

# Civic Crowdfunding: What Kind of Cooperation?

**RODRIGO DAVIES**

**MIT Center for Civic Media**

@rodrigodavies

[civiccrowdfunding.com](http://civiccrowdfunding.com)

1. The field
2. Dynamics
3. What's Civic?
4. Implications
5. Cases

# 1. The field

# Crowdfunding is Everywhere.















**\$6 billion in 2013**

**Donation platforms: \$1.2 billion**

*(Deloitte estimates)*



# The 'civic era'

2000		
2001		
2002	PayPal IPO	
2003		
2004	PayPal launches Merchant Services	
2005		
2006		
2007	Amazon Payments launches	Avaaz, change.org founded
2008		WePay founded
2009	  	Facebook exceeds 300M users
2010	Donors Choose becomes self-financing	
2011	 	
2012	  	Elevation Dock raises \$1M

March-August 1885

Raised \$100,000

120,000 donors

Central collection  
point

Daily accounts

Populist rhetoric

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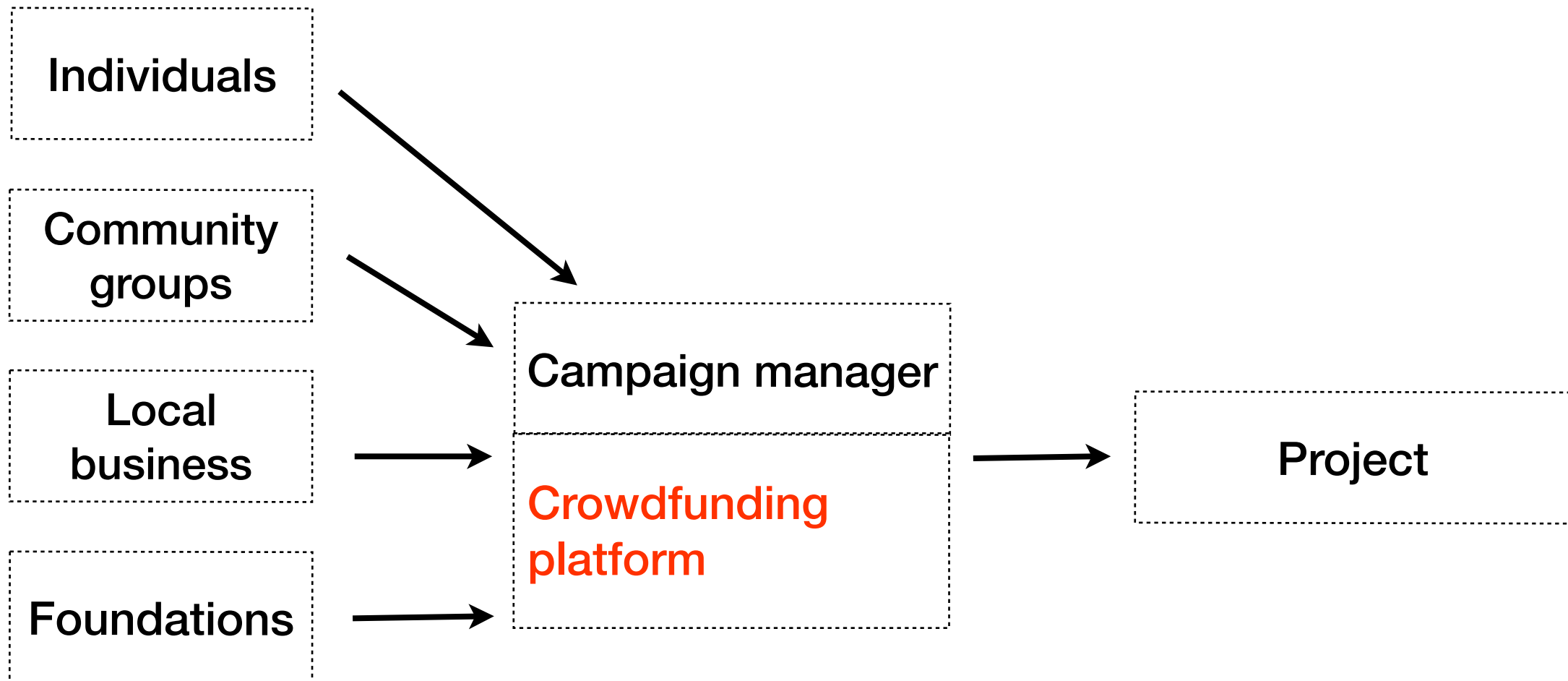
## TRIUMPHANT COMPLETION OF THE WORLD'S FUND FOR THE LIBERTY PEDESTAL.

Story of the Greatest Popular Subscription Ever Raised in America—How the Repub-  
lic Was Saved from Lasting Disgrace—An Event for Patriotic Citizens to Rejoice  
Over—A Roll of Honor Bearing the Names of 120,000 Generous Patriots—The  
Flags of France and the American Union Floating in Sisterly Sympathy—Over  
\$2,300 Received Yesterday—The Grand Total Foots Up \$102,006.39—A Generous  
Lady Pays \$130 for the Washington Cent.



