Spacehive), and projects from the three largest crowdfunding websites that have a category or tagging system that corresponds to the above definition of civic (Kickstarter, Goteo and Catarse). The process of selecting projects from the 1223 consisted of a close reading of each project's primary published campaign material (the project page) between August 20 and 31 August 2014, and tagging each project according to the key themes mentioned. After this close reading process, I ran keyword searches for the terms 'community', 'participate', 'invest', 'own', 'underserved', 'poor', 'public' and 'government' to identify cases where possible taggings had been overlooked. From this set of tagged cases, cases were selected whose campaign discourse showed the closest associations with the three provocations.

The three provocations that will be discussed in this paper are as follows. First, to what extent is civic crowdfunding participatory? For this analysis, I draw on notions of participation offered by Carpentier (2011) and participatory culture by Jenkins (2013). While Jenkins' definition of participation emphasizes the connections between individuals in a collective activity and the shared meanings that they construct in acting together, Carpentier goes much further, arguing that access and interaction are necessary conditions of activities that can only become truly participatory if the actors participate on a broadly equal basis. I find that crowdfunding captures several elements of Jenkins' notion of participation, but in many cases fails to live up to the more ambitious vision outlined by Carpentier. In addition, both Carpentier and Jenkins' work builds on, among others, Pateman (1970), who argues that in a democratic society, individuals need to acquire 'practice in democratic skills and procedures' in order to fully benefit from the system. This observation is particularly salient in a new field such as crowdfunding, where the tools and knowledge necessary to participate are still new to the majority of potential participants.

Second, does civic crowdfunding exacerbate or reduce socioeconomic inequality? Comprehensive analysis of social inequality in the countries in which projects are located is outside the scope of this paper; nevertheless, this discussion analyzes the extent to which neighborhoods and individuals who already enjoy above-average incomes and socioeconomic conditions are more likely to accrue resources through crowdfunding.

Third, does civic crowdfunding support or undermine the role of government? This paper situates crowdfunding projects in the context of their local public budgetary environment, and shows that perceived or actual government financial weakness is often invoked directly by project sponsors. One consequence of this discursive trend is that the presumption of weakness of the public sector may, according to researchers such as Brabham (2013), become self-perpetuating and lead to further disinvestment from public services by governments. Meanwhile, other projects seek to plot a relationship between government and 'the crowd' that sees crowdfunding as an opportunity to expand the range of public–private configurations that are possible, and suggests that the emergence of crowdfunding is reflective of shifting roles in the public and private sectors, rather than the rise of one sector at the expense of the other.

Each of these three provocations produces very different responses depending on the project being considered, and as yet the signals from the available data and reported cases are mixed and often conflicting. Nevertheless, they underscore the importance of approaching civic crowdfunding as a sociopolitically located and contested phenomenon, and offer pathways for researchers to begin to critically analyze and define the field. Future research on civic crowdfunding that analyzes its institutional and political context is likely to be highly generative across disciplines.

Provocation 1: is civic crowdfunding participatory?

Crowdfunding is often framed by platform owners and project sponsors as an opportunity to participate: inviting backers to take a role in the creation of a product or project, a way to join a movement of like-minded people, and a way to bring into being something that might otherwise have not existed. In 1997, after the British rock band Marillion announced that it had insufficient financial backing from its record company to tour the United States, fans around the world collaborated to raise $60,000 to finance the tour via email and online message boards, acting independently of the band. Having demonstrated that they could directly participate in shaping the future of Marillion, four years later the fans were invited to participate in the creation of the band's next studio album, through a pre-sale that secured 12,000 orders. Marillion and its fans have since produced three more albums through crowdfunding. The crowdfunding of creative projects in this way has accelerated dramatically in the past five years, spurred by Kickstarter and IndieGoGo, and seems to embody several of the core features of Jenkins' notion of participatory culture: the barrier to participation is relatively low (since the minimum donation could be as low as $1), members are engaged in collaborative activity, members establish social connection with others in the group and all members feel that their contributions *matter* (Jenkins, 2013). In other words, participants feel that by taking part in the activity, they acquire agency to realize a particular outcome.

