Chapter 59

Unleashing the Intelligence of Cities by Social Innovation and Civic Crowdfunding:
An Exploratory Study

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ABSTRACT

Public resources to address communities' needs are increasingly scarce. The digitalization of economies has led to an increasingly distance between citizens and public entities. However, the use of ICT by citizens and public authorities must be able to unleash social innovation potential. These are interrelated concepts that could boost the involvement of people in the economic, social, cultural and political decision-making processes of a community. Based on two case studies described in this article, the authors aim to explore the potential of civic crowdfunding for increasing participation and the collaboration of citizens, firms and government. The analysis shows that civic crowdfunding platforms could be a useful tool for public administration enhance the engagement of communities in the solution of their problems. Civic crowdfunding platforms encourage the development of new ideas for common interest as well as the collection of the resources needed for implementing social innovations. Additionally, these civic platforms may be used to strengthen community ties and leverage the bonds among stakeholders and members of the community ecosystem.

1. INTRODUCTION

The concept of smart city is on the political agenda of European Union's institutions and has become a popular approach. This concept highlights the role of information and communication technologies for enhancing the competitive profile of a city. The European Parliament (2014) considers successful smart initiatives to be those that: (1) can attract broad support; (2) have clear objectives aligned to policy goals

and existing problems; (3) produce concrete outcomes and impacts; and (4) are imitated or scaled. Furthermore, successful projects are usually embedded in a comprehensive city vision. However, engagement is needed from a wide range of actors belonging to various domains, including the ventures promoted by civil society to increase the smartness of the city. Innovation is the base of the development of smart cities and a new approach to growth in a more sustainable way. Social innovation refers to new ideas (related to products, services and business models) that meet social needs and create new relationships or collaborations between citizens and institutions.

The digitalization of the economy is a significant driver of social innovation, particularly in the context of smart cities. This revolution had a democratic impact in the way citizens can use social media communication to question policy decisions and practices of local governments. The economic crisis and the need to find new financial resources, combined with the desire to have closer social ties within the urban community, have encouraged many local governments to follow the path of civic crowdfunding. Civic crowdfunding is a sub-type of crowdfunding through which citizens, in collaboration with government, voluntary participate in projects providing ideas, funds or another kind of community services.

The field of civic crowdfunding offers an enormous potential for development with a proliferation of new technologies and social media connecting residents in neighbourhoods, catalysing community discussions, changing the way governments and citizens interact, and making government more transparent. These efforts have different goals, strategies and scopes, but all of them encompass new tools to inspire people to take action.

Civic crowdfunding is in the early stages of development and is a promising area for both research and application due to its potential impact on citizen's engagement, as well as its influence on the success of a wide range of civic projects ranging from urban regeneration to the development of amenities and local services. However, the academic research remains scarce and the knowledge about successful civic projects posted to crowdfunding platforms are relatively ignored. Therefore, the objective of this study is to enlarge the empirical knowledge base about civic crowdfunding. The purpose of this research is to analyse the extent to which the civic crowdfunding platforms can contribute to social innovation and make cities smarter. To attain this goal, two successful civic crowdfunding platforms are studied. The insights to be achieved are important to broaden the knowledge on a very promising topic and to gain a more comprehensive knowledge about the use of civic crowdfunding by citizens and institutions.

The paper begins by presenting the concepts of smart city (section 2), social innovation (section 3) and social and civic crowdfunding (section 4). Section 5 describes the research design and methodology, and the next section examines and interprets the selected case studies. The paper ends with the conclusion.

2. SMART CITIES AND THE ROLE OF ICT

2.1. Smart City

The smart city is a relatively recent concept (Letaifa, 2015) in which new policies for urban planning were advocated (Harrison & Donelly, 2011). Since 2005, the concept has evolved to include the application of complex information and engineering-based systems in the planning, development and management of cities' operations and infrastructures (Harrison & Donelly, 2011).

Despite the increasing relevance of the subject, the concept of the smart city lacks a single definition (Harrison & Donelly, 2011). The European Parliament (2014, p. 9) defines a smart city as "a city seeking

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