## 2. Dynamics





**High volume, low value**

## Participation

Open posting

Public  
donations

Limited  
availability

## Risk/Reward

Pledge

Rewards

## Funding

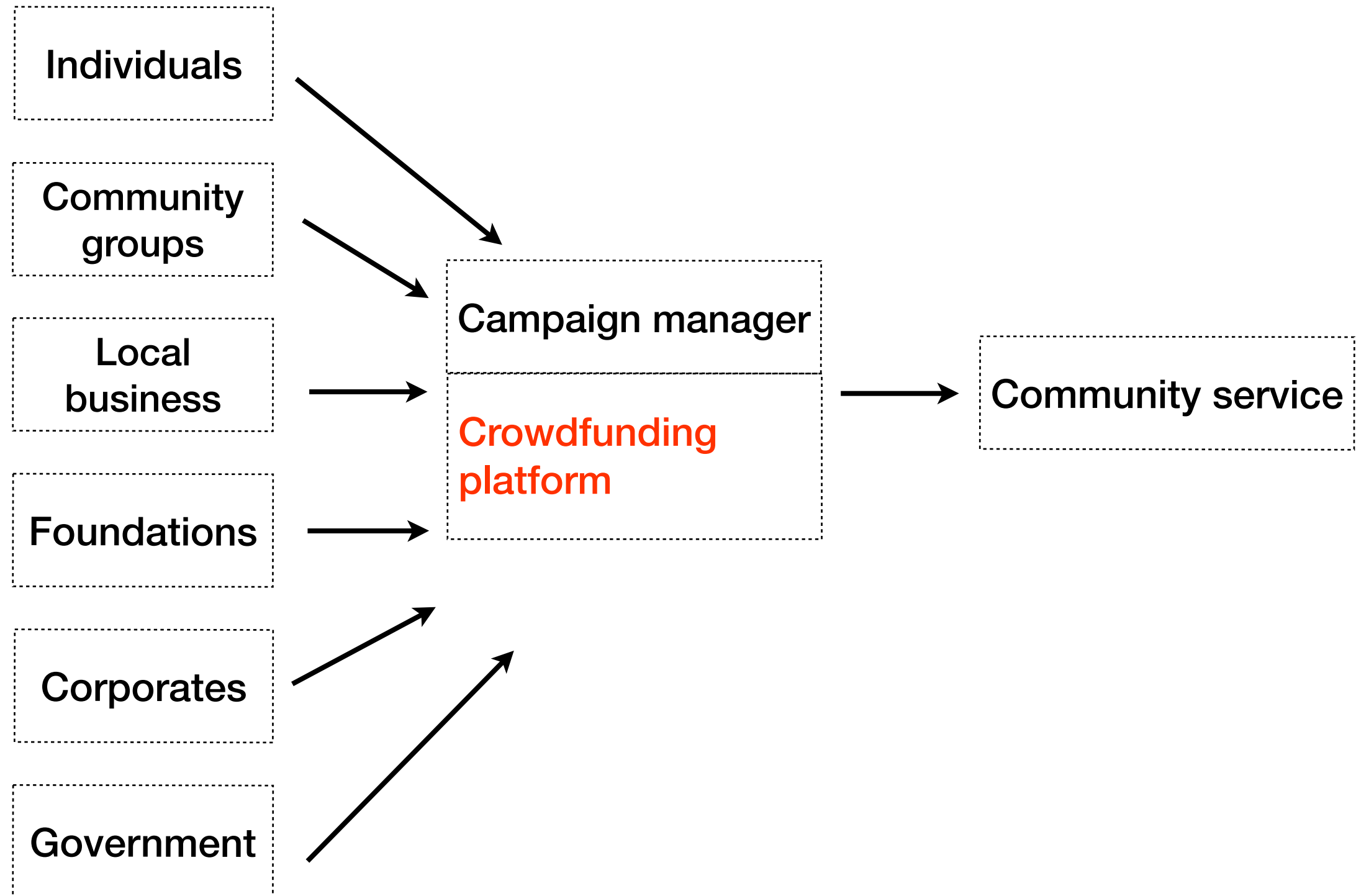
Tax deductible

Match funding

Flexible  
funding

# 3. What's civic?

# Crowdfunding + civic projects =



**Civic Crowdfunding = crowdfunding projects  
that provide services to  
communities**



