The Political Economy of Creative Entrepreneurship on Digital Platforms:  
Case Study of Etsy.com

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Abstract
This paper interrogates the political economy of work on Etsy, a digital platform for creative small businesses. Through theoretically and ethnographically informed analysis, it argues that some opportunities for meaningful, fulfilling work have opened up for those who would not previously have had access to such. However, there are also silent exclusions and hierarchies that undermine these opportunities. It identifies two key arenas for future political struggle in DIY spaces, visual environment and decisions about code, as well as a promising lever for change, “do-it-together” philosophy.

1. Introduction

In the contemporary moment, the internet and cultural production are increasingly bound up together. This is just as true for physical objects—including the servers and cables necessary for the Internet to run—and services as it is for less tangible intellectual products. In the world of work, the influence of digital technologies has led to a two-sided tale. On one hand, there has been a vast democratization of access to avenues for engaging in work that is personally meaningful, whether this work is necessarily for pay or not [1, 2]. Much of this meaning comes from working and communicating within communities of interest that collect around shared identities and needs. On the other hand, this very democratization has often placed work created for pay alongside work created without pay, placing downward pressure on wages in a capitalistic labor market and commercializing what was previously gift labor [3, 4]. New structures of constraint and control allow for people and actions to be tracked in ever more precise ways [5]. And the very rhetoric of abundance covers over absences: people not present, items not created, actions not counted, and messages not shown.

Both of these stories are happening simultaneously, and it is not my goal in this essay to predict which will have "greater" influence. Rather, my goal is to identify crucial areas for political struggle and levers which have promise to create change in the world of creative entrepreneurship and digital platforms. I first analyze digital platforms as sociotechnical and political economic systems. Then, I move from the theoretical to the empirical by presenting an analysis of work on one digital platform site, the artisanal marketplace Etsy.com. I use ethnographic methods to access and explain the work of users, people who sell their handmade items, craft supplies, and vintage goods via the site. I analyze these work experiences in conjunction with those of Etsy’s coders, as accessed through public presentations and blogs by the technical employees. This analysis shows that the visual environment of the platform and the governing process by which the platform’s code is changed are key arenas for struggle. I argue that in a cultural space heavily influenced by do-it-yourself (DIY) narratives, DIY has two very different meanings: do-everything-yourself (DEY) and do-it-together (DIT). Finally, I conclude by arguing that DIT philosophy is a promising cultural lever for change in the Etsy context and situate this conclusion in the wider world of digital platforms.

2. Digital Platforms

At their most basic level, platforms are intermediary organizations "that provide storage, navigation and delivery of the digital content of others" [6]. These others range from everyday people to amateur and semi-professional creators to major media companies. Many of these intermediary organizations, such as Google or eBay, are for-profit companies, but this is not essential to the form, as non-profit platforms such as Wikipedia and Archive
of Our Own suggest. Platforms are becoming increasingly important as work environments with the rise of the "sharing economy" wherein intermediary organizations create and maintain websites on which many individuals or small groups operate their own businesses. The platforms generally provide a communication interface between worker and customer, host information about the worker's business, and handle payment infrastructure. They oftentimes serve advertising or promoted content and maintain a larger brand for the platform marketplace itself. Platforms charge workers for these services based on sales percentages or regular fees. The worker creates and maintains a profile with information about their business, provides and maintains whatever physical goods are needed (such as a car, for car-sharing platform Lyft, or items for sale, for a marketplace like eBay), handles the human side of transactions, and often advertises for their individual business as well.

The conceptual trope of the platform suggests an even playing field, and indeed the sites often "position themselves as just hosting—empowering all by choosing none" [7]. As technology theorists argue, however, this is a rhetoric rather than a reality. Platforms are "subtly evolving layers of context and practices that fold together people and things and actively shape social relations" [8]. Their coded algorithms define the platform's affordances and, particularly to the extent that they are used to sort and classify content, "have shortcomings and biases that ought to be corrected" by human oversight [9]. Gillespie tracks the way the very concept of a "platform" allows intermediary websites to represent themselves such that their legal liability for anything site users--sellers or buyers, uploaders or viewers--do is limited but they also appear to be benevolent social forces that enable free expression and empower ordinary people [10]. This means that less desirable content, by the terms of whatever metrics are in use, is infrequently removed outright but "will be rendered harder to find" by search engine algorithms and not included in favored or promoted areas of the site [11].