So to what extent does the use of crowdfunding to produce services for communities give rise to a new kind of participatory politics and associated agency? Urban planners and municipalities have spent decades trying to improve participation in planning processes, which are frequently maligned, complex and fraught with contest. There have been numerous important attempts to open up processes in ways that mean agency is shared between communities and public officials, from Sherry Arnsteins famous 'Ladder of Participation' to the more recent participatory planning work of Caesar McDowell and others (Arnstein, 1969; McDowell, Nagel, Williams, & Canepa, 2005). In Arnstein's framework, the pinnacle of participation is 'Citizen Control', in which the community has complete control of the funding and management of a project. McDowell extends and complicates this work by analyzing how community-led decision-making models interact with the planning process, and developing practices that enable communities to better advocate for their interests. A community-organized civic crowdfunding campaign could be seen as an instance of this model and the associated practices, since on many platforms community members can start a crowdfunding campaign to produce a new public resource in their local area, raise the funds from the crowd and – with the necessary permissions – create and operate that resource.

While the definition of a 'civic' project used in this paper centers on the good being produced, it is important to note that not all civic crowdfunding platforms allow individuals and community groups to initiate projects. Citizinvestor projects can only be created by government-authorized entities, for instance. Among the platforms that do allow initiation by any individual or group, civic crowdfunding provides a new tool in the armory of community organizations wanting to exercise agency over their members' environment. Nevertheless, there are important limitations to the extent to which civic crowdfunding can be regarded as participatory, which will be discussed below.

An individual's ability to participate in civic crowdfunding is mediated and controlled by three main factors: their access to the technology platform, their possession of the skills necessary either to run or support a campaign and their financial resources. The first of these factors, the so-called 'digital divide', should be considered in terms of participants' quality of access to the internet and their ability to capitalize on the opportunities that that access may provide. Individuals' experience of digital resources is affected by whether or not their access is continuous and available as needed, or restricted to free or paid access points in public places, and whether they are able to access the internet via a range of devices or are limited to mobile devices (Norris, 2001). The second factor at play is that even if individuals have reliable, high-quality access to the online platforms, they many not have the necessary training and skills to understand, process and capitalize on the resources that those platforms may provide. Hargittai (2002) argues that these capacities are highly dependent on individuals' socioeconomic status and that better-resourced individuals are much more likely to be able to maximize the opportunities for participation that online platforms present. The third factor – financial resources – presents an even more significant barrier to participation that is not yet addressed by the 'digital divide' literature, since civic engagement initiatives that involve payment by participants are relatively rare. In crowdfunding, the presence of real money (rather than symbolic or delegated money such as that used in participatory budgeting) means that participants have different levels of agency determined by their ability to pay. This fact alone may skew and would, in Carpentier (2011)'s terms, greatly undermine the quality of participation, since the individual or group with the most resources is able to exercise greater influence over the process than any other single individual or group.

While platforms do not set suggested donation levels, many campaigns communicate expected behaviors by offering rewards at particular levels.[1] This undermines the notion that crowdfunding is a process that anticipates equal participation by all, and incentivizes backers to contribute different amounts. The potential for different levels of financial contribution may not be a barrier to participation in all civic crowdfunding campaigns, and many attract a significant level of popular support clustered around a relatively low average donation amount. For instance, the Brazilian graffiti artist Mundano's campaign to fund a public art event to decorate the carts of wastepickers in Sao Paulo in 2012, 'Pimp My Carroça', raised BRL 63,950 ($28,450) from 792 backers, who gave an average of BRL 30 ($13) each. Close to half of the backers were first-time users of the platform, indicating that it was very successful in attracting popular, small-dollar participation (Davies, 2015). On the other hand, other cases show that civic crowdfunding can succeed without ever securing strong popular support. A campaign by the non-profit organization BikeWalkKC to crowdfund a bikeshare scheme in Kansas City, MO on the Neighbor.ly platform, also in 2012, raised $419,298. The amount was built not on popular small-dollar donations, though, but larger contributions by corporations and institutions such as universities. The campaign's owners admitted that, as a participatory mechanism, the campaign failed, even though it remains one of the largest successful civic crowdfunding campaigns conducted online (Davies, 2014a).