**What are we producing? (Goods)**

**How are we coming together? (Structures)**

**What are we producing? (Goods)**

Non-excludable goods

Public Goods

Common pool  
resources

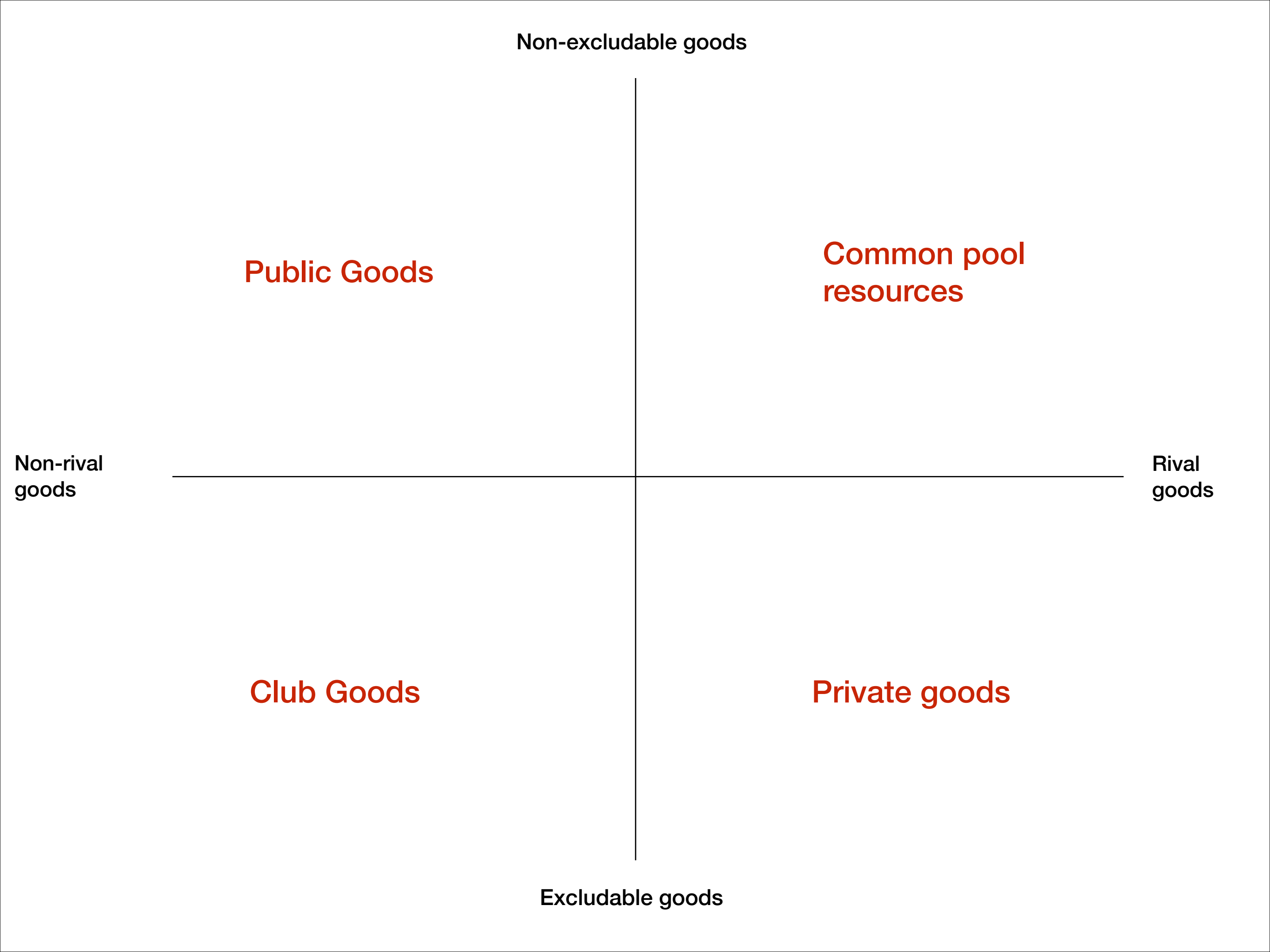
Non-rival  
goods

Rival  
goods

Club Goods

Private goods

Excludable goods



Non-excludable goods

## Public Goods

Community centers,  
parks, clean air, free-  
to-air television,  
public art

## Common pool resources

Fish stocks, coal,  
timber, bike share  
schemes

Non-rival  
goods

Rival  