In economic terms, intermediary sites are two-sided platforms, markets that seek to "enable interactions between end-users, and try to get the two (or multiple) sides 'on board' by appropriately charging each side" [12]. For-profit platforms are Web 2.0 businesses and as such each "gives up something expensive but considered critical," the platform site itself, "to get something valuable for free that was once expensive," users' labor, attention, and data [13]. Postigo argues that a platform "is not unlike a bettor at a roulette table who is in the happy position of betting on all the numbers, where the payout in aggregate outweighs what appears to be an otherwise wild investment" in uncontrolled, user-created content [14]. Participatory platforms and broadcast gatekeepers thus share an economic interest in stars, those numbers that pay out. Perhaps ironically, this economic definition highlights the truth of the critical technology studies perspective: two-sided Web 2.0 platforms are by definition non-neutral spaces. They seek to achieve a balance that functions by taking less from some than from others and on betting that the value of what they give away will be less than the value of what they get.

2.1. Platform ideology

Critiquing the rhetoric of platform neutrality is an essential starting point. But it cannot be our ending point. Pointing out the non-neutrality of digital architecture is to point out its enduring similarity to physical architecture—both organize space according to the values and goals of those who build, use, and regulate it. Seen in this light, the rhetoric of platforms as providing unbiased, neutral empowerment requires not just debunking but analysis. Why is this an ideal that resonates now?

Platform companies often use the rhetoric of empowerment to differentiate themselves from the gatekeepers of broadcast media, who make authoritarian decisions about what content would appear before the public and usually select only a very small range of material. Platforms self-define their intermediary role as akin to that of the genial party host, who makes sure everyone is comfortable and happy in an environment conducive to creation. The party host role is central in the cybernetic philosophies that Turner traces from American WWII research labs to the 1960s "NewCommunist" counterculture and finally to the early 1990s cyberculture [15]. Luminaries like Stewart Brand moved from project to project throughout this period acting in the role of "Comprehensive Designer" as theorized by Buckminster Fuller, continually seeking to create holistic and non-hierarchical media environments where participants (including the host) would be moved to consciousness transformation. By creating digital environments that play party host to contemporary work and life, platforms are only the latest iteration of the continually recurring "dream in American culture...in which a group of spiritual adepts remake the world they have inherited in the image of their own ideals" [16].

On the face of it, this is a laudable goal, and it is easy to see why it is attractive to many. The problem lies in an over-emphasis on the desired ideals and an
under-emphasis on the complexity of the inherited world. The inherited world is not egalitarian—it is stratified in nuanced ways along cultural, economic, and social fault lines. In such a world, Fraser and Dunbar-Hester both argue that not only does the perfectly flat, perfectly neutral, equally empowering to all platform not exist, but it is actually a flawed ideal [17, 18]. This is particularly true in a technological space where basic code literacy and other technical expertise is distributed highly unevenly across potential platform participants. Even technology and community activists dedicated to overthrowing traditional notions of mastery had serious difficulty and multiple failures attempting to put those ideals into practice in their work with various communities [19]. It is essential, however, not to critique ourselves into political paralysis. Rather, this theory points to the necessity of close attention to empirical circumstances around and within platforms as they strive to create spaces structured by their ideals.

3. Case Study: Etsy.com

My platform case study is the e-commerce website Etsy, on which crafters can sell handmade items, craft supplies, and vintage goods. I conducted ethnographic fieldwork with people who sell items on Etsy, as well as those who belong to crafting culture more largely, and spoke with roughly forty individuals across the United States throughout 2013-2014. I am myself a long-time amateur crafter who set up an Etsy shop selling knitted hats as a form of participant observation during this period. I used a combination of methods to reach out to potential participants, including posting and participating on website forums and directly messaging potential participants. I then used snowball sampling to expand my pool of participants and get a sense of cultural clusters within the larger framework of the platform and, as it turned out, crafting culture more generally. I also made contact with Etsy and visited their main office in DUMBO, New York during the course of my fieldwork. I conducted two employee interviews and followed Etsy’s coding department through their very active online presence.

