Participatory E-Planning With Civic Crowdfunding: Donor Background, Involvement, and Social Capital Outcomes

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ABSTRACT
Civic crowdfunding, or recruiting participants and collecting financial donations online for local development projects with public benefits, is an increasingly popular method for participatory e-Planning at the neighborhood scale. However, little is known about the donors’ backgrounds, project involvement, or social capital outcomes. This article reports on a survey of 154 donors to ten such projects that finds that they are geographically diverse, are older and whiter than the project tracts, report some volunteering activities, and experience modest changes to social capital outcomes. The article discusses implications of the findings, such as how practitioners can ensure inclusion of diverse people and encourages participation among donors, and what future research is needed.

KEYWORDS
Civic Crowdfunding, Community Development, Locality Development, Participatory E-Planning, Social Media

INTRODUCTION
The use of web-based technologies—especially social media—has become central to participatory e-Planning in many countries. This is because social media has become widely adopted by residents, facilitates broad participation, and is widely accessible via mobile phones. However, although advocacy groups (e.g., Obar, Zube, & Lampe, 2012) and community-based organizations (e.g., Al-Kodmany, Betancur, & Vidyarthi, 2012) have widely adopted social media and report that they use it to organize collective action, studies in planning have found a gap between online discussions and the actions which shape urban places. Afzalan and Evans-Cowley (2015) found a diverse array of neighborhood groups on Facebook. However, most were limited to general information sharing and discussion, and municipal planners were often unaware of these groups. A study of the use of social media by Polish non-governmental organizations (NGOs) found they used social media like Facebook for a variety of purposes, but concluded that planning actions still primarily resulted from face-to-face contacts (Grabkowska, Pancewicz, & Sagan, 2013). Horelli et al. (2015) document the use of social media for self-organized grassroots projects in Finland but do not describe how such projects can be cultivated in other places. Kleinhans, Van Ham, and Evans-Cowley (2015) observe “there is much wishful thinking, but little validated knowledge on the utility, mobilizing potential and effectiveness of social media and mobile applications in creating either meaningful public participation or facilitating self-organization by citizens who are taking over the reins in providing service and local regeneration efforts” (Kleinhans et al., 2015, p. 242).
This article focuses on an emerging method for participatory e-Planning called civic crowdfunding, reporting on the results of an exploratory study. Civic crowdfunding involves the use of social media and dedicated websites by individuals and organizations to raise funds and recruit volunteers for neighborhood improvements like community gardens, public murals, and playground rehabilitations. Civic crowdfunding takes its inspiration from the broader idea of crowdfunding: “efforts by entrepreneurial individuals and groups—cultural, social, and for-profit—to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the internet” (Mollick, 2014, p.2). All crowdfunding centers on a webpage that presents a project idea, describes the fundraising goal and deadline, displays the current number of donors and amount of funds raised, and communicates project updates (Bone & Baeck, 2016). Several websites exist that facilitate crowdfunding exclusively for civic projects. After creating a page on these websites, project leaders typically solicit donations by promoting their project on social media networks, although they may also engage in other outreach activities.

The term civic crowdfunding has come to be used for crowdfunding projects that aim to provide a broad public benefit (Davies, 2014b) or community service (Stiver, Barroca, Petre, Richards, & Roberts, 2015), and where donors receive at most a token reward in exchange for their contribution. For the purposes of this paper, civic crowdfunding is defined as recruiting participants and collecting financial donations online for local development projects with public benefits. Most existing crowdfunding research focuses on financial outcomes such as achieving the fundraising goal, or the total amount raised, and neglects social outcomes, which are important to evaluate civic crowdfunding as a community development method. Although they share a common term, civic crowdfunding is therefore very different from the better-known commercial crowdfunding models where donors receive a product or financial interest in a company. As a result, there is a need for exploratory research on civic crowdfunding which investigates social questions related to its community improvement goals. This paper addresses this gap by presenting the results of a survey of donors to ten civic crowdfunding projects which investigate donors’ characteristics, project volunteering activities and intentions, and social capital outcomes.

Crowdfunding is the subject of a growing body of research, which has investigated how social media promotion (Borst, Moser, & Ferguson, 2017; Lu, Xie, Kong, & Yu, 2014), project presentation (Mollick, 2014), and creator characteristics (Davidson & Poor, 2015) relate to the number of donations and amount raised. Other work, focused on crowdfunding models where donors receive financial benefits, has adopted economic perspectives to explain differences between local and remote investors (Agrawal, Catalini, & Goldfarb, 2015) and analyze alternative crowdfunding models (Belleflamme, Lambert, & Schwienbacher, 2014). However, Stiver et al. (2015) observe that civic crowdfunding projects typically define success differently than forms of crowdfunding where donors are motivated by financial incentives. They note that civic crowdfunding should also investigate these projects’ impact on the community. Similarly, after noting that a high percentage of civic crowdfunding projects reach their financial goals, Davies (2014c) argues that the following questions about them are crucial: to what extent are they participatory, and do they increase or decrease social inequality? Similarly, a recent report by the UK charity Nesta has suggested that civic crowdfunding may present a variety of benefits that extend beyond the amount of money raised, such as attracting new first-time donors, mobilizing supporters, and improving transparency. The same report also speculates that civic crowdfunding may negatively impact diversity, equality and participation outcomes (Bone & Baeck, 2016).

These calls for a greater understanding of civic crowdfunding’s impact on community, participation, and social equity suggest the need for research that views civic crowdfunding not only as a method of fundraising, but also as a method of community development. Stiver et al. (2015) note that civic crowdfunding typically focuses on a local community. Analyzing 1,224 civic crowdfunding projects posted to seven leading platforms, Davis concludes that they fall into four categories (Davies, 2015). The most common type describes projects which illustrate community
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