goods

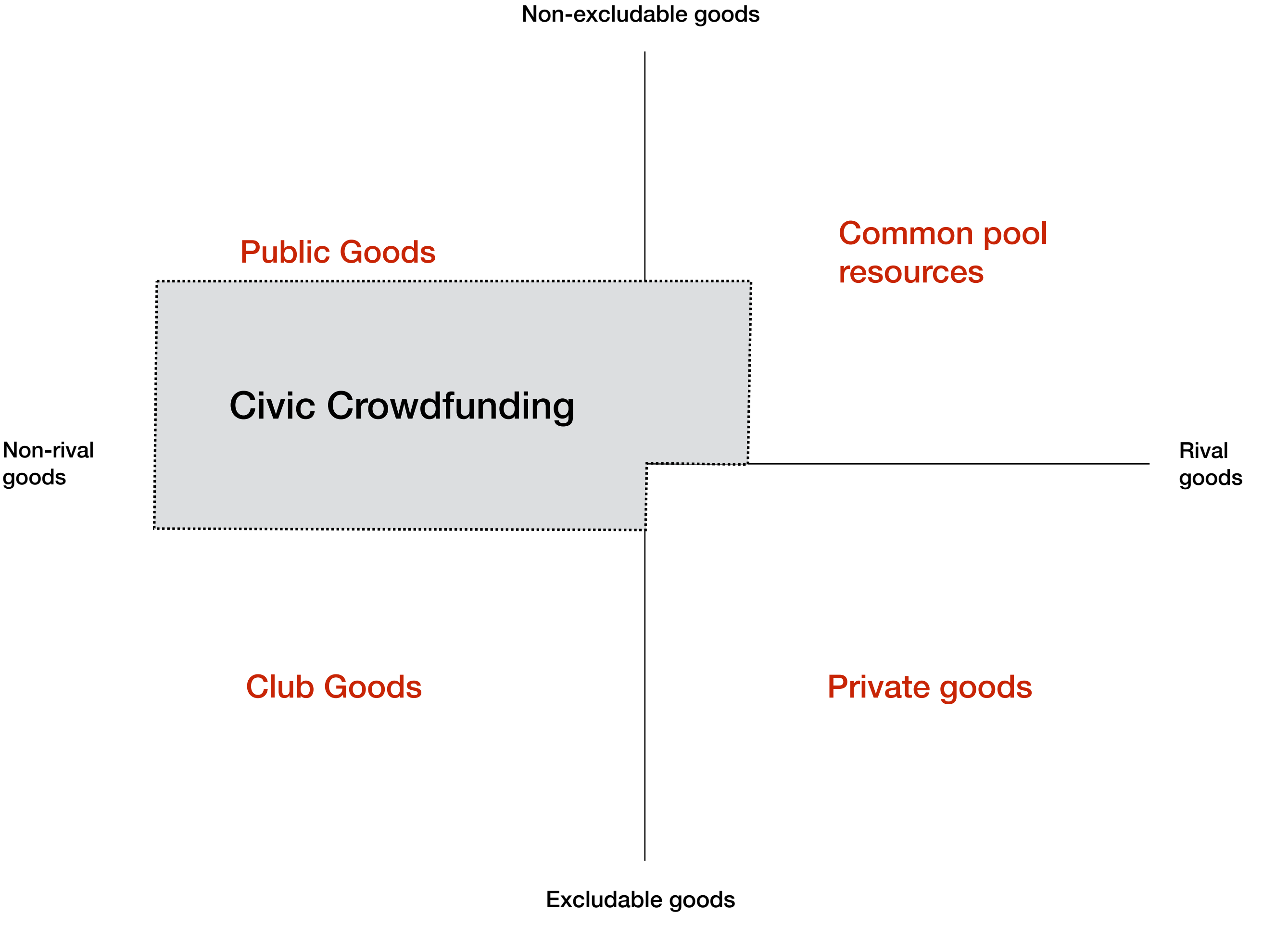
## Club Goods

Cinemas, private  
parks, private art  
galleries

## Private goods

Food, clothing, cars,  
personal electronics

Excludable goods



Non-excludable goods

Public Goods

Common pool  
resources

Civic Crowdfunding

Non-rival  
goods

Rival  
goods

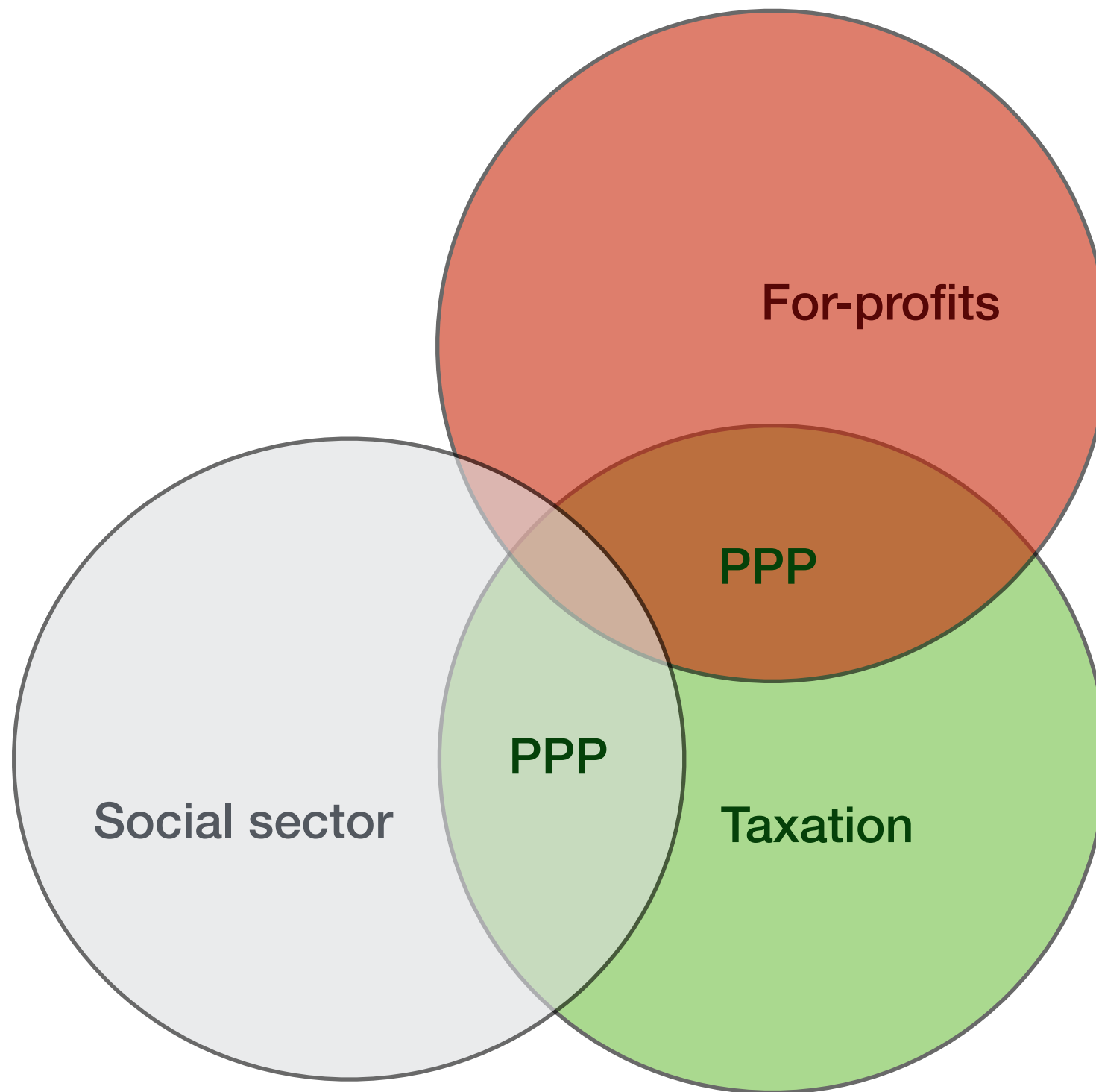
Club Goods

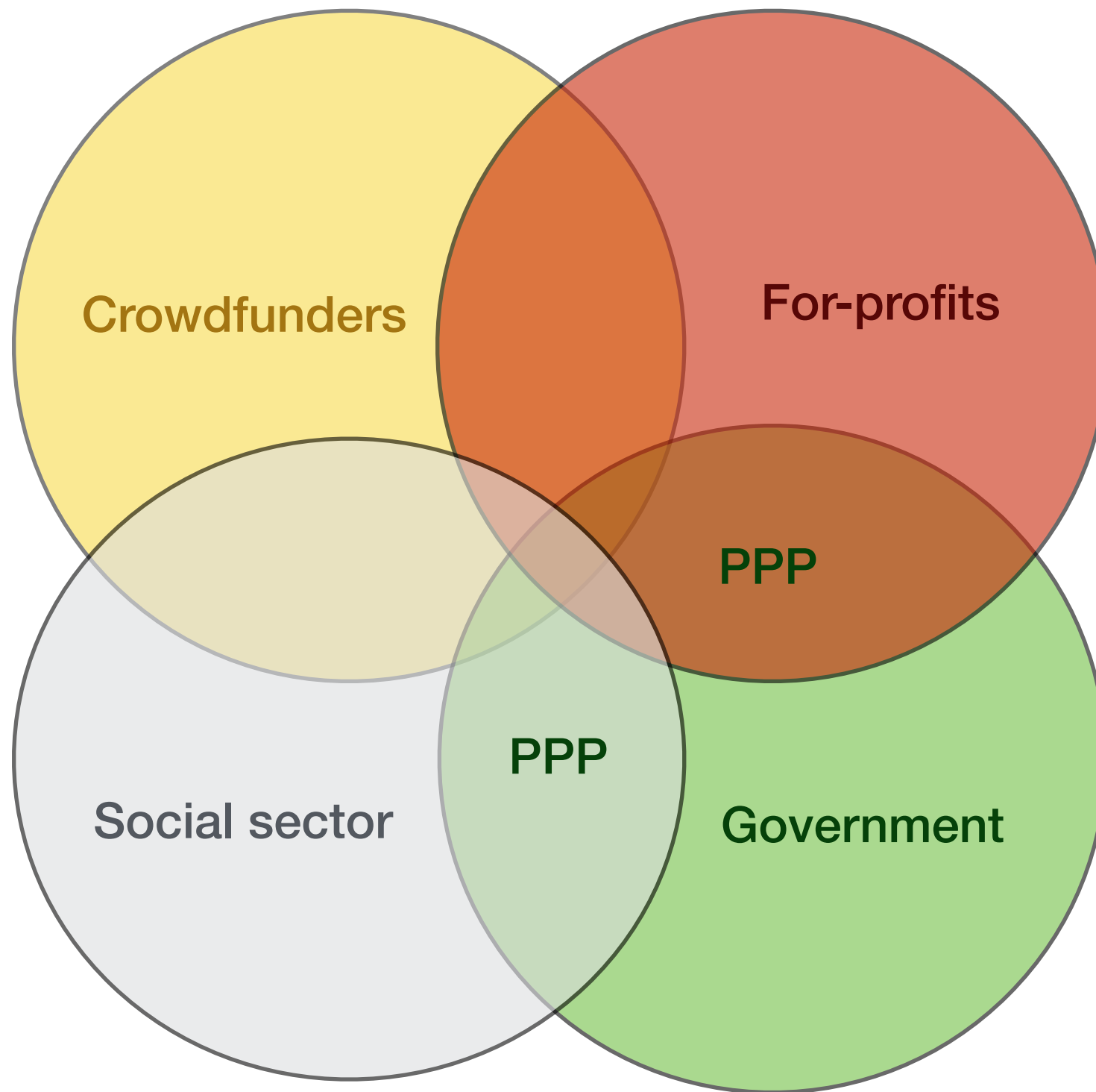
Private goods

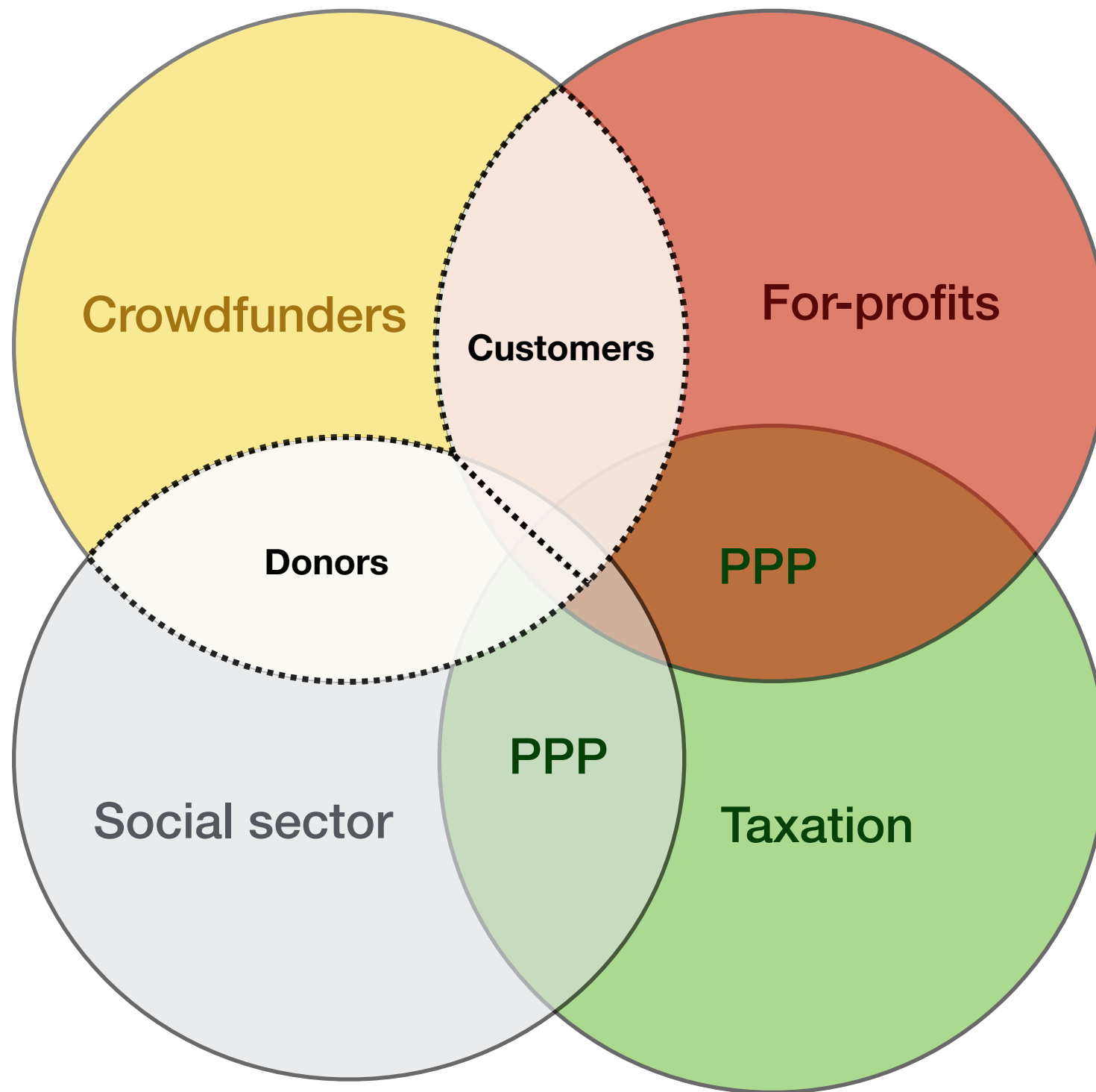