Etsy’s case is a telling one for a number of reasons. The company’s name has become a shorthand for platforms on which individuals sell items they have created, with news media and fledgling entrepreneurs explaining new sites by dubbing them “an Etsy for X” [20, 21]. It is also one of the most visible benefit corporations (B-Corps), companies which are certified and evaluated by the nonprofit B Lab on "rigorous standards of social and environmental performance, accountability, and transparency" [22]. The B Lab also lobbies for official legal status for B-Corps, which are now recognized in over twenty-five US states, as an alternative to the traditional C-Corporation. Etsy was the first B-Corp to hold a high-profile IPO and as such is continually analyzed by the financial press as a test case for whether companies explicitly devoted to ideals as well as profit will flounder or prove harbingers of change. Etsy is thus a case where the features of the platform economy and the dream of making the platform space—and through it, the world—a better place are particularly prominent. Etsy also intervenes in the culturally specific space of crafting. Crafters tend to be female, not male, and practices of crafting and making have long roots and vibrant presents in a wide variety of ethnic and class traditions. Crafting is also regularly utilized as a therapeutic aid for people living with mental and physical disorders. If opportunities are truly opening up for people who are not the usual suspects of white, able, and middle to upper class men, they should be opening up on Etsy.

3.1. Empowerment as entrepreneurship

If the Etsy platform is a party host, what kind of party are they throwing? Their economic model relies heavily on co-endeavor. All site users are required to have a credit card on file, but there are no month-to-month fees. Rather, sellers are charged twenty cents per item to list a product for four months and a 3.5% commission on the item’s list price when it sells. The consumer pays tax and shipping fees. Etsy also offers sellers the option to buy advertising with the site or pay extra to promote their listings. This is a very low financial burden, particularly in comparison to physical space markets. Young London fashion designers who wished to sell in well-known market Hyper Hyper not only had to apply for space but were charged 900 British pounds per month to rent a stall [23]. On balance, Etsy relies heavily on sellers' labor: their images, products, and narratives are intrinsic to the company's brand and the value of the marketplace itself. Employees choose from user-created collections (called “Treasuries”) to curate the front page and also regularly pick individual shops to feature in a variety of blogs and podcasts.

As the company news blog explains in announcing Etsy’s new B-Corp status, their philosophy is that "business has a higher social purpose beyond simply profit" [24]. This higher social purpose is generally defined as expanding
opportunities to engage in entrepreneurship. For instance, Etsy partnered with the city of Rockford, Illinois, formerly known as a hub for manufacturing furniture and more recently as a cautionary tale of post-industrial depression, to teach free business skills classes to public housing residents and high school students who know how to craft. Etsy's blog post about the project that "this is not just about creating new Etsy shops, it's about creating entrepreneurs" highlights the way the company's idea of social purpose is structured by neoliberalism: it implies a contrast between creating Etsy shops, which might be a selfish corporate goal since the company earns commission on sales in Etsy shops, and creating entrepreneurs, which they see as a social good [25].

Certainly, the sum of human potential is not encompassed by the idea of entrepreneurship. But my fieldwork and statistics collected by Etsy suggest that it has been a route for many people out of dead-end jobs and unemployment. This has been particularly true for women. Etsy sellers are roughly 90% female, and about half have never sold anything themselves before opening an Etsy shop [26]. Former amateur and hobby crafters I spoke with had extreme emotional reactions to their first sales and even the act of opening their shops. Tami, an amateur crafter who told me she was “the most successful person on Etsy that I know personally” with a full-time ceramic mug business, would still say things like "I am struck by this about once a week, how weird this thing is that I do." When she started her business, she was initially embarrassed to say, out loud, “I sell mugs for a living.” Lynn, a rural Tennessee woman, had her entire shop saved in draft form but “just couldn’t hit that button” to make it public. She told me she would not have been able to do it if her fiancée had not sat with her and held her hand while she opened the shop. In fact, many never themselves believed that their skills would result in saleable product but were encouraged to start shops by friends or family [27]. In a capitalistic culture, the digital platform of Etsy provided these (overwhelmingly female) crafters with a sense of personal worth by connecting their skills with sales.