The presence of money does not necessarily exclude the possibility of more equalized and non-monetary participation, however. The New York and Miami-based civic crowdfunding platform ioby is inspired by Jane Jacobs' work on resource-based social capital to invite users to donate their time as well as their money, and describes itself as a 'crowdresourcing' platform in order to emphasize these non-monetary contributions.[2] Jacobs' famous account of community action in the Back of the Yards area of Chicago explains how residents were able to rehabilitate some 5000 houses in the 1950s using the skills and training within the community, such as construction and plumbing. The community had previously created its own Council to coordinate its interests, and acted to organize in the face of indifference from both government and private-sector lenders.

> ioby is more than a funding platform. We call ioby crowdresourcing because we want you to get all the resources you need for a successful project. (ioby, n.d.)

It may also be possible to create new models of civic crowdfunding that utilize symbolic or delegated money instead of actual funds given by community members. Models of participatory budgeting, in which individuals are able to decide on the direction of public funds, have been attempted over the past decade in countries ranging from Albania and Australia to the United States and Brazil. Outcomes have varied widely, but in Porto Alegre, Brazil, the most well-documented experiment, participatory budgeting has been credited with achieving broad-based participation despite a backdrop of significant wealth inequality in Brazilian society. De Sousa Santos (1998) suggests that the process brought to the public's attention the problem of 'different conceptions of fair distribution of scarce public resources in an extremely unequal society'. While civic crowdfunding has yet to be integrated into a participatory budgeting process, some platforms are actively seeking to incubate and support projects that aim to tackle social inequality (see Provocation 2) and encourage participation from across the socioeconomic spectrum.

Although their means to contribute may vary, the crowd in a civic crowdfunding campaign enjoys, in theory, a high level of mutual visibility since individuals can track participation by others in real time, and develop a 'connectedness' through shared goals (Gerber, Hui, & Kuo, 2012).[3] Crowdfunding tends to derive much of its success from direct social connection: Kickstarter has estimated that the majority of traffic to campaigns on its platform is derived from visitors following posts from within their own social networks (Pereira, 2012). But that collaboration is almost entirely limited to individuals collectively agreeing to fund a proposal (a binary choice), rather than co-creating or discussing a range of alternatives. The civic crowdfunding websites considered in this paper do not support the dissent and disagreement that most participatory planning practitioners see as essential for community agency (DiSalvo, 2010). If the only options for participation in a process are to approve or reject a project, how does crowdfunding support meaningful collaboration within a diverse community? Barber argues that building agreement and consent is the essence of 'strong democracy', while Mouffe would go further and argue that sustained disagreement and agonism is a critical feature of democratic life (Barber, 2004; Mouffe, 2013). In the current model of crowdfunding, disagreement and consensus building would have to be undertaken prior to posting the campaign, and there is no provision on crowdfunding platforms for ongoing dissent during a campaign. Therefore, it could be argued that the core of the participatory process would occur outside the crowdfunding platform. On Spacehive, there is limited provision for a deliberative process, since campaigns can be posted as 'Ideas' or 'Concepts' to allow discussion and refinement of the project before it enters fundraising. In the future, platforms could support more active participatory deliberation processes of this kind around projects. Such development would likely raise the standard of projects being proposed and also make crowdfunding a more attractive prospect to other stakeholders such as developers and municipalities seeking to improve the quality of their relationship with the community around planning decisions.

It is not surprising that many participants in civic crowdfunding have seen the opportunity to help realize projects such as parks, community centers and public services as a radical new agency. By intervening directly in areas that have traditionally been the preserve of government and large companies and non-profit organizations, crowdfunding platforms give individuals the ability to create change that is meaningful to those individuals. Chris Gourlay of Spacehive describes crowdfunding as 'communities voting for change that they want with their wallets'. (Spacehive, 2013b) In cases where communities are in a position to initiate and realize projects without the need of the consent or assistance of outside institutions, this notion of voting for change is relatively direct, since crowdfunding enables the conversion of the economic and social capital organized through the campaign into an outcome. Even for projects that may require the consent of a public agency, a campaign can be used to create the political capital necessary to win regulatory approvals.