Excludable goods

**How are we coming together? (Structures)**

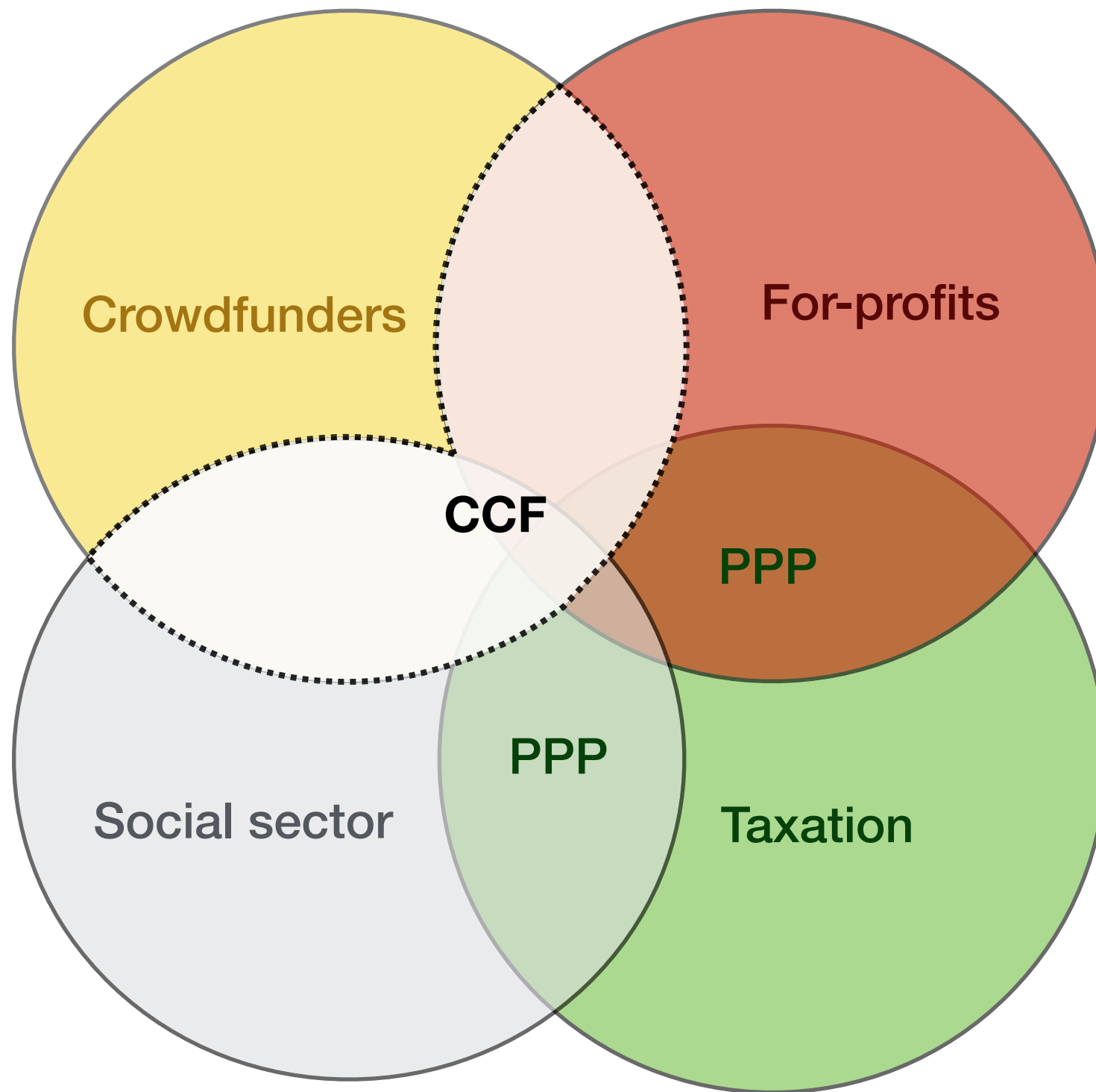






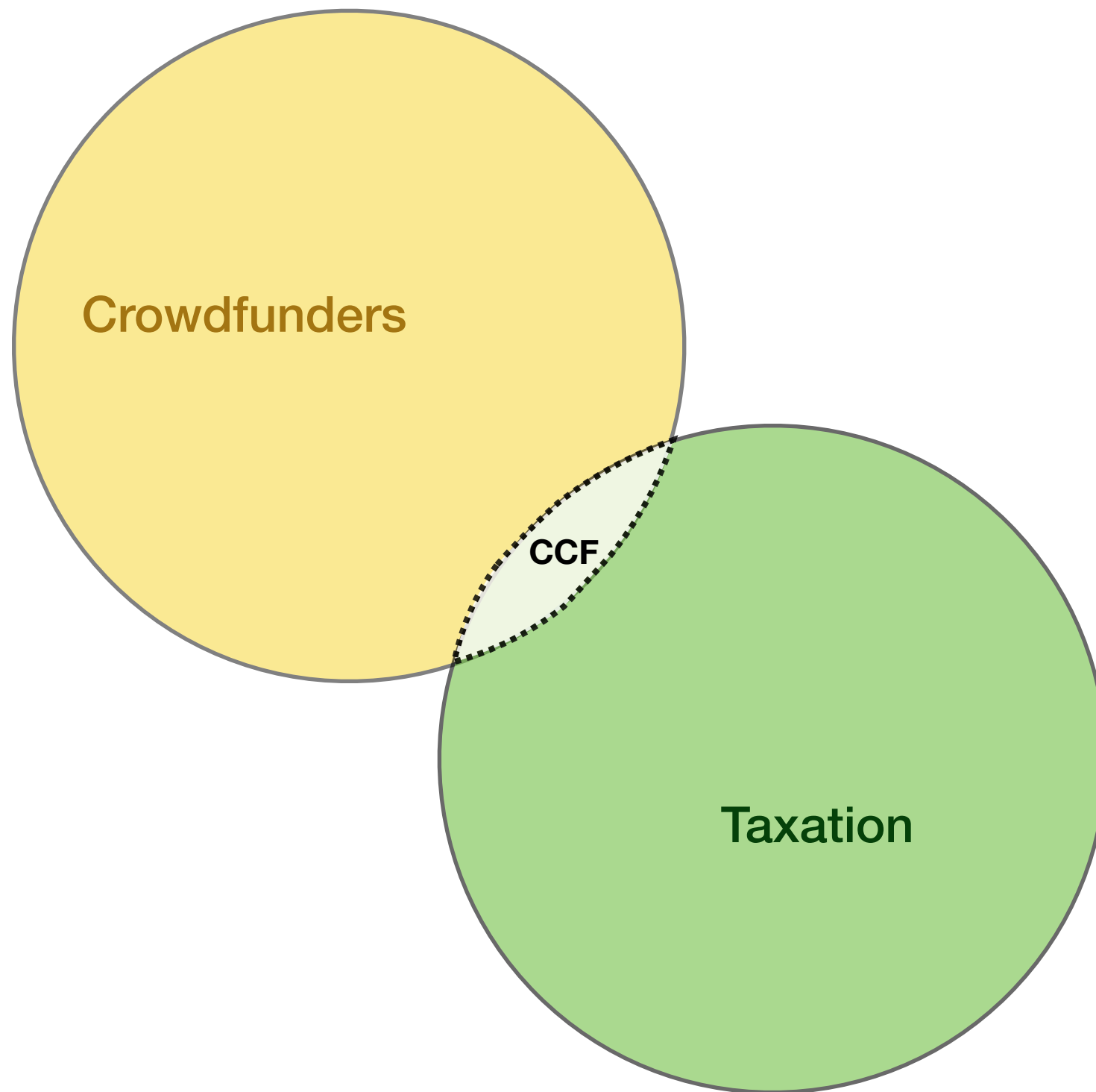


**Civic Crowdfunders may be  
customers, donors or a hybrid  
new form – depending on what  
they expect in return**

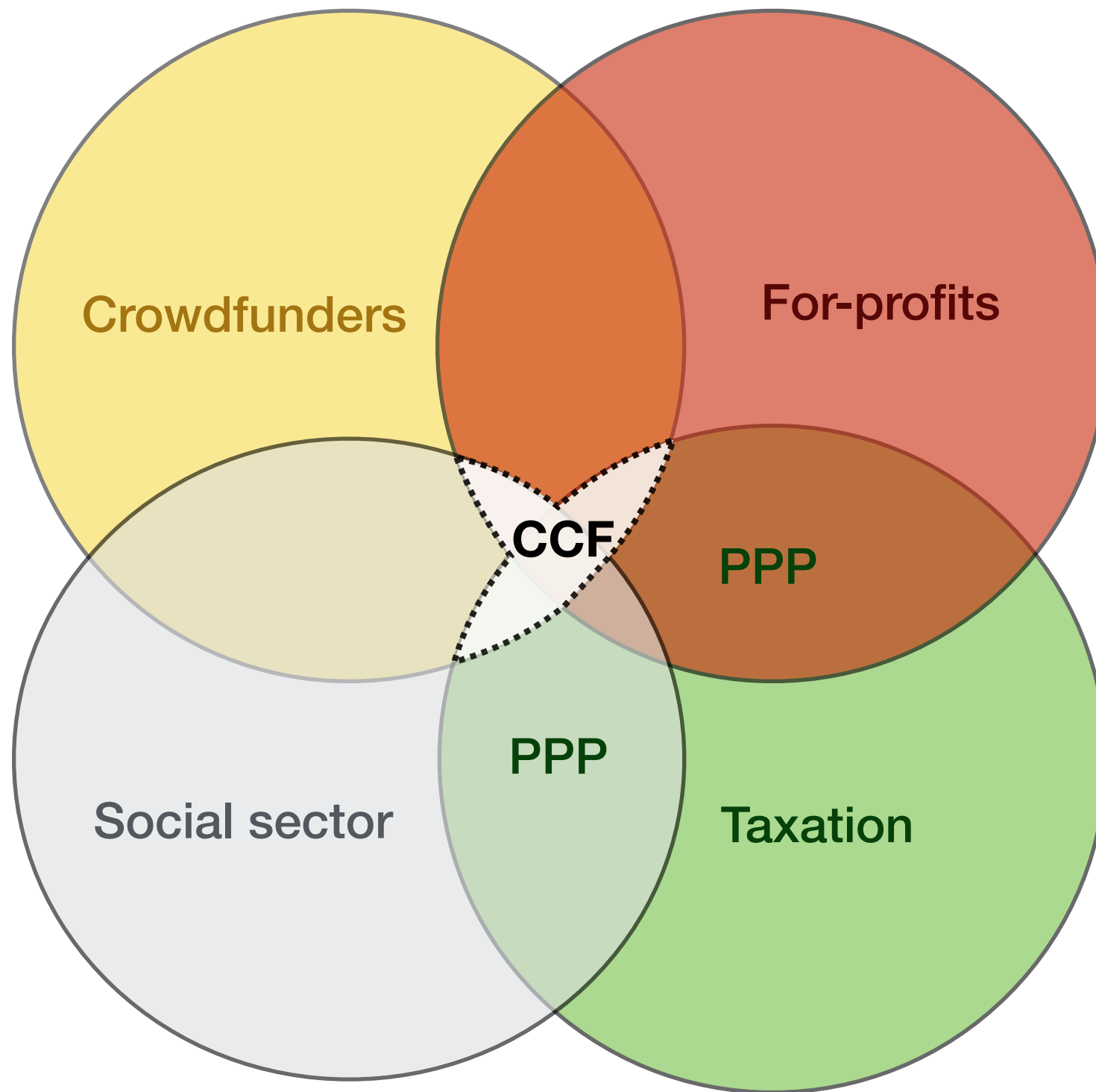


**Do we need organized  
groups at all?**





**But: it's close to inevitable  
that organized groups will  
become involved.**



**Civic crowdfunding is a socio-technical infrastructure**

# 4. Implications

**Open access to capital**

**Reduces risk to entrepreneurs**

**More, faster, cheaper (smaller)**

**Create a community around projects**

**Reach a new audience**

**Exert influence on existing decision-making  
processes**



**How can we ensure fairness?**

**Does it favor better-off communities?**

**How concentrated are the opportunities?**

**How can projects be sustainable?**

**Does it set a precedent for disinvestment?**

**Can we protect transparency and fulfillment?**

**What are the limits of ownership?**

# Three competing visions of cooperation

## The community

- Agency and self-determination
- New structures of cooperation
- An input to Participatory Budgeting

## The individuals

- Venture labor
- Philanthropy
- Gift Exchange?

## Resources (capital)

- Filling a gap / replacing a service
- Libertarian precedent
- Decline of institutions