Also clear from my fieldwork, however, is a troubling difference between white crafters and crafters of color. While white crafters spanned all manner of backgrounds, from MFA's to self-taught amateurs, the crafters of color I met all had externally validated artistic backgrounds. One group of Latino and Latina crafters were third-generation piñata makers who had split with the oppressive family business to strike out on their own, and the African-American and Asian-American women I spoke with all had experience in the fashion or illustration industries. I encountered almost no amateur or former hobbyist crafters of color. This speaks to the importance of the platform as a work site. The visual environment of the Etsy platform is overwhelmingly populated by Caucasians, both as models in photographs and as the crafters featured in company blogs or other promotional spots. Throughout the year 2013-2014, all but one of the crafters photographed and interviewed for the inspirational (and aspirational) "Quit Your Day Job" blog by Etsy employees, which features crafters who make a full-time living from the site, appeared white in the photographs. Some of the crafters of color I spoke with elected not to include pictures of their face or body in their profile and worked with white friends or business partners as models for product photographs. One African-American crafter told me that her sister had actually been featured by Etsy, but that the photographs were lit in such a way so that her ethnicity was ambiguous. Given the extreme emotional anxiety experienced by white amateur crafters starting their shops, even though they continually see models of success who look like them as they browse the website, how much more difficult is it for amateur crafters of color? Their absence speaks volumes.

3.2. Creativity culture

Alongside entrepreneurship, an ideal of creativity structures Etsy culture. At the level of work, creative flow is a state wherein there are clear step-by-step goals, feedback is immediate, challenges match skills, action and awareness merge, distractions such as self-consciousness or worries of failure fade away, and the sense of time becomes distorted [28]. Experiences of creative flow are often characterized as play, such that a wide variety of creative individuals interviewed by Csikszentmihalyi “said that it was equally true that they had worked every minute of their careers, and that they had never worked a day in all their lives” [29].

Creative work, where creativity is understood as a property of the work process, is the goal for both crafters and Etsy’s coders. Then-CTO, now Etsy CEO Chad Dickerson gave a talk at a technology conference entitled “Optimizing for Developer Happiness.” The talk references the film Modern Times, Chaplin’s searing critique of factory work, and emphasizes his disgust with workplaces that resemble the long-running newspaper comic Dilbert. Dickerson and other coding employees speak glowingly of Etsy’s dedication to making sure their programmers can derive meaning and satisfaction
from their work rather than just being cogs in a larger corporate machine. The company annually “awards” the coder who most disastrously broke the site that year by hanging a three-armed sweater (commissioned from an Etsy crafter) over their desk. The aim is not humiliation, as one long-time employee and executive told me when I visited the offices, but rather to have a sense of humor about failures, since they will inevitably occur. They want coders to talk about and learn from these errors after the fact rather than fear to make them in the first place. Such a workplace environment is ideal for creative flow.

Many crafters I spoke with expressed similar attitudes. One quilter told me neither she nor her friends felt their days were complete if they had not “done something” creative, even if they did not finish a project. Crafters also often contrast their present work with frustration and despair at being stuck in non-creative low-skill jobs, particularly pink-collar jobs. One rural Tennessee crafter told me that she knew she had to leave her job as a receptionist because, as a thirty-year old woman, she had to ask if she could go to the bathroom. After all, someone might call the reception desk in her absence. Crafters and coders both speak of the importance of tinkering and trying different things, testing out new ways of accomplishing familiar tasks, and continually acquiring new techniques to add to their repertoire. Etsy’s coding team even re-conceptualizes their work in terms of crafting culture by blogging and posting their recorded talks under the name “Code as Craft.”

