

Crowdfunding, a New Tool for Territorial Policies for Sustainable Development?

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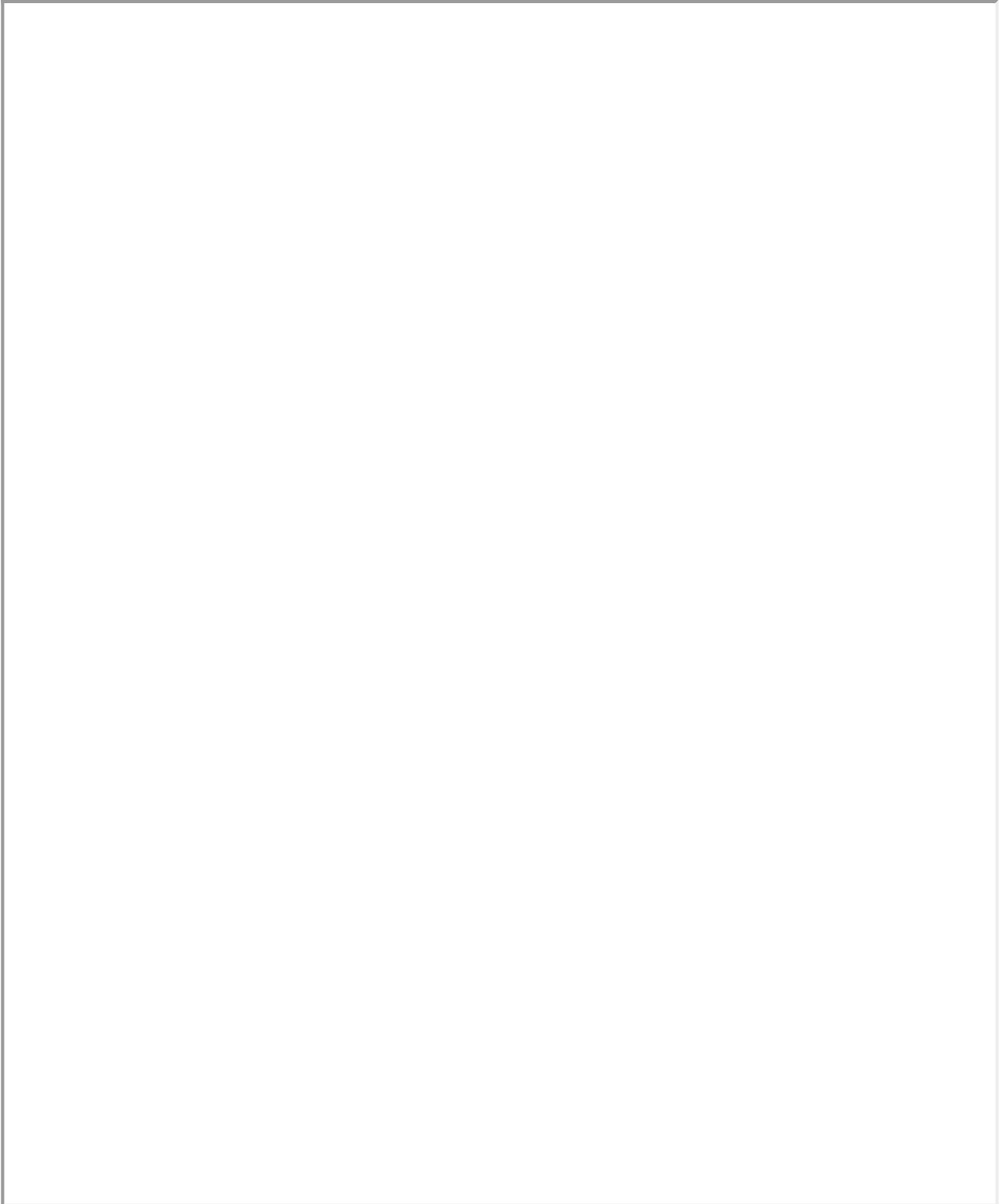
Why did we select this research?

This Issue Brief explores the uses of crowdfunding by local authorities and analyzes how it can be useful for territorial policies for sustainable development. Whether it is a tool for territorial animation or to finance projects carried by the community, crowdfunding is more than a financing tool: it is also a tool for territorial communication and citizen participation. By showing its relevance for sustainable development policies, this brief also provides ways to strengthen its potential.

Key findings

- Local authorities use crowdfunding to support projects led by other actors, but also to finance their own projects. The first use mainly concerns crowdfunding as a gift, while the second can also be crowdfunding on loan or investment.
- In both cases, crowdfunding is more than a financing tool: it is also a tool for territorial animation and communication (use 1) and mobilization of local actors and citizens around iconic projects supported by the community (use 2).
- Sustainable development is a relevant sector to use crowdfunding: the values it carries are an asset for a successful collection, which in turn helps to raise awareness and involve citizens. Thus, the first initiatives to use crowdfunding in loans for community projects concern the ecological transition.
- Crowdfunding, however, is not a magic wand: it produces eviction effects, and does not necessarily allow citizens to contribute to the construction of projects, especially if citizens are not associated with governance (which,

certain forms of crowdfunding). As part of a political process seeking to strengthen local democracy and inclusion, it could be hybridized with other digital citizen participation tools, such as crowdsourcing or the participatory budget.



Reference

Retrieved from:

https://www.iddri.org/sites/default/files/import/publications/ib0317_26juin.pdf