For an act of participation in crowdfunding to *matter* (in Jenkins' terms) to participants, the participant or group of participants would presumably have agency over the outcomes. In civic crowdfunding, then, backers might expect some degree of ownership or control of the assets being produced – a version of the 'complete control' envisaged by Arnstein. In some cases civic crowdfunding project assets are managed by the community, such as the Glyncoch Community Center, a building that was part-funded on the Spacehive platform in 2012 and which is managed by a staff of community volunteers from the neighborhood (Davies, 2014). But direct ownership and ongoing operation of the resource produced by the campaign is rare. The outcomes of projects started by government bodies on Citizinvestor, for instance, are managed and owned by those agencies. Neighbor.ly accepts projects from municipalities, authorized government entities, public–private partnerships and private or non-profit organizations 'whose mission caters primarily to civic infrastructure', and therefore the goods produced are managed by those same entities, not the crowd (Neighbor.ly, 2013). ioby projects are most commonly run by 501(c)(3) organizations; the platform offers 501(c)(3) fiscal sponsorship to community groups that are not registered non-profits. Spacehive's model allows for government, for-profit and non-profit entities to initiate and therefore manage the outcome of projects through the Project Delivery Manager framework (Spacehive, 2012). Under the PDM framework, the entity or individual responsible for the project signs a contract agreeing to deliver the promised outcome on behalf of the funders.

As a result, none of the donation-based civic crowdfunding platforms offers collective ownership or shareholding in community assets, since these arrangements would likely constitute 'equity crowdfunding' and necessitate compliance with national financial regulations. Backers may therefore contribute to projects from which they benefit but over which they have no specific ownership. Their participation reflects a desire to participate collectively and solve shared problems, but the extent to which their contribution will 'matter' to them in the long term is less clear. This suggests that perhaps the notion of what 'matters' to participants may need to be expanded to include this temporal perspective: the act of backing a particular civic crowdfunding campaign may 'matter' to a participant at the time of the campaign due to their sense that they are contributing to an outcome they favor. However, if the project is not fulfilled as promised or resources are otherwise used in an unexpected way, the participant's sense that their contribution 'mattered' may change significantly over time. Furthermore, if a resource is produced as planned but is not maintained sufficiently over time, participants may feel that their contributions ultimately mattered less than they had felt at the time of funding.

Provocation 2: does civic crowdfunding increase or reduce social inequality?

The fact that differential agencies are inherent in civic crowdfunding, as described above, may lead to the conclusion that those with more financial resources will influence and benefit from crowdfunding disproportionately. But is contemporary civic crowdfunding following this path? We can approach this question from two directions. First, the distribution of opportunities across communities: in other words, are specific communities, divided by factors such as geographic location, class or race, more likely to run crowdfunding campaigns, and to succeed in doing so? Second, the type of civic crowdfunding campaigns that are occurring: is there evidence of activity that seeks to address underlying social inequality, and/or activity that in itself might increase inequality? In addressing the first question, it becomes clear that at the present time there are insufficient data to allow comprehensive conclusions to be drawn. This is the result of conflicting signals from platform data, a lack of granularity in public data and a short time frame from which to draw conclusions. As such it is necessary to explore the character of and discourse around projects more deeply, pursuing the second question, in order to establish a sense of how civic crowdfunding participants understand and locate their work, and what aspirations participants and platforms have for the future of civic crowdfunding with respect to social inequality.