Here, however, the digital does make a difference. Crafters sometimes use the products of other crafters’ labor as their raw materials, such as knitters or weavers using yarn created by spinners. But coders use the on-going practices and processes of the sellers’ labor, congealed as a data stream, as theirs. In metaphorical terms, if we imagine the site’s code as the physical tool of the paintbrush, this means that Etsy sellers’ paintbrushes change size, shape, and bristle type—while they are painting. From the point-of-view of coder cultures, this is a common situation. Anthropologist Chris Kelty describes how the “geeks” he met in and moving through India continually revisited and debated the code which forms their means of association [30]. For them, creating a prototype or “running code” that others could try out and play around with was just as much—if not a stronger—political action than more traditional ways of participating in the public sphere, such as writing proposals or participating in verbal debates.

For those not literate in code, however, such structural changes seem random and unfathomable. This removes their sense of autonomy over their work as well as the sense that their skills match the presented challenges. As one St. Louis jewelry maker and one northern California clothing maker told me, they would log in one morning to find their shop suddenly looked different—or that their views had dropped from a steady level down to almost nothing. Later, after complaining or talking with other mystified shop owners on the site’s forums, they would find out that Etsy coders had been running an experiment, testing out a new way of displaying shop information or of searching for items on the site. The jewelry maker actually does have a background in IT and expressed extreme frustration to me about Etsy coders' work processes, arguing that the company treats sellers like employees rather than the paying customers he argues sellers are.

3.3. Absence and struggle

Like the 1960s counterculturalists before them who championed the Whole Earth Catalog’s products as tools for social and personal transformation, platform creators provide users with the tools they deem appropriate for achieving creative entrepreneurship, their defined social ideal [31]. In Etsy’s case, this means, at a base level, digital shops with baked-in payment and display infrastructures. The site also hosts forums in which crafters can talk with each other, a wealth of material about “best practices” for operating a shop on the site, and an API whereby external app designers can create even more tools that build on the platform’s code and the crafters’ data.

Crafters use these tools in running their businesses but also use their affordances to critique Etsy. Like most platforms that rely on user-generated content, Etsy also relies on its users to report violations of the site’s ethics code, for example when shops offer “handmade” items for sale that are actually mass-produced. Once a report is made, however, crafters complained to me that there was no visible action on Etsy’s part—the shop remained open and the offending items remained available for sale. Seller Tonja used the Treasury curation tool mentioned above not to highlight her favorite items or create a candidate for Etsy’s front page, the intended uses, but to argue visually that many shops carried the same mass-produced “bubble necklace” and ought to be banned. She even used tags strategically so others searching for critique could find it, tagging the Treasury with words like “cheap” and “fake,” but also with descriptive words like “turquoise” so novice or casual browsers could stumble upon the collection and become aware of the
problem. Like “theorycrafting” Word of Warcraft players, non-code literate crafters perform experiments to test out Etsy’s search functions and its connection with Google Shopping, particularly when their pattern of sales or views suddenly and abruptly changes [32]. Crafter Heather discovered through such an experiment that when casual searchers found one of her product photos via Google and clicked on it, they were taken not to her listing page but to a general Etsy search results page for similar items—her creation did not appear again until the third page of the search [33]. She cried foul, arguing that Etsy was using her product photography to advertise other people’s work.

The platform’s visual environment and the code that governs it are clearly key arenas of political struggle. They send messages about what groups of people are valued and what groups are not. These messages are no less powerful for usually being implicit. Etsy participates in the hegemonic assumption of whiteness in DIY culture and the larger American media sphere. Coders employed by the company have work processes optimized for happiness, while the crafters pay to work in shops which are subject to disruption and instability. Creative entrepreneurship is continually promoted as a universal good that is also universally available. But while Etsy has provided avenues to better work for many, particularly its coders, white amateur crafters, and professional artists and designers who had to leave jobs in the industry, it has also created de facto hierarchies between classes of workers on the same platform.

