



Local crowdfunding for a low-emission society: Investigating the concept of local climate crowdfunding for Norway.

WP 2.2 Socio-cultural factors: Opportunities and challenges for crowdfunding of climate measures in Norwegian agriculture

A desk study



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Executive summary

This report provides an overview of preliminary findings and results from WP 2.2 about socio-cultural conditions for crowdfunding in Norway. During the project period of three years, the project aims to study the level of interest amongst the Norwegian public and the interest of farmers in partaking in crowdfunding. This report is based on a desk study and attempts to map some of the socio-cultural opportunities and barriers that form the background of getting crowdfunding to work in Norway.

Crowdfunding has grown significantly in the Nordic countries in recent years, with Finland at the top, and Norway in last place. We can speak to four different forms of crowdfunding, depending on the type of schemes between project owner (founders) and funders: donation-based (1), reward-based (2), loan-based (3) and equity-based (4). Due to public regulations reward- and donation-based crowdfunding are dominant forms in Norway. There are different theories of why Norway lags behind the other Nordic countries: obstacles caused by Norwegian regulations, the culture in Norway is characterized by the desire for low-risk investments, Norwegians' desire to keep good ideas secret, an expectation that the state will pay, and little knowledge about crowdfunding.

Regarding socio-cultural factors "dugnad," "the law of Jante," and the so-called "village beast" are different social phenomena which can be important characteristics of Norwegian culture and values related to crowdfunding.

The Norwegian phenomenon "dugnad" has characteristics that make it a more complex concept than just "voluntary work": Traditionally, "dugnad" relates to local belonging, but it can also be an imagined, experienced frame, such as a common interest. There is no monetary compensation, but a strong sense of community feeling and it often involves a social element (such as a party or a meal). How are these characteristics transferable and related to crowdfunding? In the view of local belonging, crowdfunding might not always meet this criterion, except for those actually living in the area/region of the funded farms. However, when "dugnad" is rooted in common interests (such as commitment to climate change, or interest in agriculture), the concept is largely transferable to crowdfunding. In addition, during a crowdfunding campaign's collection period, sharing and spreading information about the project online can be a major part of the project's success. This becomes part of the "dugnad" in crowdfunding, which in turn contributes to the feeling of an "us" for those involved, which increases the chance of reaching the monetary aims of the collection campaign.

The essence of the Law of Jante is that the majority of the population defines what is acceptable, and these norms act as a social control where those who stand out are excluded or rejected by this majority. There are ongoing discussions about whether the Law of Jante still is a real feature of Norwegian culture, and the debate occurs on a regular basis both in the media and in research. In the case of COOLCROWD, this is particularly important when trying to find farmers willing to participate in a project where the aim is to attract attention in order to implement climate mitigation measures on their farms. Therefore, the social network around the farmers (family, neighbours, and other farmers) can be of special importance.

However, a more concrete factor may be where a farmer lives; much of the research on the Law of Jante shows this social code is more prominent in smaller communities. This rural phenomenon is known as “the village beast”. The community's acceptance of new perspectives and initiatives may vary from context to context. Not all entrepreneurs are equally dependent on the community's acceptance, but it is reasonable to assume that those engaged in commercial activity based on local resources—like farmers—are more dependent on local acceptance than others. Whether, or to what extent, the Law of Jante and the “village beast” exist remain to be seen; however, what remains true is that jealousy and people not wanting to stand out can be a challenge in getting Norwegian farmers and others to participate in crowdfunding campaigns.

The attitudes of Norwegian farmers towards climate change, and their feelings of responsibility to reduce global warming, may be more important than the aspect of social control. Previous research indicates that most farmers are not concerned with climate change, although higher payments and/or subsidies for implementing climate mitigation measures may be what it takes to change their mind. In this view, farmers' attitudes can be a challenge as well as an opportunity for crowdfunding of climate mitigation measures on Norwegian farms.

Norwegians' confidence in farmers, can be seen as part of the farmers' social capital and act as a resource. In this case, the farmers' social capital, both inside and outside crowdfunding communities, will be an important factor affecting whether people will contribute to crowdfunding campaigns. Traditionally, Norwegians have a high degree of trust in farmers, which we associate with a general support for Norwegian food production.

COOLCROWDs' crowdfunding projects combine two themes, agriculture and climate. These themes may not appeal to the same group of people, and those who are interested in climate affairs may not be the same group interested in Norwegian agriculture. The group of people with an interest in climate issues are not likely to support Norwegian meat production, so we might lose support from this group. This conflict emphasizes the need to identify the group(s) the project should target.