The present distribution of civic crowdfunding campaigns is highly skewed and unevenly distributed, such that the largest campaigns (in terms of funds raised) account for the vast majority of total funds raised by the platforms, and most projects occur in large metropolitan areas. These distributions fit the expected patterns anticipated by relatively early work on crowdfunding (Agrawal, Catalini, & Goldfarb, 2013). Davies (2014a) finds high concentrations of projects in large urban areas, and particularly those where the platforms themselves are headquartered, such as New York, San Francisco and Kansas City, while Catalini (2014) suggests that areas that have large concentrations of college students are also more likely to be producers and funders of crowdfunding projects. These findings are perhaps not surprising, since crowdfunding platforms are less than a decade old, and their ability to spread outwards from the dense, digitally literate metropolitan areas in which most platforms are based is partly determined by platforms' ability to market their services to wider audiences. The spread, or lack thereof, also partly reflects the early stage of civic crowdfunding: the oldest of the major platforms, IndieGoGo, is only seven years old, while civic-focused platforms such as Neighbor.ly and Citizinvestor are just two years old. Although the fact that most projects occur in digitally literate urban areas might suggest that well-resourced communities are more likely to be participants in civic crowdfunding, the signals from project data are conflicting. Goodspeed and Rodrigo (n. d.), analyzed a subset of projects on ioby, which actively recruits and incubates projects from underserved communities and neighborhoods, but found little evidence of greater participation by lower-income neighborhoods in the projects listed on the site. Their analysis found that in areas containing ioby projects, the percentage of residents with an income below the poverty line is slightly higher (20.2% compared to 18.3%), but the difference was not significant. Meanwhile Citizinvestor does not actively solicit projects from lower-income neighborhoods, but internal research published by Citizinvestor finds that the median household income in the neighborhood in which a project occurs 'has little to no bearing on the project's chance' of reaching its total fundraising goal on the platform, although the research does not give details on the overall distribution of projects by median household income (Citizinvestor, 2014).

To understand the longer-term impact of civic crowdfunding on the social equality of the cities and communities in which it is occurring, it will be necessary for researchers to combine project data with broader analysis of socioeconomic conditions. The public data that currently exist around crowdfunding inhibit these explorations, for two reasons. First, basic data related to projects such as locations and start and end dates are often not published or made deliberately inexact in order to reduce the chance of competitors 'poaching' projects in those communities, or to make failures less obvious (Davies, 2014a; Davies & Roberts, 2014). This is problematic for researchers, since analyzing the socioeconomic circumstances of the locations in which civic crowdfunding is occurring depends on accurate location data. Second, since there are no standards or regulatory obligations related to crowdfunding data quality, and many civic crowdfunding platforms are startup businesses emerging in a highly competitive new market, platforms see little incentive or advantage in providing structured, transparent access to their project data. For instance, Spacehive is to date the only prominent platform to offer public application programming interface (API) access to any of its data.[4] As community development professionals, municipalities and regulators begin to take a greater interest in the impact that the emergence of civic crowdfunding is having on socioeconomic development, it is possible that the industry's appetite for providing higher-quality, transparent data around civic crowdfunding will increase, and this may bring with it greater opportunities for researchers to analyze how its emergence is affecting social equality (Davies & Roberts, 2014).

While macro-level quantitative data concerning the impact of civic crowdfunding on inequality are elusive at present, there are strong signals in the discourse of projects about the extent to which civic crowdfunders are seeking to reduce social inequality. Davies (2014a) finds that around one in five civic crowdfunding projects makes explicit reference to supporting underserved populations, most commonly on ioby and Neighbor.ly, and argues that the emerging 'typical' civic crowdfunding project produces a public good or common pool resource for an underserved community. One of the most-cited examples of civic crowdfunding, the building of a community center in Glyncoch, South Wales, took place in a community with chronic unemployment and resource challenges. Local organizers in the town raised $49,000 on Spacehive to fill a gap in funding for the center, most of which was funded by government grants. Meanwhile, in Kansas City, MO, the non-profit organization Give us a Gig raised $11,136 from 111 backers in September 2012 to fund the expansion of Google Fiber to underserved neighborhoods of the city

