# Uses of Crowdfunding by Local Authorities in France

Last Modified on 06/18/2018 9:49 am EDT

**Authors: Laura Brimont**
**Date published:** May 2017

## Why did we select this case?

This case study aims to explore the uses of crowdfunding by local authorities in France: what is this tool for and can it serve? For what types of projects is it used, and to what extent is it used for sustainable development projects? What are the motivations of the communities? What are their partnerships with platforms? What are the obstacles and difficulties they face? To what extent does crowdfunding re-examine the role of local authorities?

## About the case

### Two types of crowdfunding use by local authorities

In France, local authorities are starting to use crowdfunding, either as a territorial animation tool to support projects led by other actors, or to finance their own projects. The first use mainly concerns crowdfunding as a gift, while the second can be crowdfunding as a loan or investment.

### Benefits going beyond financing

For both uses, crowdfunding is much more than a financing tool. It is also a communication tool on territorial dynamism (usage 1) and emblematic projects carried by the community (use 2). It is also a tool for mobilizing actors and / or citizens.

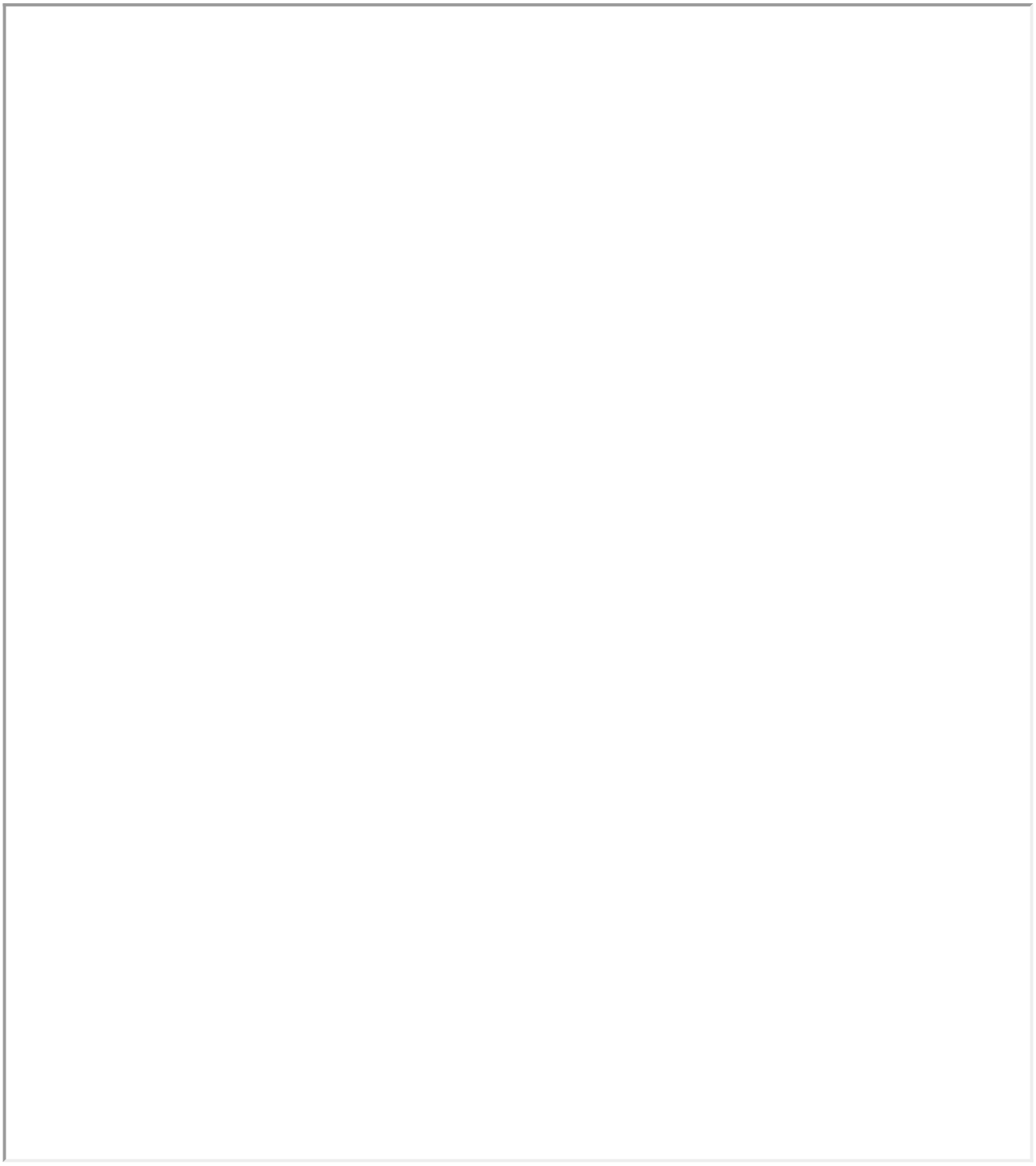
### A tool with a zone of relevance

If crowdfunding is a multifunctional tool, it can not be used for any type of project. For the first use, its relevance zone is close to that of any project proposed on a crowdfunding platform, even if the focus on the territorial anchoring and collective interest dimension is more important. For the second use, and especially for donation crowdfunding, the

area of relevance is guided by the question of social acceptability: crowdfunding should not be used for projects that are part of the traditional missions of the community and which must be financed primarily by the compulsory tax.

### Hybrid the crowdfunding to make it more inclusive

More than a financing tool, crowdfunding thus appears as a tool for participation and citizen engagement complementary to existing tools. Like any participatory tool, it produces eviction effects. In addition, it allows citizens to finance, but not to contribute to the construction of projects of collective interest. As part of a wider political effort to strengthen local democracy and inclusion, crowdfunding can be hybridized with other digital citizen participation tools, such as crowdsourcing or participatory budgeting.



Reference

Retrieved from:
https://www.iddri.org/sites/default/files/import/publications/st0917_crowdfunding_lb.pdf