# 5. Cases

**KICKSTARTER**



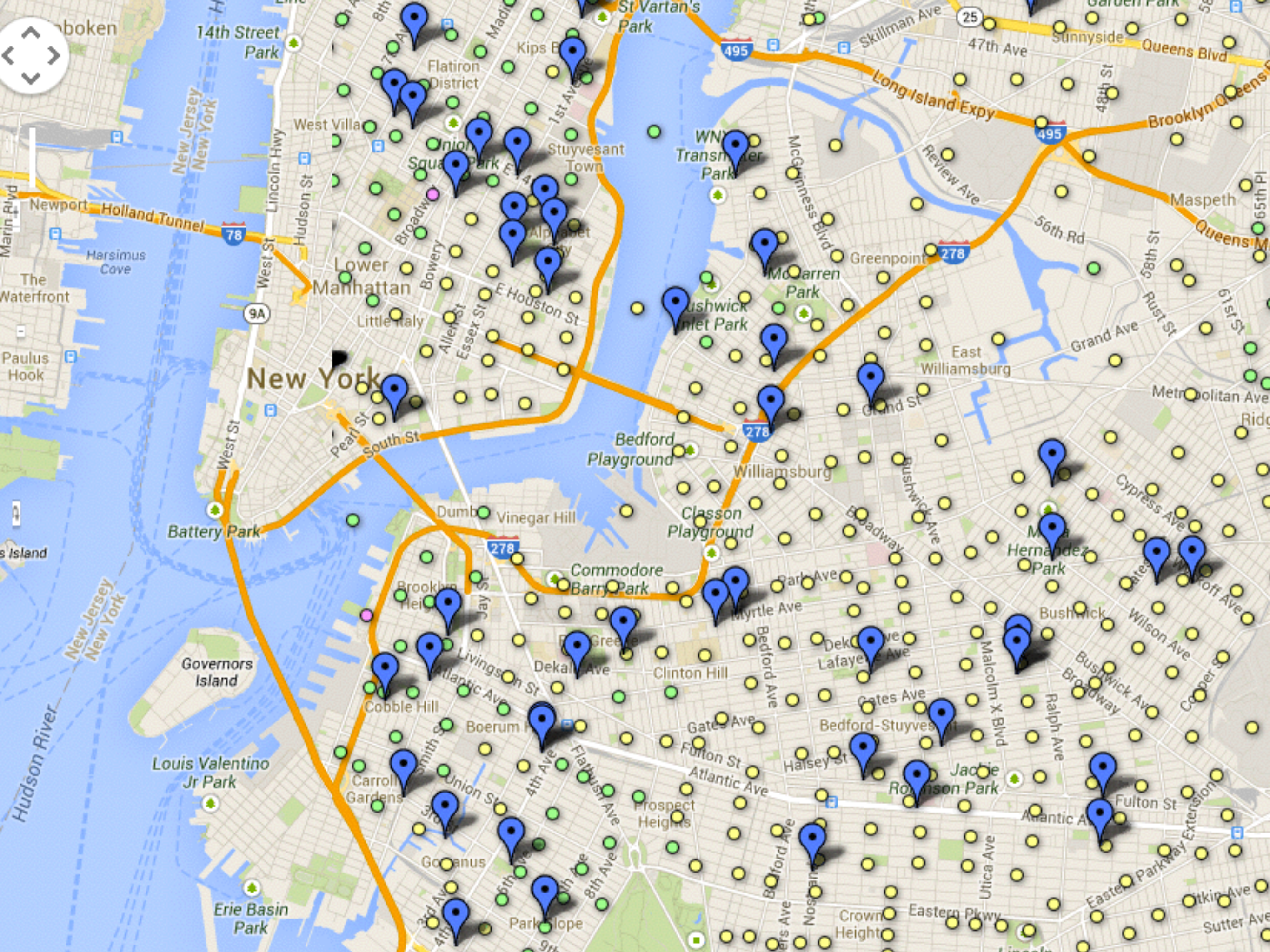
*Citizeninvestor*



**Spacehive**

Category	Total projects	Total raised	No of \$1M projects	% of \$1M+ projects	Amount raised by \$1M projects	% raised by \$1M projects
Overall	51,274	\$738,000,000	51	0.10%	\$113,937,163	<b>15.44%</b>
Games	7,385	\$166,090,000	27	0.37%	\$67,862,047	40.86%
Film & Video	30,722	\$146,040,000	3	0.01%	\$10,226,536	7.00%
Design	5,698	\$103,790,000	7	0.12%	\$17,842,203	17.19%
Music	25,614	\$84,950,000	1	0.00%	\$1,192,793	1.40%
Technology	3,136	\$78,170,000	10	0.32%	\$13,000,268	16.63%
Comics	3,294	\$20,420,000	1	0.03%	\$1,254,120	6.14%
Fashion	4,504	\$19,290,000	1	0.02%	\$1,053,830	5.46%
Photography	3,746	\$9,710,000	1	0.03%	\$1,505,366	15.50%









\$40k



\$492k



**RESERVE YOUR SPOT AT THE POOL**

on **KICKSTARTER**

\$314k



# Civic crowdfunding for civic organizations

## Promoter



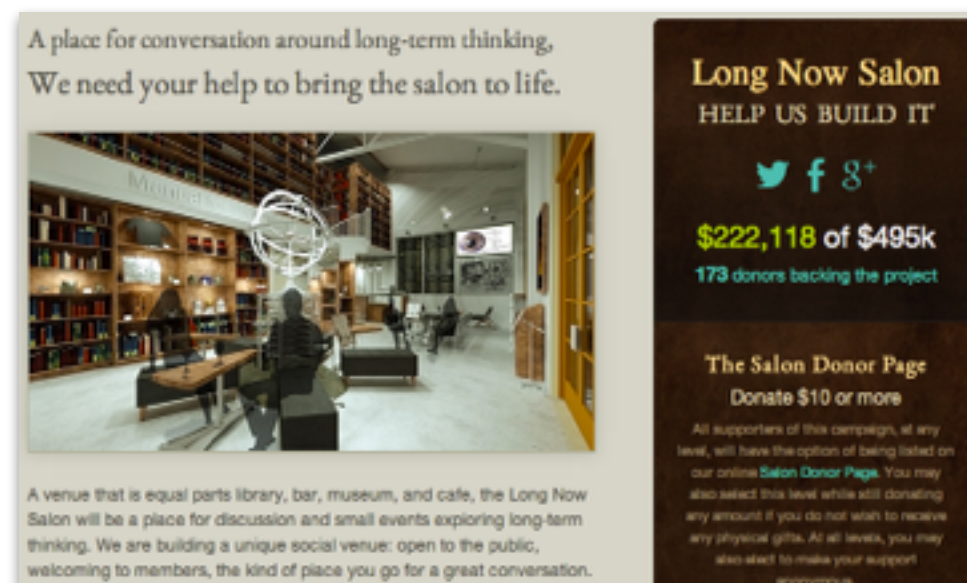
## Curator



## Facilitator



## Platform





# Questions

- How can we promote fairness and equity?
- Where do we draw the line between 'desirable' and 'undesirable' civic projects?
- Should public institutions and governments be involved in crowdfunding? How?



**What are the legal limits?**



**What are the normative limits?**





What kind of cooperation?

# Thanks.

[civiccrowdfunding.com](http://civiccrowdfunding.com)

[#civiccrowdfunding](#)

[rodrigod@mit.edu](mailto:rodrigod@mit.edu)