(Neighbor.ly, 2012). As discussed in Provocation 1, civic crowdfunders in Sao Paulo, Brazil raised money to support and raise awareness of wastepickers in the city, an underserved and marginalized group. In contrast to these examples of cases seeking to directly reduce inequality through civic crowdfunding, there are other cases that point in a different direction. In October 2013, three wealthy suburban communities in Oakland, CA raised $50,000 on the CrowdTilt platform to crowdfund private security patrols. The campaigns were supported by local police officers, who said they were a welcome supplement to underfunded services (Roudman, 2013). While the employment of private security forces was a fairly widespread practice among certain Oakland neighborhoods at the time, the campaigns, which emerged within a few days of each other, were criticized for encouraging other well-resourced communities to regard civic crowdfunding as an accessible and rapid solution to public resource problems.[5]

Given the possibility that civic crowdfunding may lead to greater social inequality, is it possible to design for greater equality at the level of the crowdfunding platform? No substantial experiments in this direction have been attempted, although it is possible that other stakeholders in the community development field might be in a position to introduce them. For instance, municipalities or grant-giving foundations could encourage civic crowdfunding projects in underserved communities they target by offering match funding. There are ad hoc examples of this activity, such as the Kapor Foundation's $10,000 donation to an IndieGoGo campaign in July 2013 by Black Girls Code, an organization that supports African-American young women learning to become software developers (James, 2013). As James suggests, this model is a potential blueprint for further involvement by organizations with a social mission in civic crowdfunding projects, although few platforms have yet to establish ongoing relationships with these organizations. Nevertheless, crowdfunding platforms may find that those relationships lead large numbers of new projects to use their services and increase their audience. In this way it may be possible to align the commercial incentives of the platforms (to increase usage of their services) with a model of civic crowdfunding that reduces rather than widens existing social inequality.

Provocation 3: does civic crowdfunding support or undermine the role of government?

The relationship between civic crowdfunding and government has been interpreted in contrasting and contradictory ways. For some it represents a direct threat to public funding of services, while for others it is a new means of public–private engagement that encourages a more constructive relationship between communities and government. The crux of this debate is the extent to which civic crowdfunding is shrinking government, by providing replacement public services, or by creating new services that did not previously exist or were outside the capability of government. Of course, we should be aware of the vast gray area that exists between these two poles. As Ostrom points out, there is a rich history of communities working together to provide quasi-public services to communities that might otherwise have not been able to access them (Ostrom, 2005). She argues that such 'public entrepreneurship' is essential because government frequently lacks adequate resources to produce services, and the incentives of the market may not align with those of communities. Since every civic crowdfunding project is highly specific and builds its own relationship with existing institutions, a project can occur anywhere along the public–private spectrum, which makes disentangling institutions' roles in, and impacts on, the public sphere particularly challenging.

One popular interpretation of civic crowdfunding is that it is a symptom of the weakening of local government in the United States and Europe, and perhaps even complicit in it. McNichol, Oliff, and Johnson (2011) finds that the United States experienced 'the largest collapse in state revenues on record' between 2007 and 2012, while the threat of a fiscal crisis seemed to be confirmed by Detroit's $18 billion Chapter 9 filing in July 2013, the biggest municipal bankruptcy in United States history. Neighbor.ly founder Wilson (2013) suggests that a core motivation for his company is the fact that 'cities are going broke', while Davies (2014a) finds that around 1 in 10 civic crowdfunding projects makes direct reference to reductions in government spending or budget shortfalls.

The case of Central Falls, Rhode Island, directly supports this interpretation: the city, led by 27-year-old mayor James Diossa, turned to Citizinvestor to fund five trash and recycling containers in Jenks Park after filing for bankruptcy. The cash-strapped municipality successfully raised $10,044 over two months, during which Central Falls used Citizinvestor to organize volunteers to clean up the park. In Bristol, England, the 'Loop de Loop project' used Spacehive to raise £10,559 to convert a toilet block that had been effectively abandoned by the local authority into an art gallery.[6] Meanwhile, in mid-2014, a new civic crowdfunding platform called Crowdswell was established to focus on the revitalization of public space, and many of its early projects organized volunteer groups to clean up and maintain decrepit or abandoned spaces.