4. DIY, DEY, and DIT

The de facto hierarchies between groups on the platform might seem to suggest that the contemporary platform economy, or at least its incarnation in the sharing and creative economies, is an acorn fallen far from the tree of the early internet. But in fact this scenario is anticipated by the history of 1990s cyberculture platforms. The WELL network, a prototype for later online communities, developed two different classes of user account. Journalists, technologists, hackers, and others associated with Stewart Brand's Whole Earth Network were offered free accounts on the system—a move that in the long term greatly increased the WELL's impact on public perceptions of network computing,” while Grateful Dead fans who joined along with “disc jockey and Grateful Dead maven David Gans...[were] paying subscribers whose constant conversations about the band were a primary source of income for the WELL for several years” [34]. Just like the creators of the WELL, many contemporary platform founders have legitimate and deeply felt non-hierarchical philosophies. But these philosophies are often limited to those already conceived as in-group.

Suggestions that these problems be solved by helping those in the out-group become like the in-group, such as teaching crafters to code, miss the point. Certainly, increased levels of code literacy are desirable in the abstract, just as are increased levels of most skills. But in an environment that celebrates entrepreneurship and DIY work processes, platforms are attractive and valuable in large part because they relieve one central burden of such work: the expectation that you are also DEY, do-everything-yourself [35]. Recasting DIY as DEY places all of the burden and risk of entrepreneurial ventures on those least able to bear it.

Crafters, following in the example of organized fandom, have largely countered via do-it-together (DIT) work philosophy. One non-code literate crafter told me she agreed that Etsy's coding experiments were frustrating but had been able to deal with them via joining social groups on the site dedicated to technological topics and talking in the site forums with people who did understand the changes that were being made. In a socio-cultural environment where white people are often hyper-segregated from people of other ethnicities, it is well worth noting that I met all but one of the crafters of color in my fieldwork through snowball sampling—without explicitly asking if white crafters had non-white crafting friends [36]. Both of these examples point to DIT’s ability to bridge gaps and provide support where it is needed, even across lines of difference.

Over time and more controversial decisions by the Etsy, crafters increasingly draw cultural lines between themselves and the platform. They distinguish between DIT work with people or institutions they know and trust and DIY work that happens to use the resources and tools of larger organizations and institutions they do not trust. As one steampunk jewelry maker explained to me, she believed Etsy to be part of her crafting community when she started her shop but now considers it just one venue among many. Her community consists instead of supportive family and friends as well as other crafters met through the years on the platform. This is a promising place from which to deepen political consciousness and feelings of efficacy.

5. Conclusion
DIT rejects the cynical solution often offered by critics of technology: just stop using the platforms. Work processes have become so entwined with digital technologies for people like Etsy crafters that their work environments are code/spaces, where "software and the spatiality of everyday life become mutually constituted, that is, produced through one another" [37]. Withdrawing from the digital space has real costs, both culturally and financially, and often returns aspiring creative workers and small business owners to a DEY square one. It is worth remembering that many creative workers caught in the early 2000’s internet bubble nevertheless found new media work more stable and less precarious than work in traditional media industries [38]. That precarity has only continued to intensify. I argue that a more promising lever for political change in these spaces of work are the bonds forged from the emerging culture of DIT.

The Etsy platform is structured around an ideal of creative entrepreneurship. This is not the governing rhetoric of all platforms, which limits these conclusions. The visual environment of a crowdwork platform such as Mechanical Turk, for instance, is unlikely to be as vital an arena of contestation as it is on Etsy. The DIY ideal is, however, widely shared across the contemporary economy. It structures rhetoric from the YouTube Partners program to Kickstarter to Air BnB. As more prospective businesses are pitched and publicized as “an Etsy for X,” this rhetoric will only spread. It is vital that DIT expands along with it. The irony of the Etsy platform is that its problems stem not from culture clash but from cultural similarity and clashing socio-cultural circumstances. But right now, the similarity is masked by hierarchies of power and the differences by a DIY rhetoric that collapses DEY and DIT together. To fulfill the promise of such platforms and create a better working world, both platforms like Etsy and privileged groups of users must do their part to do-it-together.

12. References


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