The fact that a significant minority of civic crowdfunding projects cite government resource constraints as a motivating factor may suggest a bleak future for government. Brabham (2013) argues that resource-constricted governments may see crowdfunding as an incentive to disinvest from certain services, on the assumption that the crowd will be willing to finance them. The experience of the city of Colorado Springs, CO is one of the most striking examples of what this kind of retrenchment might lead to. In 2009 the municipal authorities decided to tackle the city's $24 million budget deficit by closing public spaces, ending services including trash collections in parks and firing 550 public employees, with the belief that the public – who had voted against tax increases to cut the deficit – would volunteer to fill the gap. The approach was described as 'DoIt-Yourself government', an uncomfortable echo of the language that many crowdfunders now use to describe community-led improvements to neighborhoods (Patton, 2010). Several critics have suggested that crowdfunding, like volunteerism, produces outcomes that are far too uneven and short term to provide for the needs of a broad public, let alone to substitute for government (Lange, 2012).

Some public agencies have taken a much more constructive approach to crowdfunding, and see it as an opportunity to widen the possibilities for public–private cooperation rather than to disinvest from existing services. The City of Somerville, MA depends on private funding for grants for low-income families to spend at a mobile farmers' market due to state law restricting the spending of tax dollars on excludable goods. It had previously sought corporate grants, but when in late 2013 a corporate donation was spent faster than expected, the city decided to raise the money through Citizinvestor instead, because the platform offered a faster and potentially cheaper solution than undergoing a lengthy grant application process. It successfully raised $3,240 and was able to continue the scheme through the winter as originally planned (Somerville, 2012). Similarly, other cities see crowdfunding as an opportunity to diversify the range of individuals and groups who can partner with government in existing public–private partnership schemes. San Francisco's Living Innovation Zones scheme (LIZ) invites community groups and local companies to propose temporary uses for under-utilized spaces and actively solicits projects from groups backed by crowdfunded capital. The first LIZ was created by the Exploratorium, a local science museum, which raised $32,696 on IndieGoGo to part-fund the installation of two musical benches in November 2013 (Exploratorium, 2013). The LIZ scheme was inspired by 'parklets', temporary public spaces created on top of parking spaces, which themselves have proved to be very crowdfundable.[7] Meanwhile, since 2008, the New York Department of Transportation has invited non-profits to partner with the city on the creation of new public spaces under the Plaza program, and some organizations are beginning to use crowdfunding to fund their share of the costs (KBNA, n.d.; NYC Department of Transportation, n.d.). In the future, this type of engagement between the public sector and crowdfunded groups may have the potential to widen access to public–private models, increase competition for contracts and strengthen governments' ability to find the right partners (Davies, in press).

The extent to which civic crowdfunding supports or undermines the role of government may depend in part on the relationship that government departments and agencies choose to have with crowdfunding. In some cases government cooperation with a crowdfunding campaign is direct and integral to the project, such as government providing guidance, investment and public backing. In others, the relationship may be more distant, such as government providing planning permission for the project. Davies (in press) outlines four models of engagement for public agencies, ranging from curating and informally supporting civic crowdfunding campaigns to operating standalone platforms for public projects. Only the least costly of these options, curation and sponsorship, have been tried to date, although there are indications of deeper engagement by municipalities and governments. In early 2014, Hawaii introduced the first municipal civic crowdfunding legislation, proposing a statewide pilot. Other municipalities have since issued solicitations to private sector vendors seeking proposals to create publicly run crowdfunding platforms (Davies, 2014b). Whichever route public agencies choose to take with respect to crowdfunding, it is clear that projects impacting their work will continue to occur and raise questions around the role of government and its relationship with the community. Most governments that are committed to being responsive to the communities they serve will likely find themselves interfacing with civic crowdfunding at some level in the coming years. These interactions will be critical to determining whether civic crowdfunding augments or damages the relationship between government and the public, and whether it supports or undermines the existence of the broader public sphere, both as a discursive product and as a collection of resources that are available to individuals and communities.

Conclusion

This paper has shown that civic crowdfunding platforms and the participants who use them employ rhetoric and practices that are often provocative and conflicting. The projects that they pursue raise a range of questions that remain unanswered. Furthermore, the balance between the opposing interpretations and possible paths for civic crowdfunding exposed by each of the three provocations is being constantly tested and reimagined by its participants – from platforms and campaign backers, to the institutions that interact with the process from a distance. This paper seeks to provide early insight into how this process of testing and reimagination is occurring, and to highlight some of the primary concerns and questions that the practice of civic crowdfunding raises.

First, the promise of participation, signaled in the rhetoric of platforms and around the concept of crowd-based activity, at times appears to be justified by the realization of projects that seem to directly reflect the collective will of backers and enable previously marginalized groups to acquire new agencies. At the same time, a deeper consideration of the practicalities of the type of participation that crowdfunding offers in many cases finds it to be limited to weakly engaged, transactional activity that reduces participation to a binary choice between approving and rejecting a single idea. Furthermore, the notion that such participation is open to all is undercut by underlying socioeconomic disparities that the basic model of crowdfunding does not address and likely will reproduce. While it may be possible to expand the model currently offered by platforms to include a much wider range of stakeholders, and to make their participation much deeper and richer, such efforts are yet to be tested.

Second, the cases analyzed signal willingness on the part of some platforms and project owners to direct civic crowdfunding toward activities that directly address social inequality, by providing resources to underserved communities, yet early indicators regarding the distribution of crowdfunding activity suggest it may be structurally biased toward outcomes that either reproduce or widen existing inequalities. Third, several of the cases considered suggest that civic crowdfunding can be used to forge a more responsive relationship with government, through new public–private partnership structures that pair ideas originated by a local community with the resources held by government. However, the same idea of community-led initiatives, and often even the same language, is being used by other participants to encourage the shrinking of the public sphere, the privatization of services and the shifting of responsibility and risk for the public well-being onto communities themselves.

While civic activity in crowdfunding remains a small part of what is a rapidly expanding industry, its potential impacts – positive and negative – are significant and reach far beyond the platforms and their users. The breadth of these impacts makes plain the need for close analysis that spans the full range of methodological and conceptual approaches that researchers have at their disposal. These inquiries will likely produce rich material for both researchers and practitioners to consider. The three provocations outlined above are intended as an encouragement to practitioners and researchers to seek out these generative conversations, and to consider the social and political valences and long-run consequences of civic crowdfunding. All three provocations are by definition inconclusive, since civic crowdfunding is highly case specific and the model is developing and mutating as rapidly as the platforms and projects. Nevertheless, there is a clear need to ground civic crowdfunding in its proper context and to establish a framework for critique of the practice. This paper seeks to be an early contribution to that effort, and to stimulate further debate on the topic.

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Notes

1. Davies (2014a) finds that the average donation across seven crowdfunding platforms was between 2010 and 2013 was $62 (United States).
2. See Jacobs (1992, p. 424).
3. Tufekci (2014) argues that social media platforms have contributed to the strength of social movements by breaking down what Katz, Allport, and Jenness (1931) termed ‘pluralistic ignorance’, the mistaken belief of individuals in a movement that they are acting alone. The same logic may be applied to crowdfunding, and suggests that it would be expected to build stronger ties among donors than blind donations.
4. Spacehive’s API allowed access to basic project information such as project name, location, fundraising target, amount raised, number of backers and campaign end date.
5. Roudman (2013) quotes Ethan Zuckerman, director of the MIT Center for Civic Media: ‘Crowdfunding a solution for one neighborhood without working on the larger, underlying issues is concerning to me … Unless done very carefully, crowdfunding a city’s projects is likely to favor wealthy neighborhoods over poor ones’.
6. ‘The toilet block was abandoned by the District Council in 2007 and has been a boarded-up eyesore in the centre of town ever since’ (Spacehive, 2013a).
7. Between 2012 and 2013 twelve parklets were funded on Kickstarter, in Oakland, Philadelphia, San Francisco, Seattle and Vancouver. Parklet projects enjoyed an 86% success rate, close to double the Kickstarter average, with only two failed campaigns (Davies, in press).

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